

GRANT SCHOOL DISTRICT NO. 3

**INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS
AND
SINGLE AUDIT**

For the Year Ended June 30, 2022



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
BOARD OF DIRECTORS AND OFFICIALS
June 30, 2022

BOARD OF DIRECTORS

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>
Haley Walker	25196 Hwy 395 S Canyon City, OR 97820	Board Chair Zone 2
Aaron Lieuallen	26902 Rock Pit Rd John Day, OR 97845	Vice Chair Zone 3
Kelly Stokes	PO Box 182 Mt Vernon, OR 97865	Director Zone 1
Chris Labhart	318 SE Hillcrest Dr. John Day, OR 97845	Director Zone 4
Colleen Robertson	PO Box 242 John Day, OR 97845	Director At Large
Alicia Griffin	PO Box 465 Mt Vernon, OR 97865	Director At Large
Jake Taylor	PO Box 186 Seneca, OR 97873	Director At Large

ADMINISTRATIVE STAFF

Louis Dix	Superintendent
Karen Shelton	Grant Union Jr./Sr. High School Principal
Janine Attlesperger	Humbolt Elementary School Principal
Dana McLean	Seneca Elementary School Principal

401 N Canyon City Blvd
Canyon City, OR 97820
Phone: (541) 575-1280
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Canyon City, Grant County, Oregon
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grant School District No. 3
Canyon City, Grant County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grant School District No. 3, Canyon City, Oregon (the district), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the district as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the 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 and the aggregate remaining fund information of the district as of June 30, 2022, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the district and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Governmental Activities

Management did not obtain an actuarial valuation for the implicit rate subsidy for retiree medical insurance coverage. This actuarial valuation was required as a part of the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result, no net OPEB liability/asset has been recorded for this implicit subsidy. The amount by which this departure would affect the assets, liabilities, net position, and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

The district's 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 the district's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 district's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the district'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.

Report on Summarized Comparative Information

We have previously audited the district’s 2021 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and we expressed a qualified opinion on the governmental activities and an unmodified audit opinion on the major funds and remaining aggregate fund information in those audited financial statements in our report dated January 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted 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.

The schedules of PERS proportionate share of net pension liability and PERS contributions, schedules of proportionate share of RHIA Net OPEB liability and RHIA Contributions, and the budget to actual schedule for the General Fund, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the district’s basic financial statements. The accompanying budgetary comparison schedules, supplementary schedules as listed in the table of contents, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information, supplementary schedules, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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. Such information has been subjected to the auditing procedures applied in the audit of 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, supplementary schedules, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2022, on our consideration of the district's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the district's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2022, on our consideration of the district'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 compliance.



For Solutions, CPAs PC
John Day, Oregon
December 30, 2022

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

This section of the annual report for Grant School District No. 3 presents a discussion and analysis of the district's financial performance during the fiscal year that ended on June 30, 2022. The readers are encouraged to consider the information presented here in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the district exceeded its liabilities as of June 30, 2022 by \$10,084,843. Of this amount, \$6,164,105 represents the district's investment in capital assets, \$686,182 restricted for special programs, \$81,041 is invested in inventory, \$1,977,643 is restricted for debt service and the balance of \$1,175,872 is unrestricted.
- The district's total assets as of June 30, 2022 were \$18,183,669. This was an increase in total assets of \$1,977,037 from the 2021 total of \$16,206,632.
- The district's total liabilities as of June 30, 2022 were \$6,514,341. This was a decrease in total liabilities of \$3,096,436 from the 2021 total of \$9,610,777.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner like private-sector business. These statements include:

The Statement of Net Position: The Statement of Net Position presents information on all the assets and liabilities of the district at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The Statement of Activities: The Statement of Activities presents information showing how the net position of the district changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Governmental Activities

In the government-wide financial statements, the district's activities are shown in one category, Governmental Activities. Most of the district's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund,

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

and other intergovernmental revenues. The government-wide financial statement can be found on pages 13 through 16 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the district can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statement of Net Position and Statement of Activities.

The district maintains 14 individual government funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, Student Investment Act Fund, PERS Debt Service Fund, and Facilities Project Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as supplemental information. The basic governmental fund financial statements can be found on pages 17 through 23 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 24 through 49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes the General Fund budget to the actual statement along with budgetary reporting information and required schedules related to Oregon Public Retirement System. Required supplementary information can be found on pages 51 through 55 of this report. The

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

combining statements referred to earlier in connection with non-major governmental funds are presented as supplemental information on pages 57 through 76 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Grant School District No. 3, assets exceeded liabilities by \$10,084,843 at June 30, 2022.

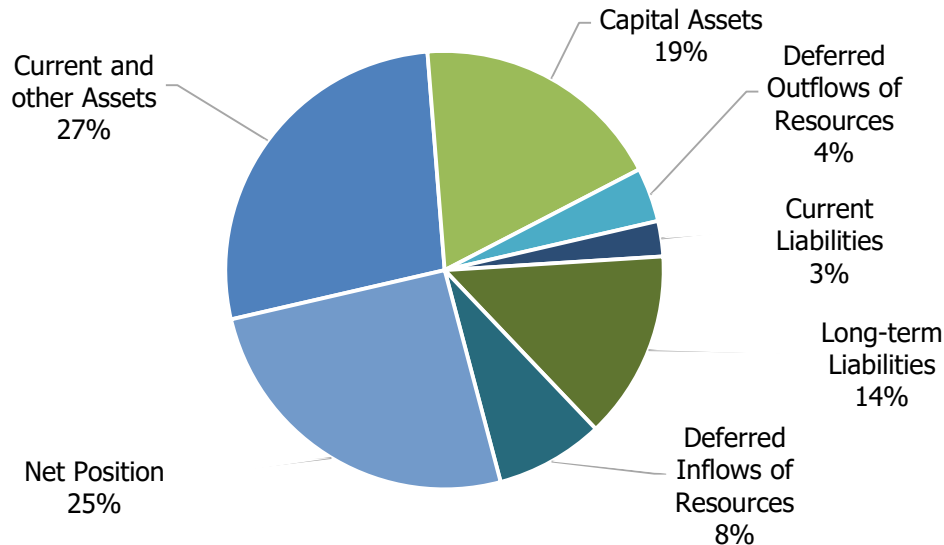
Capital assets, which consist of the district's land, buildings, building improvements and equipment, represent about 41 percent of total assets. The district uses these capital assets to provide services to students and other district residents; consequently, these assets are not available for future spending. The remaining assets consist mainly of cash and investments, grants receivable and property taxes receivable. The district's liabilities consist of accounts payable, accrued liabilities, current portion of long-term debt, long term debt including net pension liability.

CONDENSED STATEMENT OF NET POSITION

	<u>Governmental Activities</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current and other assets	\$10,816,986	\$ 8,612,305
Capital assets	7,366,683	7,594,327
Total assets	<u>18,183,669</u>	<u>16,206,632</u>
Deferred outflows of resources	1,574,243	1,925,228
Total assets and deferred outflows	<u>19,757,912</u>	<u>18,131,860</u>
Current liabilities	1,046,647	898,631
Long-term liabilities	5,467,694	8,712,146
Total liabilities	<u>6,514,341</u>	<u>9,610,777</u>
Deferred inflows of resources	3,158,728	958,848
Total liabilities and deferred inflows	<u>3,158,728</u>	<u>10,569,625</u>
Net position:		
Invested in capital assets	6,164,105	6,315,225
Restricted	2,744,866	2,484,631
Unrestricted	1,175,872	(1,237,621)
Total net position	<u>\$10,084,843</u>	<u>\$ 7,562,235</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

Governmental Activities

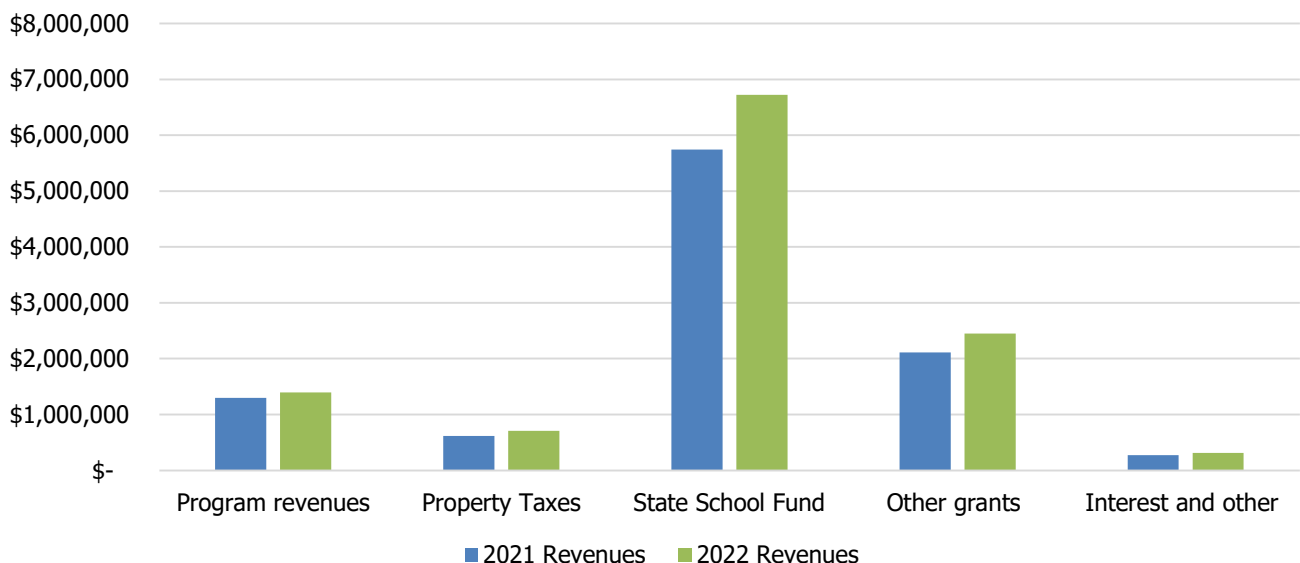


Government Activities

During the current fiscal year, the district's net position increased by \$2,522,608. The key elements of the increase in the district's net position for the year ending June 30, 2022 are as follows:

- An increase in total revenue of \$1,549,981. The most significant change is related to the increase in state school fund of approximately \$980,560.
- An increase in other federal grant revenues of approximately \$291,471.
- A decrease in expenditures of \$329,706.

Comparison of Revenues by Category



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

CONDENSED STATEMENT OF ACTIVITIES

For the year ended

	Governmental Activities	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Program revenues		
Charges for services	\$ 583,365	\$ 576,479
Operating grants and contributions	718,515	627,394
Capital grants and contributions	94,955	94,954
General revenues		
Property taxes	705,522	614,050
State school fund - general support	6,724,210	5,743,650
Other state and local sources	1,180,449	1,134,281
Interest on investments	50,146	54,477
Restricted federal revenue	1,270,690	979,219
Other	261,566	211,273
Gain on disposal of capital assets	1,300	5,000
Total revenues	<u>11,590,718</u>	<u>10,040,777</u>
Expenses		
Instruction	5,477,647	5,736,886
Support services	3,076,893	3,148,225
Enterprise and community services	353,088	352,799
Debt service	160,357	158,997
Facilities maintenance	125	910
Total expenses	<u>9,068,110</u>	<u>9,397,817</u>
Changes in net position	2,522,608	642,960
Net position - beginning	<u>7,562,235</u>	<u>6,919,275</u>
Net position - ending	<u><u>\$10,084,843</u></u>	<u><u>\$ 7,562,235</u></u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the district's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a district's net resources available for spending at the end of the fiscal year.

On June 30, 2022, the district's governmental funds reported combined ending fund balances of \$10,206,470. This was an increase in fund balance of \$2,134,670 from the 2021 total of \$8,071,801.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

General Fund: The General Fund is the primary operating fund of the district. As of June 30, 2022, unassigned fund balance was \$3,285,677. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents approximately 46 percent of total General Fund expenditures.

BUDGET HIGHLIGHTS

General Fund revenues were \$1,061,430 over budgeted amounts and expenditures were \$3,086,967 under than budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The district's investment in capital assets includes land, buildings and improvements, vehicles, and equipment. As of June 30, 2022, the district had invested \$6,164,105 in capital assets, net of accumulated depreciation and related debt. This is \$151,120 less than amounts reported for June 30, 2021. Additional information on the district's capital assets can be found in note 4 on pages 32 and 33.

Long-Term Debt: Long-term liabilities as of June 30, 2022 consisted of Net pension and other OPEB liabilities of \$2,559,449, leases payable of \$467,578, and Bonds payable of \$2,910,002. Balances due within the next fiscal year for these liabilities amount to \$469,335. Additional information on the district's long-term debt can be found in notes 5 through 9 on pages 33 through 36.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant factors facing the district in the future are tied directly to the district enrollments and the state of Oregon's funding of public education through the State School Fund. State funding is distributed on a per student basis (measured by average daily membership-weighted) and changes based on the amount of money appropriated by the legislature and the number of students statewide.

The budget for the 2022-2023 fiscal year indicates total appropriations of \$24,305,933 as compared to the 2021-2022 year of \$20,312,036.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the district's finances and to demonstrate the district's accountability. Questions concerning any of the information provided in this report or requests for additional information can be obtained by calling the district's business office at (541) 575-1280 or by sending a written request to Grant School District No. 3, 401 N. Canyon Blvd., Canyon City, OR 97820.

