

# **CLATSKANIE SCHOOL DISTRICT COLUMBIA COUNTY, OREGON**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2025**



**CLEAR TRAIL CPAS**

Clear Solutions, Clear Results

**CLATSKANIE SCHOOL DISTRICT  
660 SW BRYANT ST  
CLATSKANIE, OREGON 97016**

**FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2025**

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

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**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

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**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**PRINCIPAL OFFICIALS**

**BOARD OF DIRECTORS**

**TERM EXPIRES**

Megan Evenson - Chair

June 30, 2026

Kara Harris – Vice-Chair

June 30, 2026

Merlyn Thompson

June 30, 2028

Ian Wiggins

June 30, 2028

Katherine Willis

June 30, 2028

All board members will receive mail at the following address:

660 SW Bryant St  
Clatskanie, Oregon 97016

**ADMINISTRATION**

Danielle Hudson, Superintendent  
Diane Barendse, Business Manager



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2850 SW Cedar Hills Blvd, #2074, Beaverton OR 97005 • 503-586-7170 • [ClearTrailCPAS.com](http://ClearTrailCPAS.com)

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January 28, 2026

To the Board of Directors  
Clatskanie School District  
Columbia County, Oregon

**INDEPENDENT AUDITORS' REPORT**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clatskanie School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Clatskanie School District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clatskanie School 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.

**Change in Accounting Principle**

The District adopted new accounting guidance, *GASB Statement No. 101 – Compensated Absences* during the fiscal year under audit. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clatskanie School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Clatskanie School 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 Clatskanie School 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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, 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 budgetary comparison information presented as required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain 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 supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 28, 2026, on our consideration of 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.



Kenneth Allen, CPA  
Municipal Auditor  
**CLEAR TRAIL CPAS**



**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

As management of Clatskanie School District No. 6J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

**FINANCIAL HIGHLIGHTS**

- In the government-wide financial statements, the assets and deferred outflows of District resources exceeded its liabilities and deferred inflows or resources at June 30, 2025, by \$4,940,204. Of this amount, \$10,439,320 represents the District's net investment in capital assets, \$2,373,293 is restricted for various purposes, and the deficit of (\$7,872,409) is unrestricted.
- The District's total net position increased by \$1,198,533 during the fiscal year.
- The District's governmental funds report a combined ending fund balance of \$2,784,538 at June 30, 2025, an increase of \$211,748.
- At the end of the fiscal year ending June 30, 2025, unassigned fund balance for the General Fund was \$583,850, which represents a decrease of \$241,088 in comparison with the prior year.
- The District's total debt decreased by \$584,406 during the 2024-25 fiscal year.

**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 the financial statements. This report also contains supplementary information in addition to the basic financial statements.

**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 similar to a private-sector business. These statements include:

The *Statement of Net Position*. The *statement of net position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off 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.

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

The *Statement of Activities*. The *statement of activities* confirms the net position of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in 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 will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown as governmental activities. All basic District 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, and other intergovernmental revenues.

**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 and objectives. Clatskanie School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 the near-term inflows and outflows of available 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 funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 6 and 8 of this report.

**Notes to the 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 the basic financial statements can be found beginning on page 12 of this report.

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* consisting of schedules detailing ten years of pension (assets)/liabilities and pension contributions and changes in other post-employment benefits liability. Required supplementary information can be found starting on page 41 of this report.

*Supplementary Information* beginning on page 45, includes the budgetary comparisons for the nonmajor funds and schedules of property tax transactions and balances. *Other Information* including the schedule of expenditures of federal awards, schedules and supplemental information required by the Oregon Department of Education can be found beginning on page 49.

**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 the District, assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$4,940,204 as of June 30, 2025 an increase of \$1,198,533 during the year.

Capital assets, which consist of the District's land, buildings, building improvements, equipment and vehicles, net of accumulated depreciation, represent approximately 82% of total assets. Other assets consist of investments, cash, and receivables of property taxes, grants and contracts.

The District's largest liability, which represents 90.6% of total liabilities, is for the repayment of long-term obligations. Other liabilities consist mainly of accounts payable and salaries and benefits.

A portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, equipment and vehicles), less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to students and other district residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position of \$2,373,293 reflects resources that are subject to external restrictions on how they may be used. The remaining balance in net position, a negative \$7,872,409, is unrestricted.

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

<b>CLATSKANIE SCHOOL DISTRICT NO. 6J</b>			
<b>STATEMENT OF NET POSITION</b>			
	<b>Governmental Activities</b>		
	<b>June 30,</b>	<b>June 30,</b>	<b>Increase</b>
	<b>2025</b>	<b>2024</b>	<b>(Decrease)</b>
<b>ASSETS</b>			
Current and Other Assets	\$ 4,496,962	\$ 5,409,585	\$ (912,623)
Capital Assets, net of depreciation	20,800,286	19,699,986	1,100,300
Total Assets	25,297,248	25,109,571	187,677
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Net Pension Related Deferred Outflows	4,915,527	4,211,148	704,379
OPEB Related Deferred Outflows	5,043	16,672	(11,629)
Total Deferred Outflow of Resources	4,920,570	4,227,820	692,750
<b>LIABILITIES</b>			
Current Liabilities	2,251,227	4,777,682	(2,526,455)
Long-Term Obligations	21,797,396	19,672,727	2,124,669
Total Liabilities	24,048,623	24,450,409	(401,786)
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Net Pension Related Deferrals	1,189,567	886,709	302,858
Total OPEB Related Deferrals	39,424	258,602	(219,178)
Total Deferred Inflows of Resources	1,228,991	1,145,311	83,680
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,439,320	17,411,643	(6,972,323)
Restricted	2,373,293	-	2,373,293
Unrestricted	(7,872,409)	(13,669,972)	5,797,563
Total Net Position	\$ 4,940,204	\$ 3,741,671	\$ 1,198,533

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

**Governmental Activities.** During the current fiscal year, the District's net position increased by \$1,198,533. Revenues increased \$2,066,147, mainly due to an increase in state & local revenue. Expenses saw an increase of \$1,821,880 mainly due to instructions and support services.

CLATSKANIE SCHOOL DISTRICT NO. 6J			
CHANGES IN NET POSITION			
Year Ended June 30, 2025			
	Governmental Activities		Increase
	2025	2024	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 77,740	\$ 157,067	\$ (79,327)
Operating Grants and Contributions	1,618,397	3,514,396	(1,895,999)
Capital Grants and Contributions	1,806,721	-	1,806,721
General Revenues			
Property Taxes Levied for:			
General Purposes	7,175,507	7,433,887	(258,380)
Earnings on Investments	207,093	320,052	(112,959)
Miscellaneous	232,148	-	232,148
State, Intermediate & Local - Other	2,010,725	267,169	1,743,556
State Revenue Sharing	3,955,115	3,324,728	630,387
Total revenues	17,083,446	15,017,299	2,066,147
EXPENSES			
Instruction	8,117,374	7,753,840	363,534
Support services	6,603,403	5,474,315	1,129,088
Enterprise and Community Services	580,169	424,289	155,880
Interest on Long-Term Debt	402,371	228,993	173,378
Total expenses	15,703,317	13,881,437	1,821,880
Increase (Decrease) in Net Position	1,380,129	1,135,862	244,267
Net Position - Beginning, restated	3,560,075	2,605,809	954,266
Net Position - Ending	\$ 4,940,204	\$ 3,741,671	\$ 1,198,533

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

**Fund Financial Analysis**

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2025, the District's governmental funds reported combined ending fund balances of \$2,784,538, an increase of \$211,745 in comparison with the prior year. Of this amount, \$2,200,688 (79 percent) of the ending fund balances constitutes restricted or assigned ending fund balance, which are amounts that are legally restricted by outside parties for a specific purpose (such as student body, debt service and capital projects). The ending fund balance remaining of \$583,850 (21 percent) is unassigned and available for spending at the District's discretion.

**General Fund.** The General Fund is the primary operating fund of the District. As of June 30, 2015, fund balance was \$583,850. As a measure of the fund's liquidity, it may be useful to compare general fund balance to total general fund expenditures. The fund balance represents 5.1 percent of total General Fund expenditures. The total fund balance decreased by \$241,088 as the District experienced increased costs in support services.

**Special Revenue.** The Special Revenue Fund accounts for revenues and expenditures of funds restricted for specific programs, such as grants, associated student body activities, and transportation vehicle replacement as well as internal funds segregated by the Board for the food service program. Grant revenues are primarily from Federal sources. As of June 30, 2025, fund balance was \$1,562,660, an increase of \$363,900 from the prior year primarily due to increased transfers contributions to the strategic investment program fund.

**Debt Service Fund.** As of June 30, 2025, the restricted fund balance was \$112,496. The fund balance increased by \$22,113 from the prior year, primarily due to additional prior year property taxes being collected.

**Capital Projects Fund.** The Capital Projects Fund has a restricted fund balance of \$525,532, all of which is dedicated for ongoing capital projects.

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets include land, buildings and improvements, and machinery and equipment. As of June 30, 2025, the District had invested \$20,743,852 in capital assets, net of depreciation, as shown in the following table. The total capital assets net of depreciation increased by \$1,043,866. Additional information regarding the District's capital assets can be found in the notes to the financial statements of this report.

CLATSKANIE SCHOOL DISTRICT NO. 6J			
CAPITAL ASSETS			
(net of depreciation)			
	Governmental Activities		
	June 30, 2025	June 30, 2024	Increase (Decrease)
Land	\$ 476,270	\$ 476,270	\$ -
Construction in Progress	-	5,424,635	(5,424,635)
Building and Equipment, net of depreciation	20,267,582	13,799,081	6,468,501
Total Capital Assets, net of depreciation	<u>\$ 20,743,852</u>	<u>\$ 19,699,986</u>	<u>\$ 1,043,866</u>

**Long-term Debt.** As of June 30, 2025, the District had \$10,689,440 in long-term obligations, consisting primarily of general obligation bonds, leases payable, and an installment purchase agreement. This is a decrease of \$584,406 from prior year, as the District continued to pay down the outstanding general obligation bonds and other obligations.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

During the fiscal year ending June 30, 2025, the District continued to be faced with challenges due to the increased costs of goods and services, student mental health needs, and increases in payroll costs due to the introduction of Oregon Paid Leave and unemployment for some district employees.

The most significant economic factor for the District is the State of Oregon's State School Fund (SSF), which accounts for 94.2% of the District's general fund resources. The Oregon Legislature passed a statewide education budget of \$11.359 billion for the 2025-27 biennium. State School Fund (SSF) support payments will be made to districts based on that budget. However, the budget is contingent upon a forecast of Oregon's economy and the projected tax receipts based on that forecast. Should the Oregon

**CLATSKANIE SCHOOL DISTRICT NO. 6J**  
**COLUMBIA COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2025**

economy perform more poorly than was forecast, cuts will be made to the state budget that will affect programs supported by the state. This forecast could also potentially affect other state grants the District receives from the Oregon Department of Education.

The 2025-26 adopted budget continues to reflect challenging economic times. The budget will be designed to keep as many resources available to students as possible but will reflect the impact of increasing costs from unfunded state mandates and collective bargaining agreements.

Personnel expenses make up the majority of program costs for the instruction, support and administrative functions. Salaries and the associated payroll costs continue to increase. These escalating costs continue to be one of the most pressing concerns for the District in the attempt to balance student needs with the provision of a realistic compensation package for staff.

Another challenge the District faces is the uncertainty of Federal funding. District administrators continue to monitor Federal programs and the funding that supports them.

The District's Budget Committee and School Board considered these and other factors while preparing the 2025-26 budget.