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BASIC FINANCIAL STATEMENTS

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF NET POSITION
June 30, 2022
(With Comparative Totals for 2021)

	Governmental Activities	
	June 30, 2022	June 30, 2021
ASSETS		
Cash and investments	\$ 9,346,504	\$ 7,056,786
Receivables		
Property taxes	52,728	48,096
Other	877,898	1,073,192
Restricted cash	458,815	371,935
Inventory	81,041	62,296
Capital assets (net of accumulated depreciation and amortization)		
Land	330,421	330,421
Construction in progress	14,465	-
Buildings and improvements	5,893,982	6,095,874
Equipment and vehicles	1,092,713	1,168,032
Leased assets (intangible assets)	35,102	-
Total capital assets	<u>7,366,683</u>	<u>7,594,327</u>
Total assets	<u>18,183,669</u>	<u>16,206,632</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions and other OPEB	<u>1,574,243</u>	<u>1,925,228</u>
LIABILITIES		
Current liabilities		
Accounts payable	316,751	84,161
Accrued liabilities	250,457	414,579
Accrued interest payable	10,104	12,753
Current portion of long-term debt	469,335	387,138
Total current liabilities	<u>1,046,647</u>	<u>898,631</u>
Long term liabilities		
Net pension and other OPEB liability	2,559,449	5,370,180
Leases payable	467,578	544,102
Bonds payable	2,910,002	3,185,002
Less current portion of long term debt	<u>(469,335)</u>	<u>(387,138)</u>
Total long term liabilities	<u>5,467,694</u>	<u>8,712,146</u>
Total liabilities	<u>6,514,341</u>	<u>9,610,777</u>

(Continued on next page)

The Notes to Basic Financial Statements are an integral part of these statements.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF NET POSITION
June 30, 2022
(With Comparative Totals for 2021)

	Governmental Activities	
	June 30, 2022	June 30, 2021
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions and other OPEB	\$ 3,158,728	\$ 958,848
NET POSITION		
Net investment in capital assets	6,164,105	6,315,225
Restricted for inventory	81,041	62,297
Restricted for special programs	686,182	597,294
Restricted for debt service	1,977,643	1,825,040
Unrestricted (deficit)	1,175,872	(1,237,621)
Total net position	<u>\$ 10,084,843</u>	<u>\$ 7,562,235</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2022
(With Comparative Totals for 2021)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Instruction			
Regular programs	\$ 4,320,312	\$ -	\$ 108,113
Special programs	1,157,335	-	304,875
Supporting services			
Students	221,185	-	-
Instructional staff	169,630	-	-
General administration	187,197	-	-
School administration	594,110	-	-
Business services	1,845,877	-	-
Central support services	58,895	-	-
Enterprise and community services			
Food services	353,088	8,337	305,527
Facilities acquisition and construction			
Building acquisition, construction, and improvement	125	-	-
Debt service	160,357	575,028	-
Total governmental activities	<u>\$ 9,068,110</u>	<u>\$ 583,365</u>	<u>\$ 718,515</u>

General revenues

Property taxes, levied for general purposes
State school fund
Common school fund
Other federal grants
Other unrestricted funds
Unrestricted investment earnings
Miscellaneous

Total general revenues

Gain (loss) from sale of fixed assets

Changes in net position

Net position - beginning

Net position - ending

The Notes to Basic Financial Statements are an integral part of these statements.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
	Governmental Activities	
	June 30, 2022	June 30, 2021
\$ -	\$ (4,212,199)	\$ (4,453,550)
-	(852,460)	(890,698)
-	(221,185)	(246,157)
-	(169,630)	(89,131)
-	(187,197)	(163,532)
-	(594,110)	(597,060)
82,029	(1,763,848)	(1,924,609)
-	(58,895)	(45,707)
-	(39,224)	(107,645)
-	(125)	(910)
12,926	427,597	420,009
<u>\$ 94,955</u>	<u>(7,671,275)</u>	<u>(8,098,990)</u>
	705,522	614,050
	6,724,210	5,743,650
	48,781	22,126
	1,270,690	979,219
	1,131,668	1,112,155
	50,146	54,477
	261,566	211,273
	<u>10,192,583</u>	<u>8,736,950</u>
	1,300	5,000
	2,522,608	642,960
	<u>7,562,235</u>	<u>6,919,275</u>
	<u>\$ 10,084,843</u>	<u>\$ 7,562,235</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022
(With Comparative Totals for 2021)

	100 General Fund	222 Student Investment Act	305 PERS Debt Service Fund	400 Facilities Project Fund
ASSETS				
Cash and investments	\$ 2,690,481	\$ 337,996	\$ 1,977,643	\$ 3,154,581
Inventories	76,448	-	-	-
Receivables				
Property taxes	52,728	-	-	-
Other	533,166	-	-	-
Due from other funds	326,373	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 3,679,196</u>	<u>\$ 337,996</u>	<u>\$ 1,977,643</u>	<u>\$ 3,154,581</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 138,572	\$ 160,799	\$ -	\$ 7,560
Accrued liabilities	211,640	10,020	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>350,212</u>	<u>170,819</u>	<u>0</u>	<u>7,560</u>
Deferred inflows of resources				
Unavailable property tax revenue	<u>43,307</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>43,307</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances				
Nonspendable	76,448	-	-	-
Restricted	-	167,177	1,977,643	-
Committed	-	-	-	-
Assigned	-	-	-	3,147,021
Unassigned	<u>3,209,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,285,677</u>	<u>167,177</u>	<u>1,977,643</u>	<u>3,147,021</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,679,196</u>	<u>\$ 337,996</u>	<u>\$ 1,977,643</u>	<u>\$ 3,154,581</u>

The Notes to Basic Financial Statements are an integral part of these statements.

Nonmajor Governmental Funds	Total	
	June 30, 2022	June 30, 2021
\$ 1,185,806	\$ 9,346,507	\$ 7,056,786
4,593	81,041	62,297
-	52,728	48,096
344,732	877,898	1,073,192
-	326,373	257,044
458,815	458,815	371,935
<u>\$ 1,993,946</u>	<u>\$ 11,143,362</u>	<u>\$ 8,869,350</u>

\$ 9,821	\$ 316,752	\$ 84,161
28,800	250,460	414,579
326,373	326,373	257,044
<u>364,994</u>	<u>893,585</u>	<u>755,784</u>
-	43,307	41,765
<u>0</u>	<u>43,307</u>	<u>41,765</u>

4,593	81,041	62,297
686,182	2,831,002	2,422,334
959,379	959,379	1,006,959
-	3,147,021	2,526,913
(21,202)	3,188,027	2,053,298
<u>1,628,952</u>	<u>10,206,470</u>	<u>8,071,801</u>
<u>\$ 1,993,946</u>	<u>\$ 11,143,362</u>	<u>\$ 8,869,350</u>

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**
June 30, 2022

Total Fund Balances			\$ 10,206,470
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$ 15,711,974		
Accumulated depreciation and amortization	<u>(8,345,292)</u>	7,366,682	
A portion of the district's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.			43,307
Net pension/OPEB liability is not due and payable in the current period, therefore it is not recorded in the governmental funds.			(2,559,448)
Deferred outflows and inflows related to pensions/OPEB are not current financial resources, therefore, they are not reported in the governmental funds.			(1,584,484)
Liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:			
Leases payable	\$ (467,578)		
Accrued interest	(10,104)		
Pension bonds payable	(2,175,002)		
Bonds payable	<u>(735,000)</u>	<u>(3,387,684)</u>	
Total Net Position			<u><u>\$ 10,084,843</u></u>

The Notes to Basic Financial Statements are an integral part of these statements.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**

For the Year Ended
June 30, 2022
(With Comparative Totals for 2021)

	100 General Fund	222 Student Investment Act	305 PERS Debt Service Fund	400 Facilities Project Fund
Revenues				
Taxes	\$ 703,979	\$ -	\$ -	\$ -
Intergovernmental	8,319,078	506,272	-	-
Local sources	89,738	-	575,034	-
Total revenues	<u>9,112,795</u>	<u>506,272</u>	<u>575,034</u>	<u>0</u>
Expenditures				
Current				
Instruction				
Regular programs	3,345,042	374,166	-	-
Special programs	868,899	-	-	-
Adult/continuing education programs	-	-	-	-
Support services				
Students	150,555	-	-	-
Instructional staff	133,239	30,530	-	-
General administration	181,590	-	-	-
School administration	561,137	-	-	-
Business services	1,762,276	-	-	-
Central activities	52,784	-	-	-
Food services	-	-	-	-
Facilities acquisition and construction	-	-	-	119
Capital outlay	51,200	-	-	14,465
Debt service	-	-	422,431	-
Total expenditures	<u>7,106,722</u>	<u>404,696</u>	<u>422,431</u>	<u>14,584</u>
Excess of revenues over (under) expenditures	<u>2,006,073</u>	<u>101,576</u>	<u>152,603</u>	<u>(14,584)</u>
Other financing sources (uses)				
Transfer in	-	-	-	634,692
Transfer out	(951,736)	-	-	-
Proceeds on sale of assets	1,300	-	-	-
Total other financing sources (uses)	<u>(950,436)</u>	<u>0</u>	<u>0</u>	<u>634,692</u>
Net change in fund balances	1,055,637	101,576	152,603	620,108
Available fund balance, July 1	<u>2,230,040</u>	<u>65,601</u>	<u>1,825,040</u>	<u>2,526,913</u>
Available fund balance, June 30 - by category				
Nonspendable	76,448	-	-	-
Restricted	-	167,177	-	-
Committed	-	-	-	-
Assigned	-	-	-	3,147,021
Unassigned	3,209,229	-	1,977,643	-
Available fund balance, June 30 - total	<u>\$ 3,285,677</u>	<u>\$ 167,177</u>	<u>\$ 1,977,643</u>	<u>\$ 3,147,021</u>

The Notes to Basic Financial Statements are an integral part of these statements.

Nonmajor Governmental Funds	Total	
	June 30, 2022	June 30, 2021
\$ -	\$ 703,979	\$ 620,521
1,163,468	9,988,818	8,579,499
230,306	895,078	842,227
<u>1,393,774</u>	<u>11,587,875</u>	<u>10,042,247</u>
421,817	4,141,025	3,990,377
273,547	1,142,446	1,094,236
168,632	168,632	49,039
64,926	215,481	200,288
-	163,769	82,939
-	181,590	142,513
17,079	578,216	525,583
198,109	1,960,385	1,949,955
-	52,784	42,684
339,936	339,936	325,913
9,100	9,219	126,556
-	65,665	131,805
12,926	435,357	413,997
<u>1,506,072</u>	<u>9,454,505</u>	<u>9,075,885</u>
<u>(112,298)</u>	<u>2,133,370</u>	<u>966,362</u>
317,044	951,736	1,276,736
-	(951,736)	(1,276,736)
-	1,300	5,000
<u>317,044</u>	<u>1,300</u>	<u>5,000</u>
204,746	2,134,670	971,362
<u>1,424,207</u>	<u>8,071,801</u>	<u>7,100,439</u>
4,593	81,041	62,297
686,182	853,360	2,422,334
959,379	959,379	1,006,959
-	3,147,021	2,526,913
(21,202)	5,165,670	2,053,298
<u>\$ 1,628,952</u>	<u>\$ 10,206,471</u>	<u>\$ 8,071,801</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**
For the Year Ended
June 30, 2022

Net Change in Fund Balance \$ 2,134,670

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 and reported as depreciation and amortization expense.

Expenditures for capital assets	\$ 132,592	
Less current year depreciation and amortization	<u>(407,727)</u>	(275,135)

Current year PERS contributions that will be recognized as an expense in the subsequent period.		426,958
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Change in net OPEB liability is not recognized in the current year in the governmental funds.		(167,092)
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Debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:

Principal payments		399,015
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In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.		2,650
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		<u>1,542</u>
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Change in Net Position		<u><u>\$ 2,522,608</u></u>
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The Notes to Basic Financial Statements are an integral part of these statements.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 1. Summary of Significant Accounting Policies

School districts in the state of Oregon are created by legislative action. Grant School District No. 3 was organized in 1958 under authority of Chapter 619, Oregon Laws 1957. The administration of Grant School District No. 3 is vested in a seven-member board of directors, principals at each school location, except for Seneca, and superintendent and business manager at the district office in Canyon City.

The accounting policies of the district conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following summary of significant accounting policies is presented to assist the reader in evaluating the district's financial statements.

A. Reporting Entity

A seven-member board of directors exercises governance responsibilities over all entities related to public elementary and secondary school education within the jurisdiction of the district as set by the state of Oregon. The board receives funding from local, state, and federal sources. However, the district is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

In evaluating how to define the district for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the primary government's financial accountability. The criteria used to determine financial accountability include whether the primary government appoints a voting majority, the primary government can impose its will on the component unit, whether there is financial benefit or burden on the primary government, and if the component unit has a fiscal dependency on the primary government. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the district is financially accountable. No other entities met requirements for inclusion in the district.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the district. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The statement of Net Position presents the district's non-fiduciary assets, deferred outflows, deferred inflows, and liabilities, with the difference reported as net position. Net position is reported in three categories:

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints place on net position use are either externally imposed or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or other for tuition, fees, rentals, material, supplies, or services provided and (2) operating grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the district's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The district reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the district. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Student Investment Act Fund – The Student Investment Act Fund is used to account for the proceeds of grant related revenues from the state used for meeting student's mental and behavioral health needs and increasing academic achievement for students.