**REQUESTS FOR INFORMATION**

The District's financial report is designed to provide taxpayers, parents, teachers, students, 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 should be addressed to the Business Manager at the Clatskanie School District, 660 SW Bryant St, Clatskanie, Oregon 97016.



## **BASIC FINANCIAL STATEMENTS**

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**STATEMENT OF NET POSITION  
June 30, 2025**

	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,564,992
Receivables (net of allowances for uncollectibles)	
Property taxes	335,274
Accounts	418,082
OPEB Asset Oregon RHIA	178,614
Capital Assets:	
Lease Assets - net of accumulated amortization	56,434
Capital assets, not being depreciated	476,270
Capital assets, net of depreciation	20,267,582
	<hr/>
Total Assets	25,297,248
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pension related deferrals - Oregon RHIA	5,043
Pension related deferrals - Implicit	34,421
Pension related deferrals - Oregon PERS	4,881,106
	<hr/>
Total Deferred Outflows	4,920,570
	<hr/>
<b>LIABILITIES:</b>	
Accounts payable	118,721
Payroll liabilities	1,176,284
Noncurrent liabilities:	
Due within one year:	
Accrued compensated absences	223,878
Lease liability	12,998
Bonds payable	385,000
Notes payable	58,307
Financed purchase payable	72,572
Unamortized premium	123,886
Accrued interest payable	79,581
Due in more than one year	
Accrued compensated absences	85,176
Lease liability	43,528
OPEB liability GASB 75	425,102
Bonds payable	8,260,000
Notes payable	60,510
Financed purchase payable	242,528
Unamortized premium	1,486,637
Proportionate Share of Net Pension Liability - Oregon PERS	11,193,915
	<hr/>
Total Liabilities	24,048,623
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Pension related deferrals - Oregon RHIA	39,424
Pension related deferrals - Implicit	196,373
Pension related deferrals - Oregon PERS	993,194
	<hr/>
Total Deferred Inflows of Resources	1,228,991
	<hr/>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	10,439,320
Restricted For:	
Capital Projects	525,532
Grant Programs	1,546,565
Student Body	10,086
Debt Service	112,496
Net Pension Asset - RHIA	178,614
Unrestricted	(7,872,409)
	<hr/>
	4,940,204
	<hr/>

The accompanying notes are an integral part of this statement.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 8,117,374	\$ 59,099	\$ 1,114,993	\$ -	\$ (6,943,282)
Support Services	6,603,403	-	40,928	1,806,721	(4,755,754)
Community Services	580,169	18,641	462,476	-	(99,052)
Interest on Long-Term Debt	402,371	-	-	-	(402,371)
Total Primary Government	<u>\$ 15,703,317</u>	<u>\$ 77,740</u>	<u>\$ 1,618,397</u>	<u>\$ 1,806,721</u>	<u>(12,200,459)</u>
		General Revenues			
		Property Taxes			7,175,507
		State Revenue Sharing			3,955,115
		Grants/Contributions Not Restricted to Specific Programs			
		State, Intermediate and Local Sources			2,010,724
		Interest and Investment Earnings			207,093
		Miscellaneous			232,148
		Total General Revenues			<u>13,580,587</u>
		Changes in Net Position			1,380,128
		Net Position - Beginning			3,741,672
		Restatement of Net Position			<u>(181,596)</u>
		Net Position - Ending			<u>\$ 4,940,204</u>

The accompanying notes are an integral part of this statement.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2025**

	<u>GENERAL FUND</u>	<u>SPECIAL FUNDS</u>	<u>DEBT SERVICE FUND</u>
<b>ASSETS:</b>			
Cash and investments	\$ 1,648,214	\$ 1,288,559	\$ 102,873
Receivables:			
Taxes	300,433	-	34,841
Accounts	76,086	341,810	-
	<u>2,024,733</u>	<u>1,630,369</u>	<u>137,714</u>
Total Assets	<u>\$ 2,024,733</u>	<u>\$ 1,630,369</u>	<u>\$ 137,714</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 108,514	\$ 9,227	\$ 980
Payroll Liabilities	1,117,802	58,482	-
	<u>1,226,316</u>	<u>67,709</u>	<u>980</u>
Total Liabilities	<u>1,226,316</u>	<u>67,709</u>	<u>980</u>
<b>Deferred Inflows:</b>			
Unavailable revenue:			
Property Taxes	214,567	-	24,238
	<u>214,567</u>	<u>-</u>	<u>24,238</u>
Total Deferred Inflows	<u>214,567</u>	<u>-</u>	<u>24,238</u>
<b>Fund Balances:</b>			
Restricted For:			
Capital Projects	-	-	-
Grant Programs	-	1,546,565	-
Student Body	-	10,086	-
Debt Service	-	-	112,496
Committed For:			
Vehicle Replacment	-	6,009	-
Unassigned	583,850	-	-
	<u>583,850</u>	<u>1,562,660</u>	<u>112,496</u>
Total Fund Balances	<u>583,850</u>	<u>1,562,660</u>	<u>112,496</u>
and Fund Balances	<u>\$ 2,024,733</u>	<u>\$ 1,630,369</u>	<u>\$ 137,714</u>

The accompanying notes are an integral part of this statement.

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CAPITAL CONSTRUCTION FUND	TOTALS
\$ 525,346	\$ 3,564,992
-	335,274
186	418,082
<u>\$ 525,532</u>	<u>\$ 4,318,348</u>
\$ -	\$ 118,721
-	1,176,284
-	1,295,005
-	238,805
-	238,805
525,532	525,532
-	1,546,565
-	10,086
-	112,496
	6,009
-	583,850
525,532	2,784,538
<u>\$ 525,532</u>	<u>\$ 4,318,348</u>

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2025**

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Total Fund Balances - Governmental Funds	\$	2,784,538
--	----	-----------

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets		20,743,852
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Lease assets are reported as an expenditure in governmental funds. The Statement of Net Assets includes those lease assets among the assets of the District as a whole.