PERS Debt Service Fund – The PERS Debt Service Fund is used exclusively to service the PERS Bond debt.

Facilities Projects Fund - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Additionally, the district reports the following fund types:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the servicing of general long-term debt not being financed by proprietary or nonexpendable funds.

C. Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the district receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the district funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the district's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The district considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Budgets and Budgetary Accounting

A budget is prepared for each district fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, inter-agency fund transactions, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30.

Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the board of directors. The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in governmental funds. Encumbrances outstanding at the year-end are reported as accounts payable and constitute expenditures and liabilities of the present year.

E. Deposits and Investments

The district's cash and cash equivalents are considered cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in savings accounts and the Oregon State Treasury Local Government Investment Pool and allocated to each fund based on the excess cash each fund has deposited.

Oregon statutes and local ordinances authorize the district to invest (short-term and long-term) in certificates of deposit (considered investments for risk categorization purposes), certain bond obligations of civil subdivisions, general obligations of the United States, U.S. agency issues, general obligations of the states of Oregon, Washington, Idaho and California, certain interest bearing bonds of a county, port or school district, certain interest bearing bonds on any city in the state of Oregon, life insurance and annuity contracts, pooled deferred compensation trusts, banker's acceptances, and certain corporate bonds. All investments are stated at cost, which approximates market value.

F. Receivables and Payables

The district levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15 and become delinquent May 15. Foreclosure is started three years after taxes become delinquent. The district turns all tax collection duties over to Grant County, Oregon.

Uncollected property taxes are recorded on the Statement of Net position. Uncollected taxes are deemed to be substantially collected or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the district.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

The district reports deferred inflows on its governmental fund balance sheet. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received by the district before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the district has a legal claim to the resources, the liability for deferred inflows is removed from the balance sheet and revenue is recognized.

G. Inventory

Inventories of supplies are charged to expenditures when purchased. The items in inventory remain at a relatively constant level and the amount is not material. Inventory at June 30, 2022 was \$81,041 and consisted of fuel and food.

H. Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The district defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 to 60 years
Equipment	5 to 30 years

I. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

No provision is made for accumulated unpaid vacation, sick pay, and other employee benefits. The district's vacation policy varies by employee classification. A liability for accumulated sick pay does exist; however, it is not able to be estimated. Each employee may accumulate sick leave and carry it over to the succeeding year. In a year when sick leave is used, the teacher is paid the regular contract salary during the absence to the extent of sick leave earned. Substitutes must be hired by the district. When a teacher becomes employed by another district, the accumulated sick leave is transferred to that district.

J. Deferred Outflows/Inflows 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 represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The district has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions/OPEB. This amount is deferred and recognized as an outflow of resources in the period when the district recognizes pension/OPEB expense. Deferred outflows are included in the government-wide Statement of Net Position.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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 represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The district also reports deferred amounts related to pensions/OPEB. This amount is deferred and recognized as an inflow of resources in the period when the district recognizes pension/OPEB income. Deferred inflows are included in the government-wide Statement of Net Position.

K. Use of Estimates

The preparation of basic 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 amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

M. 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 System (PERS) and additions to/deductions from PERS 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.

N. Other Post-Employment Benefits (OPEB)

PERS – Retirement Health Insurance Account

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

fiduciary net position of the Oregon Public Retirement System (PERS) and additions to/deductions from PERS'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.

O. Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Non-spendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a non-spendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the board of directors passes an ordinance or resolution that places specific constraints on how the resources may be used. The board action that imposed the limitation would need to occur no later than the close of the reporting period. The board of directors can modify or rescind the legislative action at any time through passage of an additional ordinance or resolution.

The net resources that are constrained by the district's intent to use them are reported as assigned fund balance. Intent is expressed when the board of directors approves which resources should be set aside for specific purposes during the adoption of the annual budget. The board of directors and business manager use that information to determine whether those resources should be classified as assigned in the district's financial statements. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The district applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 2. Deposits and Investments

At June 30, 2022 the carrying amount of the district's deposits was \$1,495,017 and the bank balance was \$1,598,493. The district maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. The insurance and collateral requirements for deposits are established by banking regulations and

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Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. 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 Oregon Public Funds Collateralization Program (PFCP) web site. Oregon Revised Statute Chapter 295 requires all Oregon bank depositories holding public fund deposits to maintain securities totaling a value not less than 110 percent of the greater of:

- a. All public funds held by the bank depository; or
- b. The average of the balances of public funds held by the bank depository, as shown on the last four immediately preceding treasurer reports.

Custodial credit risk is the risk that in the event of a financial institution failure, the district's deposits may not be returned to it. The district does not have a policy for custodial credit risk. However, the balances in excess of the FDIC insurance are considered collateralized by PFCP. As of June 30, 2022 the district had no balances exposed to custodial credit risk.

As of June 30, 2022 the district had the following investments:

Investment	Maturities	Fair Value
Local government investment pool	Varies	\$ 8,197,543
Wells Fargo investments in federal obligations	Varies	24
Bank of NY Mellon investments in federal obligations	Varies	112,737
Total		<u>\$ 8,310,304</u>

The district's position in the pool is stated at cost which approximates fair value.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The district has no policy for managing interest rate or credit risk. Investments by the district held in the Local Government Investment Pool are not rated. Investments with Wells Fargo are rated AAA/Aa1 by Standard and Poor's and Moody's respectively.

The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council.
Reconciliation to financial statements:

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Unrestricted cash and investments	\$ 9,346,506
Restricted cash	<u>458,815</u>
Total cash and investments	<u><u>\$ 9,805,321</u></u>
Cash carrying amount	\$ 1,495,017
Investments carrying amount	<u>8,310,304</u>
Total cash and investments	<u><u>\$ 9,805,321</u></u>

Note 3. Receivables

Receivables are comprised of the following as of June 30, 2022:

Property Taxes	\$ 52,728
Grants	<u>877,898</u>
Total	<u><u>\$ 930,626</u></u>

Note 4. Changes in Capital Assets

The following is a summary of changes in capital assets:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets				
Land	\$ 330,421	\$ -	\$ -	\$ 330,421
Construction in Progress	-	14,465	-	14,465
Buildings	6,372,381	-	-	6,372,381
Improvements	5,757,028	83,831	-	5,840,859
Equipment and Vehicles	3,072,061	34,296	-	3,106,357
Leased assets (intangible)	-	47,491	-	47,491
Totals	<u>15,531,891</u>	<u>180,083</u>	<u>0</u>	<u>15,711,974</u>
Accumulated Depreciation				
Buildings	4,728,201	128,327	-	4,856,528
Improvements	1,305,334	157,396	-	1,462,730
Equipment and vehicles	1,904,029	109,615	-	2,013,644
Leased assets (intangible)	-	12,389	-	12,389
Totals	<u>7,937,564</u>	<u>407,727</u>	<u>0</u>	<u>8,345,291</u>
Net fixed assets	<u><u>\$ 7,594,327</u></u>	<u><u>\$ (227,644)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 7,366,683</u></u>

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Depreciation and amortization was charged to the following functions:

Instruction	
Regular programs	\$ 197,750
Special programs	52,974
Support services	
Students	10,124
Instructional staff	7,764
General administration	8,568
School administration	27,194
Business services	84,489
Central support services	2,696
Enterprise and community services	
Food services	16,162
Facilities acquisition and construction	
Building acquisition, construction, and impro	6
Total Depreciation Expense	<u>\$ 407,727</u>

Note 5. Changes in Long-Term Debt

The following represents changes in long-term liabilities. Current requirements for principal and interest expenditures for bonds are accounted for in the Debt Service Fund. Principal and interest expenditures for the capital leases are accounted for in the General Fund.

	Balance June 30, 2021	Issued/ Matured	Retired/ Paid	Balance June 30, 2022	Due in one year
Limited tax pensions bonds	\$ 2,450,002	\$ -	\$ 275,000	\$ 2,175,002	\$ 345,000
QSCB Bonds	235,000	-	-	235,000	-
QZAB Bonds	500,000	-	-	500,000	-
2017 Blue Bird bus lease	72,902	-	23,668	49,234	23,668
2018 Blue Bird bus lease	99,446	-	23,401	76,045	23,401
2018 Chevy Micro Bird bus lease	46,603	-	10,978	35,625	10,978
2018 Blue Bird bus lease	123,848	-	22,876	100,972	22,876
2020 Blue Bird bus lease	137,058	-	21,253	115,805	21,253
2020 Blue Bird bus lease	64,245	-	9,962	54,283	9,962
Right to use asset leases	-	47,491	11,877	35,614	12,197
Total long-term debt	<u>\$ 3,729,104</u>	<u>\$ 47,491</u>	<u>\$ 399,015</u>	<u>\$ 3,377,580</u>	<u>\$ 469,335</u>

Interest expense of \$176,297 on long-term debt has been included in the direct expense of individual functions on the government-wide Statement of Activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the programs for which borrowing is related.

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Note 6. PERS UAL Bonds Payable

On October 9, 2003, the district issued \$4,551,352 in limited tax pension bonds to finance the unfunded pension liability to the Oregon Public Employees Retirement System. These bonds have interest rates that range from 2.06 to 5.55 percent. Interest payments are to be made semiannually on June 30 and December 30. Principal payments are to be made on June 30 of each year. Debt service is financed by a self-imposed pension expense based on a percentage of payroll costs. The debt service requirements to maturity on June 30, 2028 are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ 310,000	\$ 120,527
2024	345,000	103,508
2025	385,000	84,360
2026	430,000	62,993
2027	480,000	39,128
2028	225,002	51,613
	<u>\$ 2,175,002</u>	<u>\$ 462,129</u>

Note 7. Qualified School Construction Bond

On July 1, 2010, the district issued a general obligation bond for \$690,000. This Qualified School Construction Bond helped finance the construction of a science lab and multi-purpose room at Grant Union High School and replaced single pane windows at Humbolt Elementary. This federally subsidized bond has a fixed rate of 5.19%. The federal government will pay the interest in full. Interest is due and payable December 15th and June 15th. These bonds are to be repaid with State School funds intercepted and deposited into an account held by Bank of New York Mellon and then distributed to investors at various dates. The funds are held in a restricted district account at the Bank of New York Mellon with a balance of \$59,844 as of June 30, 2022. The debt service requirements to maturity on June 15, 2025 are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ -	\$ 12,926
2024	-	12,926
2025	235,000	12,926
TOTAL	<u>\$ 235,000</u>	<u>\$ 38,778</u>

Note 8. Qualified Zone Academy Bond

In October 2011, the district issued a Qualified Zone Academy Bond for \$500,000. The Qualified Zone Academy bond proceeds were used to purchase a highly efficient bio-mass

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boiler. This bond has a fixed rate of 0%. Required annual deposits of \$33,333 to a Public Funds time certificate of deposit held at Umpqua Bank were to begin October 19, 2012 and end October 19, 2026. These deposits are classified as restricted cash and will be used to pay the bond when it matures in 2027. As of June 30, 2022, the balance on deposit was \$312,091. The debt service requirements to maturity in October 2026 are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ -	\$ -
2024	-	-
2025	-	-
2026	-	-
2027	500,000	-
TOTAL	<u>\$ 500,000</u>	<u>\$ 0</u>

Note 9. Bus Loans

The district entered an agreement in February 2017 for a Blue Bird bus with 7 annual payments of \$25,600 starting in July 2017, including interest at 2.48 percent through July 2023. Future minimum payments are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ 24,295	\$ 1,305
2024	24,939	662
TOTAL	<u>\$ 49,234</u>	<u>\$ 1,967</u>

The district entered an agreement in April 2018 for a Blue Bird bus with 7 annual payments of \$27,429 starting in July 2018, including interest at 4.05 percent through July 2024. Future minimum payments are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ 24,349	\$ 3,080
2024	25,335	2,094
2025	26,361	1,068
TOTAL	<u>\$ 76,045</u>	<u>\$ 6,242</u>

The district entered an agreement in August 2018 for a Chevy Micro Bird bus with 7 annual payments of \$12,833 starting in March 2019, including interest at 3.98 percent through March 2025. Future minimum payments are as follows:

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Fiscal Year Ended	Principal	Interest
2023	\$ 11,415	\$ 1,418
2024	11,869	964
2025	12,341	492
TOTAL	<u>\$ 35,625</u>	<u>\$ 2,874</u>

The district entered an agreement in October 2018 for a Blue Bird bus with 7 annual payments of \$27,805 starting in July 2019, including interest at 3.98 percent through July 2025. Future minimum payments are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ 23,786	\$ 4,019
2024	24,733	3,072
2025	25,717	2,088
2026	26,736	1,069
TOTAL	<u>\$ 100,972</u>	<u>\$ 10,248</u>

The district entered an agreement in July 2020 for a Blue Bird bus with 7 annual payments of \$25,200 starting in November 2020, including interest at 2.88 percent through November 2026. Future minimum payments are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ 21,865	\$ 3,335
2024	22,495	2,705
2025	23,142	2,058
2026	23,809	1,391
2027	24,495	705
TOTAL	<u>\$ 115,805</u>	<u>\$ 10,195</u>

The district entered an agreement in July 2020 for a Blue Bird bus with 7 annual payments of \$11,812 starting in November 2020, including interest at 2.88 percent through November 2026. Future minimum payments are as follows:

Fiscal Year Ended	Principal	Interest
2023	\$ 10,249	\$ 1,563
2024	10,544	1,268
2025	10,847	965
2026	11,160	652
2027	11,483	329
TOTAL	<u>\$ 54,283</u>	<u>\$ 4,777</u>

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Note 10. Leases Payable

The following is a summary of leases payable:

<u>Leases Payable</u>	<u>Balance June 30, 2021</u>	<u>Principal Retired</u>	<u>Balance June 30, 2022</u>	<u>Due within One year</u>
Wells Fargo Copier Lease	\$ 47,491	\$ 11,877	\$ 35,614	\$ 12,197
	<u>\$ 47,491</u>	<u>\$ 11,877</u>	<u>\$ 35,614</u>	<u>\$ 12,197</u>

On April 30, 2020, the district entered into a lease agreement for the use of a copier. The lease term is for 60 months requiring monthly payments of \$1,098 through April 2025. Implicit interest of 3.25% was taken using the federal prime lending interest rate from July 2021. Total payments on the lease totaled \$11,877 during the fiscal year ended June 30, 2022.