		56,434
--	--	--------

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities		
Accrued compensated absences	\$	(309,054)
Lease liability		(56,526)
Accrued interest payable		(79,581)
Bonds payable		(8,645,000)
Notes payable		(118,817)
Financed purchase payable		(315,100)
Unamortized premium		(1,610,523)
		<hr/>
		(11,134,601)

The Net Pension Asset (Liability) and OPEB Liability, and deferred inflows and outflows related to the Net Pension Liability and OPEB Liability is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries. This include Oregon PERS, RHIA and OPEB Implicit Health Subsidy

		(7,748,824)
--	--	-------------

Unavailable revenue related to property taxes and other assets		<hr/> 238,805
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Net Position	\$	<hr/> <hr/> 4,940,204
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The accompanying notes are an integral part of this statement.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2025**

	GENERAL FUND	SPECIAL FUNDS	DEBT SERVICE FUND
REVENUES:			
Taxes	\$ 6,478,839	\$ -	\$ 730,377
Federal grants	22,037	849,288	-
State grants	4,086,951	1,677,642	-
Intermediate Sources	134,544	-	2,047
Charges for services	29,280	119,460	-
Earnings from investments	167,043	-	-
Miscellaneous	201,370	726,130	-
	<hr/>	<hr/>	<hr/>
Total Revenues	11,120,064	3,372,520	732,424
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Current:			
Instruction	5,790,407	1,963,852	-
Support Services	5,460,245	230,555	-
Community Services	-	510,007	-
Capital Outlay	-	232,562	-
Debt Service:			
Principal	-	173,285	404,548
Interest	-	14,481	365,189
	<hr/>	<hr/>	<hr/>
Total Expenditures	11,250,652	3,124,742	769,737
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(130,588)	247,778	(37,313)
Other Financing Sources, (Uses):			
Transfers in	-	116,122	59,426
Transfer out	(175,548)	-	-
Lease Proceeds	65,048	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(110,500)	116,122	59,426
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(241,088)	363,900	22,113
Fund balance, beginning	824,938	1,198,760	90,383
	<hr/>	<hr/>	<hr/>
Fund balance, Ending	\$ 583,850	\$ 1,562,660	\$ 112,496
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

CAPITAL CONSTRUCTION FUND		TOTALS
\$	-	\$ 7,209,216
	45,375	916,700
	1,806,721	7,571,314
	-	136,591
	-	148,740
	40,050	207,093
	-	927,500
	1,892,146	17,117,154
	-	7,754,259
	4,779	5,695,579
	-	510,007
	1,820,547	2,053,109
	-	577,833
	-	379,670
	1,825,326	16,970,457
	66,820	146,697
	-	175,548
	-	(175,548)
	-	65,048
	-	65,048
	66,820	211,745
	458,712	2,572,793
\$	525,532	\$ 2,784,538



**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**Reconciliation of the Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2025**

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Total Net Changes in Fund Balances - Governmental Funds	\$ 211,745
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Repayment of bond principal, interest, premium/discount, compensated absences, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to these items are expensed in the Statement of Activities, but not in the governmental funds.

	492,739
--	---------

Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeds depreciation.

Capital Asset Additions	2,053,107
Depreciation Expense	(1,009,242)

Lease assets are reported as an expenditure in governmental funds. The Statement of Net Assets includes those lease assets among the assets of the District as a whole. Net of debt payments and amortization

	(92)
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Subscription assets are reported as an expenditure in governmental funds. The Statement of Net Assets includes those subscription assets among the assets of the District as a whole. Net of debt payments and amortization

	(2,819)
--	---------

The OPEB (implicit) and the changes in deferred inflows and outflows related to the Liability Asset represents the changes in the OPEB Liability from year to year

	26,103
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The Pension Expense and the changes in deferred inflows and outflows related to the Net Pension Asset/Liability represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. This includes Oregon PERS and RHIA

	(357,704)
--	-----------

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes a deferred revenue for all property taxes levied but not received, however in the Statement of Activities, there is no deferred revenue and the full property tax receivable is accrued.

	(33,709)
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\$ 1,380,128
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The accompanying notes are an integral part of this statement.

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2025**

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	<u>CUSTODIAL FUND</u>
ASSETS:	
Current assets	
Cash and Investments	<u>\$ (96)</u>
Total assets	<u><u>\$ (96)</u></u>
LIABILITIES AND NET POSITION:	
NET POSITION	
Unrestricted	<u>(96)</u>
Total Net Position	<u>(96)</u>
Total Liabilities and Net Position	<u><u>\$ (96)</u></u>

The accompanying notes are an integral part of this statement.

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2025**

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	CUSTODIAL FUNDS
<b>ADDITIONS:</b>	
Interest Earned	\$ -
<b>DEDUCTIONS:</b>	
Purchased Services	-
Change in Net Position	-
Net Position, Beginning	(96)
Net Position, Ending	\$ (96)

The accompanying notes are an integral part of this statement.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**REPORTING ENTITY**

Clatskanie School district is a municipal corporation governed by an elected board. The accompanying financial statements present the government and any component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The District does not have any component units.

**BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The Statement of Net Position and Statements of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions".

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FUND FINANCIAL STATEMENTS**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**GOVERNMENTAL FUND TYPES**

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of 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 (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The District reports the following major governmental funds:

**GENERAL FUND**

The General Fund accounts for all financial resources and expenditures of the District, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

**SPECIAL FUNDS**

The Special Funds account for revenues and expenditures related to specific educational and other projects. Principal revenue sources are federal and state grant awards, fundraising, donations, proceeds from the sale of land and/or buildings and earnings from temporary investments.

**DEBT SERVICE FUND**

The Debt Service Fund accounts for the payment of principal and interest of the District's general obligation bonds and other debt. The principal resources are property taxes for general obligation bonds.

**CAPITAL CONSTRUCTION FUND**

The Capital Construction Fund accounts for expenditures related to the acquisition, construction, repair and equipping of facilities. Principal resources are grants and transfers.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CUSTODIAL FUND**

This fund is used to account for items custodial in nature which is scholarships. Principal revenue source is donations and contributions.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the combined balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The governmental funds are maintained using the modified accrual basis of accounting. Revenues are recorded in the accounting period in which they become susceptible to accrual (i.e., measurable and available) and expenditures are recorded at the time the related fund liabilities are incurred, except for:

- 1) Vested compensated absences which are recorded as expenditures to the extent they are expected to be liquidated with expendable available financial resources.
- 2) Post retirement benefits which are recorded when paid.
- 3) Accrued interest and principal on long-term debt which is recorded on its due date.

Significant revenues susceptible to accrual under the modified accrual basis of accounting are as follows:

- 1) Federal and state grants.
- 2) Property taxes received within approximately sixty days of the end of a fiscal year.
- 3) Any local or county shared revenues.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America.

**BUDGETS**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end not considered budgetary resources in the funds. A budget is not prepared for the agency funds as allowed by Oregon law.

The District begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring.

Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Supporting Services, Enterprise & Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, Operating Contingency.

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and a supplemental budget and appropriation transfers. Expenditures of the various funds were within authorized appropriation levels for the year ended June 30, 2025 except for the following:

General Fund:

    Instruction:                 \$17,088

    Support Services:         \$251,268

Special Revenue Funds:

    Community Services:     \$6,339

**CASH AND CASH EQUIVALENTS**

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**ACCOUNTS AND OTHER RECEIVABLES**

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various local, state and federal grants.

**PROPERTY TAXES RECEIVABLE**

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

**GRANTS**

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CAPITAL ASSETS**

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	20 to 50 years
Buildings and improvements	20 to 50 years
Land improvements	15-25 years
Vehicles	10 years
Equipment	5-10 years

**RETIREMENT PLANS**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

**COMPENSATED ABSENCES**

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**Vacation**

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.



**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Sick Leave**

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

**USE OF ESTIMATES**

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

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**LEASE ASSETS**

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

**LEASES PAYABLE**

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FUND BALANCE**

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The District has not assigned fund balances.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

**NET POSITION**

Net position comprises of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Components of net position are classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**NET POSITION (CONTINUED)**

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

When both restricted and unrestricted net position are available for use, restricted net position is utilized first.

**DEFERRED OUTFLOWS/INFLOW OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports revenue in the governmental funds that is not available to pay for current obligations as Deferred Inflows.

**FAIR VALUE, INPUTS, METHODOLOGIES AND HIERARCHY**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**2. BUDGET/GAAP REPORTING DIFFERENCES**

While the District reports financial position, results of operations, and changes in fund balance/net position on the basis of accounting principles generally accepted in the United States of America (GAAP), the District's budgetary basis of accounting differs from generally accepted accounting principles, as required by ORS. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary differences between the District's budgetary basis and GAAP basis is the classification of capital outlay and debt service, which for budgetary purposes is reported within the functional categories at the level of appropriation control. In the budgetary statements capital purchases and debt service payments are recognized as expenses whereas in the GAAP statements they are recorded as increases in capital assets and reductions in long term debt. The District also posts the net present value of leased assets to the GAAP funds but not the budgetary funds, this increases other financing sources and capital outlay.

**3. CASH AND INVESTMENTS**

State statutes govern the District's cash management policies, because the District does not have an official investment policy. Statutes authorize the District to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Cash and cash equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2025, the fair value of the position in the LGIP is 100.49% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**3. CASH AND INVESTMENTS (CONTINUED)**

Cash and Investments at June 30, 2025, (recorded at fair value) consisted of:

Deposits With Financial Institutions:	2025
Petty Cash	\$ 1,060
Demand Deposits:	
Checking	22,860
Investments	3,540,976
	<u>\$ 3,564,896</u>

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	More than 18
State Treasurer's Investment Pool	3,540,976	3,540,976	-	-
Total	<u>\$ 3,540,976</u>	<u>\$ 3,540,976</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

**Credit Risk-Investment**

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

**Concentration of Credit/Deposit Risk**

At June 30, 2025, 100% was invested in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution.

**Custodial Credit Risk**

At year-end, the District's net carrying amount of deposits was \$22,860 and the bank balance was \$118,356. Of these deposits, \$118,356 was covered by federal depository insurance. The remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP).

**4. ACCOUNTS/GRANTS RECEIVABLE**

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. No allowance for doubtful accounts is recorded because all receivables are deemed to be collectable.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2025 are as follows:

	Beginning of Year	Additions	(Deletions)	End Of Year
Fixed Assets				
Land	\$ 476,270	\$ -	\$ -	\$ 476,270
Buildings & Improvements	26,258,260	7,318,533	-	33,576,793
Equipment	3,231,262	159,210	-	3,390,472
Construction in Progress	5,424,635	-	(5,424,635)	-
Lease Assets	-	65,048	-	65,048
Total	35,390,427	7,542,791	(5,424,635)	37,508,583
Accumulated Depreciation				
Buildings & Improvements	12,995,665	858,554	-	13,854,219
Equipment	2,694,776	150,688	-	2,845,464
Lease Assets	-	8,614	-	8,614
Total	15,690,441	1,017,856	-	16,708,297
Total Net Capital Assets	\$ 19,699,986			\$ 20,800,286

Depreciation was allocated to the functions as follows:

Instruction	\$ 160,000
Support Services	807,394
Community Services	50,462
Total	\$ 1,017,856

**6. DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

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

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

- i. **Pension Benefits.** 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 (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii. **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 contributions are met:
    - member was employed by 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.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:  
*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.  
*General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.  
A member of the 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.
  - ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
  - iii. **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.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**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. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$1,699,343, excluding amounts to fund employer specific liabilities. In addition approximately \$49,180 in employee contributions were paid or picked up by the District in fiscal 2025. At June 30, 2025, the District reported a net pension liability of \$11,193,915 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. 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 employers, actuarially determined. As of the measurement date of June 30, 2024 and 2023, the District's proportion was .050 percent and .054 percent, respectively. Pension expense for the year ended June 30, 2025 was \$458,346.