As of June 30, 2022, the district had future minimum payments under this lease as follows:

<u>Fiscal Year Ended</u>	<u>Principal Allocation</u>	<u>Interest Allocation</u>	<u>Total Payments</u>
2023	\$ 12,197	\$ 977	\$ 13,174
2024	12,600	574	13,174
2025	10,817	162	10,979
Total	<u>\$ 35,614</u>	<u>\$ 1,713</u>	<u>\$ 37,327</u>

Note 11. Right to use Leased Assets

The following is a summary of the right to use leased assets:

<u>Right to Use Asset</u>	<u>Balance June 30, 2021</u>	<u>Accumulated Amortization</u>	<u>Balance June 30, 2022</u>	<u>Current Year Amortization</u>
Wells Fargo Copier Lease	\$ 47,491	\$ 12,389	\$ 35,102	\$ 12,389
	<u>\$ 47,491</u>	<u>\$ 12,389</u>	<u>\$ 35,102</u>	<u>\$ 12,389</u>

Note 12. Interfund Transfers

Transfers between funds provide support for various district programs in accordance with budgetary authorizations.

A transfer of \$35,000 was made to the Special Projects Fund from the General Fund to support extra-curricular activities. A transfer of \$30,000 was made to the Technology and Curriculum Fund from the General Fund to support future upgrades. A transfer of \$2,480 was made to the Food Service Fund from the General Fund for the district's required price-equity match. A transfer of \$149,564 was made to the Debt Service Fund from the General Fund to fund current year and reserve requirements on debt. A transfer of \$100,000 was made to the Bus Reserve Fund from the General Fund to fund future bus purchases. A transfer of \$634,692 was made

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from the General Fund to the Facilities Projects Fund to provide for capital projects. The detail of interfund transfers for the fiscal year ended June 30, 2022 is as follows:

Transfer To	Transfer From	Amount
Facilities Project Fund	General Fund	\$ 634,692
Nonmajor Funds	General Fund	317,044
	Total Transfers	<u>\$ 951,736</u>

Note 13. Pension Plan

Name of pension plan

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

Description of benefit terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

A. PERS Pension Chapter 238 (Tier One/Tier Two Retirement Benefit).

1. Pension Benefits

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members on or after August 29, 2003.

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

2. Death Benefits

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

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

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3. 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 for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

4. Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

B. OPSRP Pension Program (OPSRP DB)

1. Pension Benefits

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

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

- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

3. Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

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4. Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

C. OPSRP Individual Account Program (OPSRP IAP)

1. Pension Benefits

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

2. Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

3. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

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 the Other Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum unfunded actuarial liability payments to establish side accounts and their rates have been reduced.

Employer contributions for the year ended June 30, 2022 were \$288,231, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the district in effect for the fiscal year ended June 30, 2022 were:

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Rate Category	Normal Cost Rate	Combined UAL Rate	Side Account	Net Rate
PERS general service	13.45%	15.78%	-19.77%	9.46%
PERS police and fire	13.45%	15.78%	-19.77%	9.46%
OPSRP general service	8.64%	15.78%	-18.02%	6.40%
OPSRP police and fire	13.00%	15.78%	-18.02%	10.76%

Pension Plan Annual Comprehensive Financial Report (ACFR)

Oregon PERS produces an independently audited ACFR which can be found at:
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>.

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS 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.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
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 adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> Decision; blend based on service.

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Mortality	<p>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.</p> <p>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.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>.

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.

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Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension liability (asset)	\$ 5,204,464	\$ 2,650,253	\$ 513,306

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

At June 30, 2022, the district reported a liability of \$2,650,253 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the district's proportion was .02214731 percent.

For the year ended June 30, 2022, the district recognized \$825,460 in pension expense. Pension expense includes district expense of \$35,833 related to 2021 district's proportionate share of system pension expense, self-imposed expense for PERS bond retirement of \$575,028 and employee contributions picked up by the district of \$214,599

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

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 248,081	\$ -
Changes in assumptions	663,438	6,975
Net difference between projected and actual earnings on pension plan investments	-	1,961,962
Changes in proportion and differences between District contributions and proportionate share of contributions	187,444	1,145,561
District contributions subsequent to the measurement date	426,958	-
Total	<u>\$ 1,525,921</u>	<u>\$ 3,114,498</u>

\$426,958 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as PERS expense in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Deferred outflow or (inflow) of Resources
2023	\$ (534,956)
2024	(482,332)
2025	(410,728)
2026	(595,110)
2027	7,591
Thereafter	-
Total	<u>\$ (2,015,535)</u>

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement date that would require a brief description under GASB 68.

Note 14. Other Post-Employment Benefits (OPEB) - RHIA

Plan Description
Organization

GRANT SCHOOL DISTRICT NO. 3
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The Oregon Public Employees Retirement System administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Post-Employment Benefit (OPEB) plan (the plan) for political subdivisions such as the district. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the plan.

Plan Membership

RHIA was established by ORS 238.420. 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 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.

Contribution

Contributions are mandatory for each employer that is a member of PERS. For the fiscal year ended June 30, 2022, the district's contribution rate was 0.05 percent of PERS subject to wages. Employees are not required to contribute to the plan.

Net OPEB Liability

The district's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019.

Actuarial Methods and Assumptions

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
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: 32%; Disabled retirees: 20%
Healthcare cost trend rate	Not Applicable
Mortality	<p>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.</p> <p>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.</p>

GRANT SCHOOL DISTRICT NO. 3
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Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the OPEB 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 RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at <http://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>.

Sensitivity of the District's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

The following presents the district's proportionate share of the net OPEB liability calculated using the discount rate of 6.90 percent, as well as what the district'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:

GRANT SCHOOL DISTRICT NO. 3
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June 30, 2022

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net OPEB liability (asset)	\$ (80,303)	\$ (90,804)	\$ (99,775)

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

At June 30, 2022, the district reported an asset of \$90,804 for its proportionate share of the net OPEB liability (asset). The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The district's proportion of the net OPEB liability was based on a projection of the district's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the district's proportion was .02644265 percent.

For the year ended June 30, 2022, the district recognized income of \$6,682. At June 30, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,526
Changes in assumptions	1,787	1,351
Net difference between projected and actual earnings on OPEB plan investments	-	21,580
Changes in proportion and differences between District contributions and proportionate share of contributions	46,535	18,773
Total	<u>\$ 48,322</u>	<u>\$ 44,230</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Fiscal Year	Deferred outflow or (inflow) of Resources
2023	\$ 1,097
2024	14,738
2025	(4,927)
2026	(6,816)
2027	-
Thereafter	-
Total	<u>\$ 4,092</u>

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement date that would require a brief description under GASB 68.

Note 15. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government and the state of Oregon. Any disallowed claims, including amounts already collected, may constitute a liability to the district. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although district management expects such amounts, if any, to be immaterial.

The district is dependent on the state of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the state level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the district's future operations is not yet determinable.

Note 16. Tax Abatement Disclosures

The GASB issued Statement No. 77, Tax Abatement Disclosures in August 2015. GASB 77 requires governments that enter into tax abatement agreements to disclose information about those agreements. GASB Statement No. 77 is effective for the district for fiscal year ending June 30, 2017. The district did not have any tax abatements at June 30, 2022.

Note 17. Deficit Fund Balances

At June 30, 2022, the district had a deficit fund balance in the CTE Fund 216, The COVID-19 Fund 241, the School Lunch Fund 253, the IDEA Fund 260. The deficits will be addressed with grant funding in subsequent years.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Note 18. Fund Balance Classification

Below is a schedule of the ending fund balance, based on GASB Statement No. 54 categories.

	100 General Fund	222 Student Investment Ac	305 PERS Debt Service Fund	400 Facilities Project Fund	Nonmajor Funds	Total
Fund Balances:						
Restricted fund balance						
<u>Non-spendable:</u>						
Total Non-spendable	\$ 76,448	\$ -	\$ -	\$ -	\$ 4,593	\$ 81,041
<u>Restricted:</u>						
School lunch	-	-	-	-	-	-
Debt service	-	-	1,977,643	-	686,182	2,663,825
Education - grants	-	167,177	-	-	-	167,177
Total Restricted	0	167,177	1,977,643	0	686,182	2,831,002
Unrestricted fund balance						
<u>Committed To:</u>						
Special Projects	-	-	-	-	326,581	326,581
Capital outlay	-	-	-	-	632,798	632,798
Total Committed	0	0	0	0	959,379	959,379
<u>Assigned to:</u>						
Capital outlay	-	-	-	3,147,021	-	3,147,021
Total Assigned	0	0	0	3,147,021	0	3,147,021
<u>Unassigned:</u>						
Total unassigned	3,209,229	-	-	-	(21,202)	3,188,027
Total fund balances	<u>\$ 3,285,677</u>	<u>\$ 167,177</u>	<u>\$ 1,977,643</u>	<u>\$ 3,147,021</u>	<u>\$ 1,628,952</u>	<u>\$ 10,206,470</u>

Note 19. Subsequent Events

After fiscal year end, the district has spent in excess of \$2.5M in construction costs related to projects that were in progress during the 2022 fiscal year. Expenses incurred during the 2022 fiscal year were accrued as liabilities and included within the financial statements. The remaining costs will be included in capital activity reported in 2023.

REQUIRED SUPPLEMENTARY INFORMATION

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND

For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under
		Original	Final	Budget
Revenues				
Taxes	\$ 703,979	\$ 617,512	\$ 617,512	\$ (86,467)
Local sources	89,738	98,000	98,000	8,262
Intermediate sources	1,011,405	984,409	984,409	(26,996)
State sources	6,917,026	5,796,024	5,796,024	(1,121,002)
Federal sources	390,647	555,420	555,420	164,773
Total revenues	9,112,795	8,051,365	8,051,365	(1,061,430)
Expenditures				
1000 Instruction	4,213,940	5,465,959	5,465,959	1,252,019
2000 Supporting services	2,913,488	4,548,516	4,548,516	1,635,028
4000 Facilities acquisition and const	-	199,920	199,920	199,920
Total expenditures	7,127,428	10,214,395	10,214,395	3,086,967
Excess of revenues over (under) expenditures	1,985,367	(2,163,030)	(2,163,030)	(4,148,397)
Other financing (uses)				
Transfers out	(951,736)	(1,088,393)	(1,088,393)	(136,657)
Sale of capital assets	1,300	-	-	(1,300)
Total other financing (uses)	(950,436)	(1,088,393)	(1,088,393)	(137,957)
Net change in fund balance	1,034,931	(3,251,423)	(3,251,423)	(4,286,354)
Available fund balance, July 1	2,174,298	3,251,423	3,251,423	1,077,125
Available fund balance, June 30	\$ 3,209,229	\$ 0	\$ 0	\$ (3,209,229)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 222 STUDENT INVESTMENT ACT FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 506,271	\$ 448,020	\$ 448,020	\$ (58,251)
Total revenues	506,271	448,020	448,020	(58,251)
Expenditures				
1000 Instruction				
1111 Instruction				
100 Salaries	50,868	101,493	101,493	50,625
200 Associated payroll costs	27,711	86,863	86,863	59,152
300 Purchased services	4,098	-	-	(4,098)
400 Supplies and materials	11,935	4,596	4,596	(7,339)
1131 High school programs				
100 Salaries	51,469	112,786	112,786	61,317
200 Associated payroll costs	38,044	101,570	101,570	63,526
300 Purchased services	727	-	-	(727)
400 Supplies and materials	189,314	22,712	22,712	(166,602)
Total instruction	374,166	430,020	430,020	55,854
2000 Support services				
2210 Improvement of instruction services				
200 Associated payroll costs	4,204	13,000	13,000	8,796
300 Purchased services	21,295	-	-	(21,295)
400 Supplies and materials	5,031	5,000	5,000	(31)
Total support services	30,530	18,000	18,000	(12,530)
Total expenditures	404,696	448,020	448,020	43,324
Excess of revenues over (under) expenditures and net change in fund balance	101,575	0	0	(101,575)
Available fund balance, July 1	65,602	-	-	(65,602)
Available fund balance, June 30	\$ 167,177	\$ 0	\$ 0	\$ (167,177)

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended
June 30, 2022

Budgetary Reporting

In accordance with Oregon Revised Statutes, the board of directors annually adopts a budget following required public notice and hearing for all funds except private purpose trust and agency funds. The budget may be amended during the year through statutorily prescribed procedures. The district's budget is prepared on the modified accrual or GAAP basis of accounting. Appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within each fund. The functions include: instruction, support services, enterprise and community services, facilities acquisition and construction, debt services, contingencies and transfers. The district did not adopt any budget amendments during the year as authorized by local budget law.