The rates in effect for the year ended June 30, 2025 were:

- (1) Tier 1/Tier 2 – 27.87%
- (2) OPSRP general services – 25.03%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 663,136	\$ 26,716
Changes in assumptions	1,125,440	1,442
Net difference between projected and actual earnings on pension plan investments	711,127	-
Net changes in proportionate share	260,719	586,417
Differences between contributions and proportionate share of contributions	421,341	378,619
Subtotal - Amortized Deferrals (below)	3,181,763	993,194
Contributions subsequent to measuring date	1,699,343	-
Deferred outflow (inflow) of resources	\$ 4,881,106	\$ 993,194

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

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

Year ending June 30,	Amount
2026	\$ 25,246
2027	1,241,170
2028	598,211
2029	278,348
2030	45,593
Thereafter	-
Total	\$ 2,188,568



**CLATSKANIE SCHOOL DISTRICT**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

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

**Actuarial Valuations** – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer 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 actuarially determined amount for funding a disability benefit component, and (c) 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, 2022
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

**CLATSKANIE SCHOOL DISTRICT  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Assumed Asset Allocation:**

<b>Asset Class/Strategy</b>	<b>Low Range</b>	<b>High Range</b>	<b>OIC Target</b>
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

*(Source: June 30, 2024 PERS ACFR; p. 116)*

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Assumed Inflation - Mean		2.35%

*(Source: June 30, 2024 PERS ACFR; p. 88)*

**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 the plan members and those of the contributing employers are made at the contractually required rates, as actuarially

**CLATSKANIE SCHOOL DISTRICT**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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.

Sensitivity of the District's proportionate share of the 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 17,657,946	\$ 11,193,915	\$ 5,779,973

**Changes Subsequent to the Measurement Date**

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**Deferred Compensation Plan**

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public

**CLATSKANIE SCHOOL DISTRICT  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**6. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

*Pension Benefits:*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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 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.

*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.

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District made approximately \$49,180 of optional contributions to member IAP accounts for the year ended June 30, 2025.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

**7. POST EMPLOYMENT HEALTH CARE BENEFITS**

**Post Employment Health Care Benefits**

Plan Description

The District administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees.

**CLATSKANIE SCHOOL DISTRICT**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**7. POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2023 and the measurement date was June 30, 2024.

**Funding Policy**

The District has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you-go basis. There is no obligation on the part of the District to fund these benefits in advance. The District considered the liability to be solely the responsibility of the District as a whole and it is allocated to the governmental statements.

**Actuarial Methods and Assumptions**

The District engaged an actuary to perform a valuation as of July 1, 2023 using the Entry Age Normal, level percent of salary Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS and were developed in consultation with Milliman. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, was then projected forward to the measurement date.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**7. POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Health Care Cost Trend	Medical:																						
	<table><tr><th><u>Year</u></th><th><u>Pre-65 Trend</u></th></tr><tr><td>2023</td><td>3.50 %</td></tr><tr><td>2024-2025</td><td>5.75 %</td></tr><tr><td>2026</td><td>5.50 %</td></tr><tr><td>2027</td><td>5.25 %</td></tr><tr><td>2028</td><td>5.00 %</td></tr><tr><td>2029-2030</td><td>4.75 %</td></tr><tr><td>2031</td><td>4.50 %</td></tr><tr><td>2032-2065</td><td>4.25 %</td></tr><tr><td>2066-2072</td><td>4.00 %</td></tr><tr><td>2072+</td><td>3.75 %</td></tr></table>	<u>Year</u>	<u>Pre-65 Trend</u>	2023	3.50 %	2024-2025	5.75 %	2026	5.50 %	2027	5.25 %	2028	5.00 %	2029-2030	4.75 %	2031	4.50 %	2032-2065	4.25 %	2066-2072	4.00 %	2072+	3.75 %
<u>Year</u>	<u>Pre-65 Trend</u>																						
2023	3.50 %																						
2024-2025	5.75 %																						
2026	5.50 %																						
2027	5.25 %																						
2028	5.00 %																						
2029-2030	4.75 %																						
2031	4.50 %																						
2032-2065	4.25 %																						
2066-2072	4.00 %																						
2072+	3.75 %																						
General Inflation	2.4% per year																						
Annual Pay Increases:	3.4% per year																						
Mortality	<p>Non-annuitant male: 125% of the combined 80% Pub-2010 Teacher Employee male table and 20% Pub-2010 General Employee male table.</p> <p>Non-annuitant female: 100% of Pub-2010 Teacher Employee female table.</p> <p>Anuitant male: 80% of Pub-2010 Health Teacher Retiree male table and 20% of Pub-2010 Health General Retiree male table.</p> <p>Annuitant female: 100% of Pub-2010 Healthy Teacher Retiree female table.</p> <p>Future mortality improvement: Unisex 2019 Social Security Data Scale.</p>																						
Disability	Not used																						
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on gender and duration of employment.																						
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, and duration of service																						

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**7. POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Changes in the Net OPEB Liability

<b>Total OPEB Liability, beginning of year</b>	\$ 390,430
<b>Changes for the year:</b>	
Service cost	46,489
Interest	15,668
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	(12,009)
Benefit payments	(15,476)
<b>Balance as of end of Year</b>	<u>\$ 425,102</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 3.93%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 470,551	\$ 425,102	\$ 384,920

  

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 367,215	\$ 425,102	\$ 495,923

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 106,086
Changes in assumptions or other input	12,040	90,287
Benefit Payments	22,381	-
Deferred outflow (inflow) of resources	<u>\$ 34,421</u>	<u>\$ 196,373</u>

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**7. POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	(47,189)
2027	(40,003)
2028	(32,945)
2029	(27,322)
2030	(17,597)
Thereafter	(19,277)
Total	<u><u>\$ (184,333)</u></u>

**8. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA)**

**Plan Description:**

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

**Funding Policy:**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District did not make significant contributions to RHIA in any of the previous three years.