During the year ended June 30, 2021, disbursements in the General Fund were within certified budget amounts in all functions. The major special revenue fund, the Student Investment Act fund, had an overexpenditure in the support services function by \$12,530.

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (asset) (NPL/A)	(c) District covered payroll	(b/c) NPL/A as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02214731%	\$ 2,650,253	\$ 3,958,295	66.95%	87.60%
2021	0.02520729%	\$ 5,501,098	\$ 3,739,068	147.12%	75.80%
2020	0.02327524%	\$ 4,026,059	\$ 3,482,724	115.60%	80.20%
2019	0.03003081%	\$ 4,549,272	\$ 3,265,420	139.32%	82.10%
2018	0.03479999%	\$ 4,691,052	\$ 3,525,641	133.06%	83.10%
2017	0.03201385%	\$ 4,806,022	\$ 3,409,771	140.95%	80.50%
2016	0.03243714%	\$ 1,862,366	\$ 3,281,019	56.76%	91.88%
2015	0.03790788%	\$ (859,263)	\$ 3,328,950	-25.81%	103.59%
2014	0.00032437%	\$ 260,629	\$ 3,328,950	7.83%	91.97%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SCHEDULE OF DISTRICT CONTRIBUTIONS
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District covered payroll	Contributions as a percent of covered payroll
2022	\$ 288,231	\$ 288,231	\$ -	\$ 4,178,387	6.90%
2021	\$ 393,910	\$ 393,910	\$ -	\$ 3,958,295	9.95%
2020	\$ 403,748	\$ 403,748	\$ -	\$ 3,739,068	10.80%
2019	\$ 408,835	\$ 408,835	\$ -	\$ 3,482,724	11.74%
2018	\$ 370,915	\$ 370,915	\$ -	\$ 3,265,420	11.36%
2017	\$ 230,395	\$ 230,395	\$ -	\$ 3,525,641	6.53%
2016	\$ 343,403	\$ 343,403	\$ -	\$ 3,409,771	10.07%
2015	\$ 320,416	\$ 320,416	\$ -	\$ 3,281,019	9.77%
2014	\$ 288,697	\$ 288,697	\$ -	\$ 3,328,950	8.67%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
RETIREE HEALTH INSURANCE ACCOUNT PERS
Last 10 Fiscal Years*

Year Ended, June 30,	(a) Employer's proportion of the net OPEB liability (NPL)	(b) Employer's proportionate share of the net OPEB liability (asset) (NPL/A)	(c) District covered payroll	(b/c) NPL/A as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.02644265%	\$ (90,804)	\$ 3,958,295	-2.29%	183.90%
2021	0.06425112%	\$ (130,918)	\$ 3,739,068	-3.50%	150.10%
2020	0.02538309%	\$ (49,049)	\$ 3,482,724	-1.41%	64.90%
2019	0.03194224%	\$ (35,656)	\$ 3,265,420	-1.09%	123.99%
2018	0.03417344%	\$ (14,262)	\$ 3,525,641	-0.40%	108.90%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SCHEDULE OF DISTRICT CONTRIBUTIONS
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District covered payroll	Contributions as a percent of covered payroll
2022	\$ 784	\$ 784	\$ -	\$ 4,178,387	0.02%
2021	\$ 4,086	\$ 4,086	\$ -	\$ 3,958,295	0.10%
2020	\$ 12,594	\$ 12,594	\$ -	\$ 3,739,068	0.34%
2019	\$ 14,864	\$ 14,864	\$ -	\$ 3,482,724	0.43%
2018	\$ 14,012	\$ 14,012	\$ -	\$ 3,265,420	0.43%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SUPPLEMENTARY SCHEDULES

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 305 PERS DEBT SERVICE FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under
		Original	Final	Budget
Revenues				
1500 Investment earnings	\$ 6	\$ 500	\$ 500	\$ 494
1970 Services provided other funds	575,028	599,833	599,833	24,805
Total revenues	575,034	600,333	600,333	25,299
Expenditures				
5100 Debt service				
5110 Long-term debt service				
600 Other objects	422,431	840,409	840,409	417,978
Total expenditures	422,431	840,409	840,409	417,978
Excess of revenues over (under)				
expenditures and net change in fund				
balance	152,603	(240,076)	(240,076)	(392,679)
Available fund balance, July 1	1,825,040	1,660,031	1,660,031	(165,009)
Available fund balance, June 30	\$ 1,977,643	\$ 1,419,955	\$ 1,419,955	\$ (557,688)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 400 FACILITIES PROJECT FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under
		Original	Final	Budget
Revenues				
3299 Restricted state grants	\$ -	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Total revenues	0	1,900,000	1,900,000	1,900,000
Expenditures				
4000 Facilities acquisition and construction				
4150 Bldg acq, const, and imp				
300 Purchased services	119	-	-	(119)
500 Capital outlay	14,465	2,784,692	2,784,692	2,770,227
Total expenditures	14,584	2,784,692	2,784,692	2,770,108
Excess of revenues over (under) expenditures	(14,584)	(884,692)	(884,692)	(870,108)
Other financing (uses)				
Transfers in	634,692	634,692	634,692	-
Total other financing (uses)	634,692	634,692	634,692	0
Net change in fund balance	620,108	(250,000)	(250,000)	(870,108)
Available fund balance, July 1	2,526,913	250,000	250,000	(2,276,913)
Available fund balance, June 30	\$ 3,147,021	\$ 0	\$ 0	\$ (3,147,021)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND

For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Local sources				
1110 Taxes	\$ 703,979	\$ 617,512	\$ 617,512	\$ (86,467)
1300 Tuition	-	2,000	2,000	2,000
1510 Interest on investments	43,961	60,000	60,000	16,039
1700 Extracurricular activities	7,500	-	-	(7,500)
1910 Rentals	1,107	6,000	6,000	4,893
1920 Donations	-	10,000	10,000	10,000
1990 Miscellaneous income	37,170	20,000	20,000	(17,170)
Total local sources	793,717	715,512	715,512	(78,205)
Intermediate sources				
2101 County school fund	-	6,120	6,120	6,120
2102 ESD apportionment	826,746	747,162	747,162	(79,584)
2199 Other intermediate sources	184,659	231,127	231,127	46,468
Total intermediate sources	1,011,405	984,409	984,409	(26,996)
State sources				
3101 Basic school support	6,724,210	5,607,411	5,607,411	(1,116,799)
3103 Common school fund	48,781	58,613	58,613	9,832
3199 Other unrestricted grants-in-aid	108,113	80,000	80,000	(28,113)
3299 Other restricted state grants	35,922	50,000	50,000	14,078
Total state sources	6,917,026	5,796,024	5,796,024	(1,121,002)
Federal sources				
4500 Restricted revs through state	-	131,100	131,100	131,100
4801 Federal forest fees	390,647	424,320	424,320	33,673
Total federal sources	390,647	555,420	555,420	164,773
Total revenues	9,112,795	8,051,365	8,051,365	(1,061,430)
Expenditures				
1000 Instruction				
100 Salaries	2,501,376	2,814,823	2,814,823	313,447
200 Associated payroll costs	1,524,128	2,280,636	2,280,636	756,508
300 Purchased services	105,709	153,400	153,400	47,691
400 Supplies and materials	63,227	192,850	192,850	129,623
500 Capital outlay	1,516	2,900	2,900	1,384
600 Other objects	17,984	21,350	21,350	3,366
Total instruction	4,213,940	5,465,959	5,465,959	1,252,019

(Continued on next page)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND

For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
2000 Support services				
100 Salaries	\$ 1,190,502	\$ 1,296,407	\$ 1,296,407	\$ 105,905
200 Associated payroll costs	703,877	1,113,587	1,113,587	409,710
300 Purchased services	521,006	935,300	935,300	414,294
400 Supplies and materials	282,299	549,267	549,267	266,968
500 Capital outlay	49,684	504,850	504,850	455,166
600 Other objects	166,120	149,105	149,105	(17,015)
Total support services	2,913,488	4,548,516	4,548,516	1,635,028
4000 Facilities acquisition and construction				
300 Purchased services	-	193,920	193,920	193,920
500 Capital outlay	-	6,000	6,000	6,000
Total facilities acquisition and construction	0	199,920	199,920	199,920
Total expenditures	7,127,428	10,214,395	10,214,395	3,086,967
Excess of revenues over (under) expenditures	1,985,367	(2,163,030)	(2,163,030)	(4,148,397)
Other financing sources (uses)				
Transfers out	(951,736)	(1,088,393)	(1,088,393)	(136,657)
Sale of capital assets	1,300	-	-	(1,300)
Total other financing sources	(950,436)	(1,088,393)	(1,088,393)	(137,957)
Net change in fund balance	1,034,931	(3,251,423)	(3,251,423)	(4,286,354)
Available fund balance, July 1	2,174,298	3,251,423	3,251,423	1,077,125
Available fund balance, June 30	3,209,229	\$ 0	\$ 0	\$ (3,209,229)
Reconciliation to GAAP:				
Inventory	76,448			
GAAP fund balance	\$ 3,285,677			

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	208 Special Projects	209 Technology & Curriculum	210 Bus Replacement	216 CTE Fund
ASSETS				
Cash and investments	\$ 296,696	\$ 205,000	\$ 427,798	\$ -
Accounts receivable	-	-	-	47,095
Inventory	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 296,696</u>	<u>\$ 205,000</u>	<u>\$ 427,798</u>	<u>\$ 47,095</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,148
Accrued liabilities	-	-	-	1,394
Deficit cash due to other funds	-	-	-	41,183
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,725</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	296,696	205,000	427,798	-
Unassigned	-	-	-	(630)
Total fund balance	<u>296,696</u>	<u>205,000</u>	<u>427,798</u>	<u>(630)</u>
Total liabilities and fund balances	<u>\$ 296,696</u>	<u>\$ 205,000</u>	<u>\$ 427,798</u>	<u>\$ 47,095</u>

240 Title I Fund	241 COVID-19 Fund	243 Medicaid Grant	253 School Lunch	260 IDEA Fund	301 Debt Service	Totals June 30, 2022
\$ -	\$ -	\$ 28,945	\$ -	\$ -	\$ 227,367	\$ 1,185,806
86,875	127,638	1,684	35,894	45,546	-	344,732
-	-	-	4,593	-	-	4,593
-	-	-	-	-	458,815	458,815
<u>\$ 86,875</u>	<u>\$ 127,638</u>	<u>\$ 30,629</u>	<u>\$ 40,487</u>	<u>\$ 45,546</u>	<u>\$ 686,182</u>	<u>\$ 1,993,946</u>
\$ -	\$ 3,481	\$ 682	\$ 510	\$ -	\$ -	9,821
5,230	4,603	62	9,108	8,403	-	28,800
81,645	120,482	-	41,326	41,737	-	326,373
<u>86,875</u>	<u>128,566</u>	<u>744</u>	<u>50,944</u>	<u>50,140</u>	<u>0</u>	<u>364,994</u>
-	-	-	4,593	-	-	4,593
-	-	-	-	-	686,182	686,182
-	-	29,885	-	-	-	959,379
-	(928)	-	(15,050)	(4,594)	-	(21,202)
<u>0</u>	<u>(928)</u>	<u>29,885</u>	<u>(10,457)</u>	<u>(4,594)</u>	<u>686,182</u>	<u>1,628,952</u>
<u>\$ 86,875</u>	<u>\$ 127,638</u>	<u>\$ 30,629</u>	<u>\$ 40,487</u>	<u>\$ 45,546</u>	<u>\$ 686,182</u>	<u>\$ 1,993,946</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended
June 30, 2022

	208 Special Projects	209 Technology & Curriculum	210 Bus Replacement	216 CTE Fund
Revenues				
Local sources	\$ 211,993	\$ -	\$ -	\$ -
State sources	-	-	82,029	120,263
Federal sources	-	-	-	-
Total revenues	<u>211,993</u>	<u>0</u>	<u>82,029</u>	<u>120,263</u>
Expenditures				
Instruction				
Regular programs	10,615	-	-	95,236
Special programs	-	-	-	-
Adult/continuing education programs	168,632	-	-	-
Support services				
Students	64,926	-	-	-
Administration	-	-	-	17,079
Business	-	-	130,991	-
Food services	-	-	-	-
Bldg acq and const	-	-	-	9,100
Debt service	-	-	-	-
Total expenditures	<u>244,173</u>	<u>0</u>	<u>130,991</u>	<u>121,415</u>
Excess of revenues over (under) expenditures	<u>(32,180)</u>	<u>0</u>	<u>(48,962)</u>	<u>(1,152)</u>
Other financing sources				
Transfers in	<u>35,000</u>	<u>30,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>35,000</u>	<u>30,000</u>	<u>100,000</u>	<u>0</u>
Net change in fund balance	2,820	30,000	51,038	(1,152)
Available fund balance, July 1	<u>293,876</u>	<u>175,000</u>	<u>376,760</u>	<u>522</u>
Available fund balance, June 30	<u><u>\$ 296,696</u></u>	<u><u>\$ 205,000</u></u>	<u><u>\$ 427,798</u></u>	<u><u>\$ (630)</u></u>

240 Title I Fund	241 COVID-19 Fund	243 Medicaid Grant	253 School Lunch	260 IDEA Fund	301 Debt Service	Totals June 30, 2022
\$ -	\$ -	\$ 3,797	\$ 8,337	\$ -	\$ 6,179	\$ 230,306
-	-	-	2,315	-	-	204,607
162,300	373,770	-	303,212	106,653	12,926	958,861
162,300	373,770	3,797	313,864	106,653	19,105	1,393,774
-	315,966	-	-	-	-	421,817
162,300	-	-	-	111,247	-	273,547
-	-	-	-	-	-	168,632
-	-	-	-	-	-	64,926
-	-	-	-	-	-	17,079
-	52,883	14,235	-	-	-	198,109
-	5,849	-	334,087	-	-	339,936
-	-	-	-	-	-	9,100
-	-	-	-	-	12,926	12,926
162,300	374,698	14,235	334,087	111,247	12,926	1,506,072
0	(928)	(10,438)	(20,223)	(4,594)	6,179	(112,298)
-	-	-	2,480	-	149,564	317,044
0	0	0	2,480	0	149,564	317,044
0	(928)	(10,438)	(17,743)	(4,594)	155,743	204,746
-	-	40,323	7,286	-	530,439	1,424,206
\$ 0	\$ (928)	\$ 29,885	\$ (10,457)	\$ (4,594)	\$ 686,182	\$ 1,628,952

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 208 SPECIAL PROJECTS FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1760 Club fund raising	\$ 196,241	\$ 517,000	\$ 517,000	\$ 320,759
1920 Donations	15,752	28,000	28,000	12,248
Total revenues	211,993	545,000	545,000	333,007
Expenditures				
1000 Instruction				
1111 Elementary, K-5 or K-6				
400 Supplies and materials	10,615	60,000	60,000	49,385
1131 High school programs				
300 Purchased services	11,500	123,000	123,000	111,500
1132 High school extracurricular				
400 Supplies and materials	157,132	450,000	450,000	292,868
Total instruction	179,247	633,000	633,000	453,753
2000 Support services				
2120 Guidance services				
400 Supplies and materials	64,926	238,000	238,000	173,074
2540 Operation and maint of plant services				
400 Supplies and materials	-	2,000	2,000	2,000
2543 Care and upkeep of grounds services				
300 Purchased services	-	5,000	5,000	5,000
Total support services	64,926	245,000	245,000	180,074
Total expenditures	244,173	878,000	878,000	633,827
Excess of revenues over (under) expenditures	(32,180)	(333,000)	(333,000)	(300,820)
Other financing sources				
Transfers in	35,000	35,000	35,000	-
Total other financing sources	35,000	35,000	35,000	0
Net change in fund balance	2,820	(298,000)	(298,000)	(300,820)
Available fund balance, July 1	293,876	298,000	298,000	4,124
Available fund balance, June 30	\$ 296,696	\$ 0	\$ 0	\$ (296,696)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 209 TECHNOLOGY AND CURRICULUM FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1990 Miscellaneous income	\$ -	\$ -	\$ -	\$ -
Total revenues	0	0	0	0
Expenditures				
2000 Support services				
2660 Technology services				
400 Supplies and materials	-	160,000	160,000	160,000
Total support services	0	160,000	160,000	160,000
Total expenditures	0	160,000	160,000	160,000
Excess of revenues over (under) expenditures	0	(160,000)	(160,000)	(160,000)
Other financing sources				
Transfers in	30,000	40,000	40,000	10,000
Total other financing sources	30,000	40,000	40,000	10,000
Net change in fund balance	30,000	(120,000)	(120,000)	(150,000)
Available fund balance, July 1	175,000	120,000	120,000	(55,000)
Available fund balance, June 30	\$ 205,000	\$ 0	\$ 0	\$ (205,000)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 210 BUS REPLACEMENT FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3222 State school fund transportation	\$ 82,029	\$ 72,448	\$ 72,448	\$ (9,581)
Total revenues	82,029	72,448	72,448	(9,581)
Expenditures				
2000 Support services				
2554 Bus replacement				
500 Capital outlay	112,401	184,458	184,458	72,057
600 Other objects	18,590	30,000	30,000	11,410
Total support services	130,991	214,458	214,458	83,467
Total expenditures	130,991	214,458	214,458	83,467
Excess of revenues over (under) expenditures	(48,962)	(142,010)	(142,010)	(93,048)
Other financing sources				
Transfers in	100,000	100,000	100,000	-
Total other financing sources	100,000	100,000	100,000	0
Net change in fund balance	51,038	(42,010)	(42,010)	(93,048)
Available fund balance, July 1	376,760	252,455	252,455	(124,305)
Available fund balance, June 30	\$ 427,798	\$ 210,445	\$ 210,445	\$ (217,353)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 216 CTE GRANT FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3299 Restricted state grant	\$ 120,263	\$ 169,040	\$ 169,040	\$ 48,777
Total revenues	120,263	169,040	169,040	48,777
Expenditures				
1000 Instruction				
1131 High school programs				
100 Salaries	21,175	24,793	24,793	3,618
200 Associated payroll costs	12,289	16,493	16,493	4,204
300 Purchased services	15,510	28,500	28,500	12,990
400 Supplies and materials	14,620	36,350	36,350	21,730
500 Capital outlay	29,145	15,000	15,000	(14,145)
600 Other objects	2,497	4,000	4,000	1,503
Total instruction	95,236	125,136	125,136	29,900
2000 Support services				
2240 Instruction staff development				
300 Purchased services	-	300	300	300
2410 Office of the principal services				
100 Salaries	11,001	20,090	20,090	9,089
200 Associated payroll costs	6,078	13,514	13,514	7,436
Total support services	17,079	33,904	33,904	16,825
4000 Facilities acquisition and construction				
4155 Bldg acq, const, and imp svcs				
300 Purchased services	9,100	10,000	10,000	900
Total facilities acquisition and construction	9,100	10,000	10,000	900
Total expenditures	121,415	169,040	169,040	47,625
Excess of revenues over (under) expenditures and net change in fund balance	(1,152)	0	0	1,152
Available fund balance, July 1	522	-	-	(522)
Available fund balance, June 30	\$ (630)	\$ 0	\$ 0	\$ 630

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 240 TITLE I FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 162,300	\$ 218,281	\$ 218,281	\$ 55,981
Total revenues	162,300	218,281	218,281	55,981
Expenditures				
1000 Instruction				
1272 Title I/AD				
100 Salaries	73,697	143,592	143,592	69,895
200 Associated payroll costs	53,510	99,415	99,415	45,905
300 Purchased services	-	5,000	5,000	5,000
400 Supplies and materials	35,093	21,634	21,634	(13,459)
Total instruction	162,300	269,641	269,641	107,341
Total expenditures	162,300	269,641	269,641	107,341
Excess of revenues over (under) expenditures and net change in fund balance	0	(51,360)	(51,360)	(51,360)
Available fund balance, July 1	-	51,360	51,360	51,360
Available fund balance, June 30	\$ 0	\$ 0	\$ 0	\$ 0

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 241 COVID-19 FUND

For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 373,770	\$ 575,570	\$ 575,570	\$ 201,800
Total revenues	373,770	575,570	575,570	201,800
Expenditures				
1000 Instruction				
1111 Elementary, K-5 or K-6				
100 Salaries	58,773	80,083	80,083	21,310
200 Associated payroll costs	39,156	62,365	62,365	23,209
300 Purchased services	27,989	1,544	1,544	(26,445)
400 Supplies and materials	9,056	26,668	26,668	17,612
1131 High school programs				
100 Salaries	58,770	114,708	114,708	55,938
200 Associated payroll costs	36,152	79,289	79,289	43,137
300 Purchased services	71,425	1,256	1,256	(70,169)
400 Supplies and materials	14,645	16,632	16,632	1,987
Total instruction	315,966	382,545	382,545	66,579
2000 Support services				
2410 Office of the Principal Services				
100 Salaries	5,900	45,000	45,000	39,100
200 Associated payroll costs	3,246	29,737	29,737	26,491
2540 Oper and maint of plant services				
300 Purchased services	-	30,912	30,912	30,912
400 Supplies and materials	36,043	40,639	40,639	4,596
500 Capital Outlay	4,069	26,448	26,448	22,379
2660 Technology Services				
300 Purchased services	-	4,500	4,500	4,500
400 Supplies and materials	3,625	6,789	6,789	3,164
Total support services	52,883	184,025	184,025	131,142
3000 Enterprise and community services				
3100 Food services				
100 Salaries	3,600	5,369	5,369	1,769
200 Associated payroll costs	2,249	2,631	2,631	382
300 Purchased services	-	1,000	1,000	1,000
Total enterprise and community services	5,849	9,000	9,000	3,151
Total expenditures	374,698	575,570	575,570	200,872
Excess of revenues over (under) expenditures and net change in fund balance	(928)	0	0	928
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ (928)	\$ 0	\$ 0	\$ 928

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 243 MEDICAID GRANT FUND

For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1990 Miscellaneous	\$ 3,797	\$ 16,701	\$ 16,701	\$ 12,904
Total revenues	3,797	16,701	16,701	12,904
Expenditures				
2000 Support services				
2120 Guidance Services				
300 Purchased services	300	1,000	1,000	700
400 Supplies and materials	-	2,000	2,000	2,000
600 Other objects	1,619	400	400	(1,219)
2140 Office of the Principal Services				
100 Salaries	7,953	7,894	7,894	(59)
200 Associated payroll costs	4,363	5,407	5,407	1,044
Total support services	14,235	16,701	16,701	2,466
4000 Facilities acquisition and construction				
4150 Bldg acq, const, and imp svcs				
500 Capital outlay	-	64,734	64,734	64,734
Total facilities acquisition and construction	0	64,734	64,734	64,734
Total expenditures	14,235	81,435	81,435	67,200
Excess of revenues over (under) expenditures and net change in fund balance	(10,438)	(64,734)	(64,734)	(54,296)
Available fund balance, July 1	40,323	64,734	64,734	24,411
Available fund balance, June 30	\$ 29,885	\$ 0	\$ 0	\$ (29,885)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 253 SCHOOL LUNCH FUND

For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1660 Food service	\$ 8,337	\$ 88,111	\$ 88,111	\$ 79,774
3299 State grant	2,315	6,400	6,400	4,085
4500 Restricted federal revenue	283,422	160,000	160,000	(123,422)
4900 Commodities received	19,790	25,000	25,000	5,210
Total revenues	313,864	279,511	279,511	(34,353)
Expenditures				
3000 Enterprise and community services				
3100 Food services				
100 Salaries	91,178	102,190	102,190	11,012
200 Associated payroll costs	67,215	101,408	101,408	34,193
300 Purchased services	6,171	15,550	15,550	9,379
400 Supplies and materials	166,571	191,000	191,000	24,429
500 Capital outlay	-	5,000	5,000	5,000
600 Other objects	991	3,500	3,500	2,509
Total enterprise and community services	332,126	418,648	418,648	86,522
Total expenditures	332,126	418,648	418,648	86,522
Excess of revenues over (under) expenditures	(18,262)	(139,137)	(139,137)	(120,875)
Other financing sources				
Transfers in	2,480	139,137	139,137	136,657
Total other financing sources	2,480	139,137	139,137	136,657
Net change in fund balance	(15,782)	0	0	15,782
Available fund balance, July 1	732	-	-	(732)
Available fund balance, June 30	(15,050)	\$ 0	\$ 0	\$ 15,050
Reconcile to GAAP basis:				
Inventory	4,593			
GAAP Basis fund balance, June 30	\$ (10,457)			

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 260 IDEA FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 106,653	\$ 123,901	\$ 123,901	\$ 17,248
Total revenues	106,653	123,901	123,901	17,248
Expenditures				
1000 Instruction				
1250 Less restrictive programs				
100 Salaries	62,318	63,336	63,336	1,018
200 Associated payroll costs	48,929	60,565	60,565	11,636
Total instruction	111,247	123,901	123,901	12,654
Total expenditures	111,247	123,901	123,901	12,654
Excess of revenues over (under) expenditures and net change in fund balance	(4,594)	0	0	4,594
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ (4,594)	\$ 0	\$ 0	\$ 4,594

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 301 DEBT SERVICE FUND
For the Year Ended
June 30, 2022