At June 30, 2025, the District reported a net OPEB liability/(asset) of (\$178,614) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB



**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)**

liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024 and 2023, the District's proportion was .044 percent and .028 percent, respectively. OPEB expense for the year ended June 30, 2025 was (\$59,750).

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (21,235)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(38,515)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (59,750)</u>

**Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 3,493
Changes in assumptions	-	2,259
Net difference between projected and actual earnings on pension plan investments	5,043	-
Net changes in proportionate share	-	33,672
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	5,043	39,424
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 5,043</u>	<u>\$ 39,424</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2026.

Amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)**

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ (41,061)
2027	3,369
2028	2,728
2029	582
2030	-
Thereafter	-
Total	<u>\$ (34,382)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated January 31, 2025 and can be found at:

<https://www.oregon.gov/pers/emp/Documents/GASB/2024/Oregon-Public-Employees-Retirement-System-RHIA-Schedule-Plan-FY06302024.pdf>

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2022
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)**

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2024 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

*(Source: June 30, 2024 PERS ACFR; p. 88)*

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (165,342)	\$ (178,614)	\$ (190,041)

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)**

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**9. LONG-TERM OBLIGATIONS**

General Obligation Bonds, Series 2021 – on August 12, 2021, the District issued bonds in the amount of \$10,000,000. Annual payments are made on December 15 and June 15 until the final payment on June 15, 2038. Bonds are held by the US Bank National Association and have an interest rate of 4%.

Santander Bus Lease 31 – In 2024 the District entered into a 5-year lease agreement financed bus Santander Bank N.A. to purchase 2 2025 Blue Bird AA T3RE 78-passangers. Annual payments of principal and interest are to be made until the final payment on July 15, 2028.

Financed Lease 2021 – On June 15, 2017, the District entered into an Installment Purchase Agreement with U.S. Bancorp in the amount of \$500,000 with an interest rate of 3.72%. As of June 30, 2018. \$500,000 in qualifying expenditures had been incurred and drawn down. The District agreed to repay the installment agreement in accordance with the terms of a payment schedule that begins on July 15, 2017 and concludes on June 15, 2027, for the full amount of the agreement.

Changes in Long-Term Obligations are as follows:

	Outstanding Beginning of Year	Issued	Matured & Redeemed	Outstanding End of Year	Due in One Year
Direct Borrowing:					
US Bancorp Note Payable	\$ 180,380	\$ -	\$ 61,563	\$ 118,817	\$ 58,307
Financed Purchase:					
Buses 28	16,548	-	16,548	-	-
Buses 29-30	97,475	-	97,475	-	-
Buses 31	368,404	-	53,304	315,100	72,572
Total Financed Purchases	482,427	-	167,327	315,100	72,572
Bond Payable:					
GO Bonds 2021	8,995,000	-	350,000	8,645,000	385,000
Unamortized Bond Premium	1,616,039	-	5,516	1,610,523	123,886
Lease Liability	-	70,724	14,198	56,526	12,998
Total Long-term Debt	\$ 11,273,846	\$ -	\$ 584,406	\$ 10,689,440	\$ 639,765

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**9. LONG-TERM OBLIGATIONS (CONTINUED)**

Future maturities on long-term obligations are as follows:

Year Ending June 30	Financed Purchase (Bus Lease)		2021 GO Bonds		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 72,572	\$ 17,315	\$ 385,000	\$ 345,800	\$ 58,307	\$ 1,633
2027	76,560	13,327	425,000	330,400	60,510	1,189
2028	80,767	9,120	465,000	131,400	-	-
2029	85,201	4,686	505,000	294,800	-	-
2030	-	-	550,000	274,600	-	-
2031-2035	-	-	3,505,000	1,004,200	-	-
2036-2040	-	-	2,810,000	230,200	-	-
Total	<u>\$ 315,100</u>	<u>\$ 44,448</u>	<u>\$ 8,645,000</u>	<u>\$ 2,611,400</u>	<u>\$ 118,817</u>	<u>\$ 2,822</u>

Changes in compensated absences for the year ended June 30, 2025 was as follows:

	Oustanding Beginning of Year	Additions	Deductions	Oustanding End of Year	Due Within One Year
Compensated Absences Payable	\$ 246,661	62,393 *	-	309,054	\$ 223,878
Totals	<u>\$ 246,661</u>	<u>\$ 62,393</u>	<u>\$ -</u>	<u>\$ 309,054</u>	<u>\$ 223,878</u>

\*Net Change

**10. INTERFUND ACTIVITY**

Interfund balances and Transfers are used to fund operations between funds. Interfund transfers are clearly segregated and shown on the face of the financial statements.

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 175,548
Special Revenue Fund	116,122	-
Debt Service Fund	59,426	-
Total	<u>\$ 175,548</u>	<u>\$ 175,548</u>

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**11. PROPERTY TAX LIMITATIONS**

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990 (now Article XI, Section 11b). School operations include community colleges, local school districts and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues for the major source of operating revenue. The voters of the State of Oregon passed ballot Measure 50 in May 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available to the District for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling assessed property values back to their 1995-96 values less 10%, and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to school districts.

**12. COMMITMENTS AND CONTINGENCIES**

The District receives a substantial portion of its operating funding from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause the District to either have increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the District's operations cannot be determined.

The District is involved in various claims and legal matters relating to its operations which have all been tendered to, and are either being adjusted by the District's liability carrier, or are being defended by attorneys retained by the District's liability carrier.