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1510 Interest on investments	\$ 6,179	\$ 542	\$ 542	\$ (5,637)
4300 Restricted federal revenue	12,926	22,925	22,925	9,999
Total revenues	19,105	23,467	23,467	4,362
Expenditures				
5000 Debt service				
5110 Bond payment				
600 Other objects	12,926	27,699	27,699	14,773
Total debt service	12,926	27,699	27,699	14,773
Total expenditures	12,926	27,699	27,699	14,773
Excess of revenues over (under) expenditures	6,179	(4,232)	(4,232)	(10,411)
Other financing sources				
Transfers in	149,564	149,564	149,564	-
Total other financing sources	149,564	149,564	149,564	0
Net change in fund balance	155,743	145,332	145,332	(10,411)
Available fund balance, July 1	530,439	242,004	242,004	(288,435)
Available fund balance, June 30	\$ 686,182	\$ 387,336	\$ 387,336	\$ (298,846)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - 100 GENERAL FUND
For the Year Ended
June 30, 2022

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
1000 Instruction			
1111 Primary, K-3	\$ 998,938	\$ 613,782	\$ 7,130
1121 Middle and junior high programs	258,754	152,275	-
1122 Middle and junior high school extracurricular	22,170	8,923	1,338
1131 High school programs	628,273	352,028	2,282
1132 High school extracurricular	145,138	52,532	30,181
1140 Pre-kindergarten programs	-	-	-
1210 Programs for talented and gifted	-	-	-
1250 Resource rooms	432,364	337,137	31,996
1271 Remediation	13,932	6,374	32,782
1291 English second language programs	1,807	1,077	-
Total 1000 instruction	<u>2,501,376</u>	<u>1,524,128</u>	<u>105,709</u>
2000 Support services			
2115 Student safety	-	-	10,000
2120 Guidance services	-	-	-
2130 Health services	-	-	-
2190 Student direction support	86,992	49,962	2,607
2210 Improvement of instruction	-	11,278	2,227
2220 Educational media	28,302	24,982	-
2240 Instructional staff development	-	-	294
2310 Board of education	-	-	62,585
2320 Executive administration	65,644	33,613	6,692
2410 Office of the principal	280,890	164,464	63,310
2520 Fiscal services	112,659	26,516	2,452
2528 Risk management services	-	-	-
2529 Other fiscal services	-	3,163	-
2540 Operation and maintenance of plant	204,279	137,038	311,415
2545 Maintenance	-	-	1,570
2550 Student transportation	343,087	200,776	43,437
2555 Co-curricular transportation	46,707	34,731	9,659
2558 Special education transportation	16,058	14,590	3,490
2620 Planning, research, development, and evaluation	-	-	-
2660 Technology services	5,884	2,764	1,268
Total 2000 support services	<u>1,190,502</u>	<u>703,877</u>	<u>521,006</u>
4000 Facilities acquisition and construction			
4120 Site acquisition and development services	-	-	-
4150 Building acquisition, construction, and improvement	-	-	-
Total 4000 facilities acquisition and construction	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>\$ 3,691,878</u>	<u>\$ 2,228,005</u>	<u>\$ 626,715</u>

400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ 15,481	\$ -	\$ -	\$1,635,331	\$ 2,060,645	\$ 2,060,645	\$ 425,314
5,844	-	470	417,343	518,052	518,052	100,709
-	-	-	32,431	70,158	70,158	37,727
28,590	1,516	676	1,013,365	1,228,785	1,228,785	215,420
1,882	-	16,838	246,571	319,446	319,446	72,875
-	-	-	-	7,000	7,000	7,000
117	-	-	117	2,000	2,000	1,883
10,468	-	-	811,965	1,151,139	1,151,139	339,174
845	-	-	53,933	70,568	70,568	16,635
-	-	-	2,884	38,166	38,166	35,282
<u>63,227</u>	<u>1,516</u>	<u>17,984</u>	<u>4,213,940</u>	<u>5,465,959</u>	<u>5,465,959</u>	<u>1,252,019</u>
-	-	-	10,000	45,000	45,000	35,000
669	-	-	669	1,300	1,300	631
270	-	-	270	1,200	1,200	930
56	-	-	139,617	155,447	155,447	15,830
62,998	-	-	76,503	107,800	107,800	31,297
3,157	-	-	56,441	92,008	92,008	35,567
-	-	-	294	14,150	14,150	13,856
1,597	-	8,324	72,506	70,150	70,150	(2,356)
922	-	2,213	109,084	135,313	135,313	26,229
15,859	-	36,614	561,137	597,512	597,512	36,375
24,295	-	5,804	171,726	254,721	254,721	82,995
-	-	16,970	16,970	22,400	22,400	5,430
-	-	400	3,563	49,100	49,100	45,537
57,170	49,684	74,667	834,253	1,622,684	1,622,684	788,431
-	-	-	1,570	26,300	26,300	24,730
54,663	-	21,128	663,091	956,071	956,071	292,980
14,218	-	-	105,315	119,685	119,685	14,370
3,556	-	-	37,694	87,534	87,534	49,840
-	-	-	-	11,000	11,000	11,000
42,869	-	-	52,785	179,141	179,141	126,356
<u>282,299</u>	<u>49,684</u>	<u>166,120</u>	<u>2,913,488</u>	<u>4,548,516</u>	<u>4,548,516</u>	<u>1,635,028</u>
-	-	-	-	6,000	6,000	6,000
-	-	-	-	193,920	193,920	193,920
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>199,920</u>	<u>199,920</u>	<u>199,920</u>
<u>\$ 345,526</u>	<u>\$ 51,200</u>	<u>\$ 184,104</u>	<u>\$7,127,428</u>	<u>\$ 10,214,395</u>	<u>\$ 10,214,395</u>	<u>\$(3,086,967)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the Year Ended
June 30, 2022

2021-22 Assessed valuation of taxable property \$ 428,236,806

Tax rate (Dollars per \$1,000 assessed value) \$ 1.6468

Ratio of annual debt service requirements for bonded debt to total General Fund Expenditures and Transfers:

	Principal	Interest	Total Bonded Debt Service	General Fund Expenditures and Transfers	Ratio of Debt Service to General Fund Expenditures and Transfers
2021-22	\$ 275,000	\$ 135,597	\$ 410,597	\$ 8,079,164	5.08%

Ratio of Net Bonded Debt to Assessed Value:

	Assessed Valuation	Net Bonded Debt*	Ratio of Net Bonded Debt to Assessed Value
2021-22	\$ 428,236,806	\$ 2,910,002	0.68%

* Computed as gross bonded debt less amount available for retirement of debt in Debt Service Fund

Principal Taxpayers for Grant School District No. 3

	Assessed Valuation	Percent of Total County Value
<u>Private Enterprises</u>		
Tidewater Contractors, Inc.	\$ 1,452,310	0.34%
Malhuer Lumber Company	937,120	0.22%
Chester's Thriftway	612,990	0.14%
Ed Staub & Sons Petro, Inc.	301,650	0.07%
<u>Public Utilities</u>		
Lumen Technologies Inc	16,180,000	3.78%
Oregon Telephone Company	13,068,000	3.05%
Verizon Communications, Inc.	4,995,000	1.17%
Idaho Power Company	2,180,000	0.51%
AT&T, Inc.	1,331,000	0.31%
Oregon Trail Electric Consumer Co-op	858,000	0.20%
<u>All other taxpayers</u>	\$ 386,320,736	90.21%
Total	<u>\$ 428,236,806</u>	<u>100.00%</u>

(Continued on next page)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the Year Ended
June 30, 2022

Summary of General Fund State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
	<u> </u>	<u> </u>	<u> </u>
2021-22	\$ 6,724,210	73.78%	\$ 9,114,094

Computation of Legal Debt Margin:

Real Market Value	\$ 884,169,840
Allowable proportion	0.0795
Debt limit: 7.95% of real market value **	<u>70,291,502</u>
Amount of debt applicable to debt limit:	
Bonded debt	2,910,002
Less: amount available in debt service funds	<u>(3,114,812)</u>
Amount of debt applicable to debt limit	<u>(204,810)</u>
Legal debt margin	<u><u>\$ 70,496,313</u></u>

** ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district based on the following:

- A. For each grade from kindergarten to eighth for which the district operates schools, fifty-five one-hundredths of one percent of the real market value.
- B. For each grade from ninth to twelfth for which the district operates schools, seventy-five one-hundredths of one percent of the real market value.

Allowable percentage of real market value:

A. Each grade kindergarten through eighth: $9 \times .0055$	4.95%
B. Each grade ninth through twelfth: $4 \times .0075$	3.00%
Allowable percentage	<u><u>7.95%</u></u>

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Grant School District No. 3
Canyon City, Oregon

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 basic financial statements of Grant School District No. 3 (the district) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 30, 2022.

COMPLIANCE

As part of obtaining reasonable assurance about whether the district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

- Budgets legally required (ORS Chapter 294)
 - Budget publication errors identified, not including contingency appropriated in the budget detail for the Bus Replacement Fund 210 in the adopted resolution, in the 2022 fiscal year budget were not corrected before the governing body (ORS 294.451(1))
 - Expenditures in excess of appropriations in the SIA Fund 222 – Support Services by \$12,530 (ORS 294.338(1))
 - No documentation supporting the budget committee’s approval of the proposed 2023 fiscal year budget document (ORS 294.428)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)
 - Appropriate documentation was not maintained to support compliance with intermediate procurement requirements (purchases and contracts in excess of \$10,000) (ORS 297B.070)
 - Appropriate documentation was not maintained to support compliance with public improvement projects (purchases and contracts in excess of \$100,000 that do not follow competitive quotes or bidding processes) (ORS 297C.365)

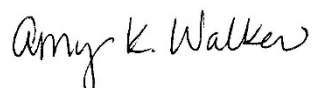
OAR 162-10-0230 INTERNAL CONTROL

In planning and performing our audit of the financial statements, we considered the district’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the district’s internal control. Accordingly, we do not express an opinion on the effectiveness of the district’s internal control.

Our 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* dated December 30, 2022, is presented under separate cover.

RESTRICTIONS ON USE

This report is intended solely for the information and use of the board of directors, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these parties.



For Solutions, CPAs PC
John Day, Oregon
December 30, 2022



Oregon Secretary of State – Audits Division

Summary of Revenues and Expenditures

A. Municipal corporation information			
Municipality name: <u>Grant School District No. 3</u>			
Address line 1: <u>401 North Canyon Blvd</u>		Reporting period: From <u>07/01/2021</u>	
Address line 2: _____		To <u>06/30/2022</u>	
City, state, ZIP: <u>Canyon City</u> <u>OR</u> <u>97820</u>		Report type: <u>Audit</u>	
Check if new address: <input type="checkbox"/>		Opinion issued: <u>Qualified</u>	
If this is the final report, please enter the last date of operations: _____		Basis of accounting: <u>GAAP</u>	

B. Financial statement audit – Reported deficiencies	
<p>1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported? <u>1</u></p> <p>2. Of those control deficiencies reported, how many resulted in the following: Accounting errors/Misstatements: <u>0</u> Noncompliance: <u>0</u></p>	<p>3. How were deficiencies communicated? Check all that apply.</p> <p><input checked="" type="checkbox"/> Report issued in accordance with Government Auditing Standards</p> <p><input type="checkbox"/> Communication in accordance with Statements on Auditing Standards AU-C 265 "Communicating Internal Control Related Matters Identified in an Audit"</p> <p><input type="checkbox"/> Other (specify communication): _____</p> <p><input type="checkbox"/> No deficiencies</p> <p>Per OAR 162-010-0230, a copy must be filed with Secretary of State.</p>

C. Summary of revenues and expenditures

Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 11,590,758	a. Expenditures from government-wide statement of activities:	\$ 9,068,111
b. Fiduciary fund additions:		b. Fiduciary fund deductions:	
c. Gross revenues subtotal (a + b):	\$ 11,590,758	c. Gross expenditures subtotal (a + b):	\$ 9,068,111
d. Revenues of component units:		d. Component unit expenditures reported with primary government:	
e. Taxes, assessments and other collections to be distributed to other governments:		e. Turnovers to other municipal corporations:	
f. Exempt revenue subtotal (d + e):	\$ 0	f. Exempt expenditures subtotal (d + e):	\$ 0
g. Net revenues (c – f):	\$ 11,590,758	g. Net expenditures (c – f):	\$ 9,068,111

D. Filing fee:	\$ 300
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E. Submitted by	
Auditor name: <u>Amy K. Walker, CPA</u>	Municipal license number: <u>1604</u>
Firm name: <u>Solutions, CPAs PC</u>	Date: <u>12/30/2022</u>
Municipal contact name, title: <u>Stacy Durych, Business Manager</u>	Municipal phone: <u>(541) 575-1280</u>

Within 30 days of delivering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Audits Division, and one copy must be delivered to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with *Government Auditing Standards*, a copy of that communication must also be filed. (OAR 162-010-0230)

SRE (9/2017)

OREGON DEPARTMENT OF EDUCATION
REQUIRED INFORMATION

FORM 581-3211 - SUPPLEMENTAL INFORMATION

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
OREGON DEPARTMENT OF EDUCATION REQUIRED INFORMATION
FORM 581-3211 - SUPPLEMENTAL INFORMATION
June 30, 2022

A. Energy bills for heating: Enter expenditures for electricity and heating fuel for these functions and objects.

Function	Objects 325, 326, and 327
2540	\$ 190,370
2550	\$ 19,275

B. Replacement of equipment - General Fund: Include all General Fund expenditures for objects 542, except for the following exclusions:

\$ 1,516

Exclude these functions:

1113 Co-curricular activities
1122 Co-curricular activities
1132 Co-curricular activities
1140 Pre-kindergarten
1300 Adult/continuing education
1400 Summer school
2550 Student transportation
3100 Food services
3300 Community services
4150 Facilities, acquisition, and construction

Grant School District No. 3

SINGLE AUDIT

For the Year Ended June 30, 2022

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Grant School District No. 3
Canyon City, Grant County, Oregon
SINGLE AUDIT
June 30, 2022

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GRANT SCHOOL DISTRICT NO. 3
John Day, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Granting Agency, Pass-through Organization, Program Title	Federal CFDA Number	Grant Award Number	Period Covered	Expenditures
U.S. Treasury Department				
Direct Program				
QSCB Interest Direct Payment	NA	NA	7/1/21-6/30/22	\$ 12,926
Total Treasury Department				<u>12,926</u>
U.S. Department of Agriculture				
Passed through ODE				
Child Nutrition Cluster				
National School Breakfast Program	10.553	1207001	7/1/21-6/30/22	87,779
National School Lunch Program	10.555	1207001	7/1/21-6/30/22	180,846
Child Nutrition Programs - Commodity Distribution	10.555	1207001	7/1/21-6/30/22	19,790
Child Nutrition Programs - Supply Chain Assistance	10.555	1207001	7/1/21-6/30/22	14,183
Total Child Nutrition Cluster				<u>302,598</u>
 Child Nutrition Program - SNAP	 10.649	 1207001	 7/1/21-6/30/22	 614
Passed through Grant County, Oregon				
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to Counties	10.666	N/A	7/1/20-6/30/21	390,647
Total Forest Service Schools and Roads Cluster				<u>390,647</u>
Total Department of Agriculture				<u>693,859</u>
U.S. Department of Education				
Passed through ODE				
* COVID-19 Education Stabilization Fund (ESSER II)	84.425D	64604	3/13/20-9/30/23	176,135
* COVID-19 Education Stabilization Fund (ESSER III)	84.425U	61078	3/13/20-9/30/24	197,636
Title IA - Low Income	84.010	58287	7/1/21-9/30/22	137,458
Student Support and Academic Enrichment Program	84.424A	54543	7/1/21-9/30/22	24,842
* Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA Part B)	84.027	60678	7/1/21-9/30/22	106,653
Total Special Education Cluster				<u>106,653</u>
Total Department of Education				<u>642,724</u>
Total federal assistance				<u>\$ 1,349,509</u>

* Major program

See accompanying notes to schedule of expenditures of federal awards.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Purpose of the schedule

The accompanying schedule of expenditures of federal awards (SEFA) is a supplementary schedule to the district financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the district, it is not intended to and does not present the financial position or changes in fund balances of the district.

Significant accounting policies

Basis of presentation

The SEFA includes the federal grant activity for the district and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

Federal financial assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Federal Forest Fees

Federal forest fees considered federal revenues are included in the schedule due to requirements of the Oregon Department of Education. However, these expenditures are not subject to Uniform Guidance and there are no applicable compliance requirements once these funds are passed to the district. Based on guidance from the oversight agency, the Oregon Department of Education, and the United States Department of Agriculture, a single audit has not been completed because the total federal revenues, not including forest fees, are less than \$750,000.

Major programs

The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the district are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Reporting entity

The reporting entity is fully described in the notes to financial statements. The schedule includes all federal programs administered by the district for the year ended June 30, 2022.

Indirect Cost Rate

The district has not elected to use the 10% de minimis indirect cost rate.

Subrecipients

The district did not pass any federal funds to subrecipients during the year ended June 30, 2022.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Type of Report Issued

In our report for the district, our opinion was qualified on the governmental activities and unmodified on each major fund and the aggregate remaining fund information.

Material Weakness in Internal Control

Our audit of the financial statements of the district did not disclose any material weaknesses in internal control over financial reporting.

Significant Deficiencies in Internal Control

Our audit of the financial statements of the district identified one significant deficiency in internal control over financial reporting (2022-001).

Noncompliance Material to Financial Statements

Our audit of the financial statements of the district did not disclose any noncompliance which is material to the financial statements.

Material Weakness in Internal Control Over Major Programs

Our audit of the district identified one material weaknesses in internal control over major federal programs (2022-002).

Significant Deficiencies in Internal Control Over Major Programs

Our audit of the district did not identify any significant deficiencies in internal control over major programs.

Type of Report Issued on Compliance for Major Programs

We have issued an unmodified opinion on compliance with requirements that have a direct and material effect on each major federal program.

Audit Findings

Our audit of the district did not disclose any audit findings we are required to report in accordance with 2 CFR 200.516(a).

Identification of Major Programs

<u>Description of Federal Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Education Stabilization Fund	84.425	\$ 373,771
Special Education - Grants to States (IDEA Part B)	84.027	\$ 106,653

Dollar Threshold Used to Distinguish Between Type A and Type B Programs

Type A programs are the programs with total program expended funds of \$750,000 or more.

Risk Classification of Auditee

We have determined that the district does not qualify as a low-risk auditee.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

Classification of Federal Awards Expended

We have determined that the district has expended federal funds in the following forms:

1. Non-cash assistance – USDA Commodities – 10.555 - \$19,790
2. Insurance in effect during the period - \$0
3. Loans or loan guarantees, including interest subsidies, outstanding at year end - \$0

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

MATERIAL WEAKNESSES IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

CURRENT YEAR FINDINGS

The audit for the year ended June 30, 2022 did not report any material weaknesses in accordance with Government Auditing Standards.

PRIOR YEAR FINDINGS

2021-001 - Financial Statement Preparation

Criteria: The financial statements are the responsibility of the district's management, including the prevention or detection of material misstatements in the presentation and disclosure of the financial statements. Non-attest services performed by the auditor in the preparation of the financial statements cannot be considered compensating controls.

Condition and Context: The district engages their auditors to provide non-attest services for the preparation of its financial statements. Although common for municipalities the size of the district, this condition represents a control deficiency over the financial reporting process that is required to be reported under professional standards as long as management makes all financial reporting decisions and accepts responsibility for the content of the financial statements. However, those activities performed by the auditor are not a substitute for, or extension of, internal controls over the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP).

Cause: The district's accounting personnel do not possess the advanced training that would provide the expertise necessary to prepare the financial statements and related notes in accordance with GAAP, and therefore may not be able to prevent or detect a material misstatement in the preparation and disclosure of the financial statements. Misstatements in financial statements may include not only misstated financial amounts, but also the omission of disclosures required by GAAP.

Effect: Material misstatement in the preparation and disclosure of the financial statements in accordance with GAAP may not be prevented or detected. Misstatements in financial statements include not only misstated dollar amounts, but also the omission of disclosures required under GAAP.

Recommendations: We understand that it may not be practical to acquire or allocate the internal resources to perform all of the controls necessary over financial reporting. However, management (including the Board of Directors) should mitigate this deficiency by keeping informed about the district's internal controls, performing supervisory reviews, studying the financial statements and related footnote disclosures, and understanding its responsibility for the financial statements as a whole.

This deficiency is related specifically to the preparation of GAAP basis financial statements and does not adversely affect the district's ability to initiate, authorize, record, process, or report financial data reliably in accordance with their budget basis of accounting.

Views of the responsible officials and planned corrective actions: We understand the importance of risk management and the need to address risks in an informed, cost-beneficial way. As a result of our cost-benefit analysis we have determined the value of incurring the additional expense of hiring a staff person or another firm to prepare our financial statements does not justify the cost.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

SIGNIFICANT DEFICIENCIES IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

CURRENT YEAR FINDINGS

2022-001 – Segregation of Duties

Criteria: Custody, recording, and authorization functions should be segregated among different personnel over each significant transaction cycle, when possible, to provide adequate internal control for the prevention, detection, and correction of error or fraud.

Condition and Context: Our evaluation of the district's internal control structure disclosed that the district does not have adequate segregation of duties. Accounting duties for main transaction cycles are concentrated on one individual which result in incompatible functions to provide proper segregation of duties.

Cause: The number of district employees has been limited due to turnover at the district and changes made to transactional processes followed.

Effect: Without separation of critical duties, accounting errors or fraud may not be prevented, detected, or corrected in a timely manner.

Recommendations: We acknowledge that a complete separation of duties (such as treasury functions from accounting functions) is not possible due to staffing limitations. We recommend, however, that management review accounting positions and functions to identify specific duties that could be separated among the available personnel to achieve the strongest control possible under the circumstances.

In order to achieve adequate segregation of duties the internal control structure will need to be distributed among all available employees, management, and the board of directors. Those whose duties have traditionally been limited to oversight duties will need to be involved at some level with the treasury or accounting function.

With some thought and creativity, we are confident that the district will be able to identify specific areas where segregation should occur and the steps necessary to achieve this segregation. We are available to assist you in this process through analysis and training where needed.

Views of the responsible officials and planned corrective actions: Management understands the importance of segregation of duties and the need to address these matters in an informed, cost-beneficial way. As a result of our cost-benefit analysis we have determined the value of incurring the additional expense of hiring a staff person in order to provide additional segregation of duties does not justify the cost. We will however review our processes and attempt to identify ways to involve other employees and the board, where necessary, in order to improve our segregation.

PRIOR YEAR FINDINGS

The audit for the year ended June 30, 2021 did not report any significant deficiencies in accordance with *Government Auditing Standards*.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

CURRENT YEAR FINDINGS

2022-002 – Material Weakness in Internal Controls Over Compliance with Federal Program Requirements

Criteria: The system of internal control is the responsibility of the district's management, including the establishment of controls that can aid in the prevention or detection of material noncompliance with federal program requirements.

Condition and Context: The district provided incentive bonuses to employees under the Education Stabilization Fund program but lacked appropriate documentation to support secondary review or approval over the payments processed or to ensure compliance over federal programs. In addition, program draws showed inconsistencies in documentation of review and secondary approval. This deficiency is related specifically to the internal controls regarding federal program compliance.

Cause: The district lacked internal controls to ensure expenditures reimbursed through grant funding meet compliance requirements.

Effect: While noncompliance related to the program was not identified during testing, the lack of internal controls could result in material noncompliance.

Recommendations: We understand that it may not be practical to acquire or allocate the internal resources to perform all the controls necessary over compliance. However, we recommend that additional district resources be designated to develop policies and procedures to ensure compliance over federal program requirements.

The district could assign additional responsibilities amongst management to ensure that any extra or bonus payrolls that are processed receive secondary review and approval. A similar process could be implemented over the federal draw process. Alternatively, the district could involve the board of directors in material expenditures planned under federal programs. Board approval could easily be received and documented in the minutes kept for regular board meetings or through resolutions.

There are two key elements to implementing either of these recommendations; 1) The primary and secondary reviewer must have knowledge of the federal program requirements, and 2) The approval of the expenditure or draw must be documented.

Views of the responsible officials and planned corrective actions: The district has reviewed this finding and agrees with the recommendations. Policies and procedures will be reviewed and changed as needed to ensure compliance with federal requirements.

PRIOR YEAR FINDINGS

The audit for the year ended June 30, 2021 did not report any Material Weaknesses in internal control over compliance or other questioned costs in accordance with 2 CFR 200.516(a).

**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***

Board of Directors
Grant School District No. 3
Canyon City, Grant County, Oregon

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 and each major fund of Grant School District No. 3 (the district), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the district's basic financial statements, and have issued our report thereon dated December 30, 2022.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 district's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any findings that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-001 to be a significant deficiency.

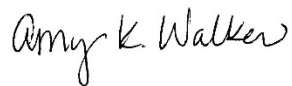
As part of obtaining reasonable assurance about whether the district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified 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 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 that are required to be reported under Government Auditing Standards. See the Report Required by Oregon State Regulations for instances of noncompliance with matters related to Oregon statutes.

Response to Findings

The district's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The district's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 district'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 district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Solutions, CPAs PC
John Day, Oregon
December 30, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH UNIFORM GUIDANCE**

Board of Directors
Grant School District No. 3
Canyon City, Grant County, Oregon

Report on Compliance for Each Major Federal Program

Opinion

We have audited Grant School District No. 3's (the district's) compliance with the types of compliance requirements as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the district's major federal programs for the year ended June 30, 2022. The district's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the district 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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 the district 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 audit opinions on compliance for each major federal program. Our audit does not provide a legal determination of the district's compliance with the 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 the district's federal programs.

Auditor's Responsibilities for the Audit of Compliance

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the district's 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 the district'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 GAAS, 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 the 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 the district's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 the district's compliance with the compliance requirements referred to above and such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the district'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the district'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.

Report on Internal Control Over Compliance

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 in internal control over compliance and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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.

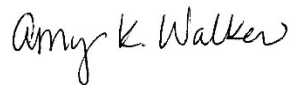
A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-002 to be a material weakness.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the district's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The district'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.

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.



For Solutions, CPAs PC
John Day, Oregon
December 30, 2022