**13. LEASES PAYABLE**

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of June 30, 2025, Clatskanie School District had 8 active leases. The leases have payments that range from \$422 to \$4,581 and interest rates that range from 0.2850% to 0.2850%. As of 06/30/2025, the total combined value of the lease liability is \$56,526, the total combined value of the short-term lease liability is \$12,999. The combined value of the right to use asset, as of 06/30/2025 of \$65,048 with accumulated amortization of \$8,613 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**13. LEASES PAYABLE (CONTINUED)**

<u>Asset Class</u>	<u>Lease Asset</u>	<u>Accumulated Amortization</u>	<u>Total</u>
Equipment	\$ 65,048	\$ 8,613	\$ 56,435

**Principal and Interest Requirements to Maturity**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	
2026	12,999	144	
2027	13,036	107	
2028	13,073	70	
2029	13,110	33	
2030	4,308	3	
	<u>\$ 56,526</u>	<u>\$ 357</u>	:

**14. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

**Implementation of GASB No. 101 – Compensated Absences**

In fiscal year 2024-25, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement was issued to improve the recognition and measurement of compensated absences and liabilities, such as vacation and sick leave, and to enhance consistency in financial reporting among governments.

GASB 101 requires that compensated absences be recognized as a liability when the related leave is earned rather than when it is paid or taken. Under the previous standard, GASB Statement No. 16, certain leave types were only recognized when they were due and payable.

As a result of implementing GASB 101, the beginning net position as of July 1, 2024 has been restated as follows:

<b>Government-wide Statement of Net Position</b>	<b>Governmental Activities</b>
Beginning Net Position, as previously reported	\$ 3,741,671
Adjustment for implementation of GASB 101 (increase in compensated absences liability)	<u>(181,596)</u>
Beginning Net Position, as restated	<u>\$ 3,560,075</u>

The adjustment reflects the cumulative effect of applying the new standard retroactively to beginning balances. The change had to impact on fund balance in the governmental fund financial statements because liabilities for compensated absences are recognized only to the extent they are due and payable in those statements.

**CLATSKANIE SCHOOL DISTRICT**  
**COLUMBIA COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**18. CERTAIN RISK DISCLOSURES**

**State and Federal Funding**

The School District operates as a subdivision of the state, and as such, its funding is heavily reliant on appropriations from the state legislature to the School Support Fund (SSF). For the year ended June 30, 2025, approximately 23.9% of the District's total governmental fund revenues were derived from SSF grants. This concentration of funding exposes the District to significant financial risk should state funding levels decrease. Although the legislature approved the next biennial funding cycle, effective beginning July 1, 2025, the District's future funding remains uncertain, particularly given the state's dependence on federal aid for various programs, including education. Federal funding, as noted in subsequent sections, is currently experiencing reductions and is expected to face further reductions in the foreseeable future.

The District also receives a notable portion of its governmental resources through a Student Investment Account (SIA) grant, which accounted for 4.6% of total governmental fund resources for the fiscal year ending June 30, 2025. The SIA grant is primarily funded through the state's Corporate Activity Tax (CAT), which is subject to fluctuation based on economic conditions at both the federal and state levels. The funding cycle aligns with the state's biennial budget process, with the next cycle commencing on July 1, 2025. This concentration presents additional risk, as the volatility of the underlying tax revenue increases the potential for future reductions. The District's management continues to monitor economic trends and their potential impact on SIA funding levels.

The District also receives federal grants, which totaled 5.4% of its governmental fund revenues for the year ending June 30, 2025. Most of these federal grants are scheduled to begin in the upcoming fiscal year starting October 1, 2025. As of the financial statement date, federal budget negotiations for 2025-26 are ongoing, and the District's reliance on federal funding introduces exposure to the broader implications of national debt levels and potential federal spending adjustments. Management actively monitors economic and legislative developments to assess potential impacts on future federal funding.

**19. RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

**20. PROPERTY TAX ABATEMENTS**

For the year ended June 30, 2025, \$1,092,181 in tax abatements were issued at the County level for properties within the District's boundaries. The abatements were issued in reference to ORS 285C.600 Strategic Investment Program.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2025**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - OREGON PERS**

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)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.050 %	\$ 11,193,915	\$ 5,820,069	192.33%	79.3 %
2024	0.054	10,185,625	6,044,466	168.51%	81.7
2023	0.054	8,212,069	5,344,426	153.66%	84.5
2022	0.052	6,240,742	4,724,463	132.09%	87.6
2021	0.050	11,001,816	4,731,663	232.51%	75.8
2020	0.059	10,155,720	4,687,509	216.65%	80.2
2019	0.055	8,329,017	3,974,980	209.54%	82.1
2018	0.057	7,680,826	3,705,226	207.30%	83.1
2017	0.063	9,484,115	4,018,077	236.04%	80.5
2016	0.077	4,446,102	4,066,082	109.35%	91.9

**SCHEDULE OF CONTRIBUTIONS - OREGON PERS**

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 1,699,343	\$ 1,699,343	\$ -	\$ 6,253,232	27.18%
2024	1,875,210	1,875,210	-	5,820,069	32.22%
2023	1,910,475	1,910,475	-	6,044,466	31.61%
2022	1,656,510	1,656,510	-	5,344,426	31.00%
2021	1,610,972	1,610,972	-	4,724,463	34.10%
2020	1,561,717	1,561,717	-	4,731,663	33.01%
2019	1,264,201	1,264,201	-	4,687,509	26.97%
2018	1,238,051	1,238,051	-	3,974,980	31.15%
2017	1,002,903	1,002,903	-	3,705,226	27.07%
2016	930,397	930,397	-	4,018,077	23.16%

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - OREGON RHIA**

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)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.04 %	\$ (178,614)	\$ 5,820,069	-3.07%	220.6 %
2024	0.03	(102,516)	6,044,466	-1.70%	201.6
2023	0.02	(67,955)	5,344,426	-1.27%	194.6
2022	0.02	(70,956)	4,724,463	-1.50%	183.9
2021	0.03	(69,305)	4,731,663	-1.46%	150.1
2020	0.04	(76,779)	4,687,509	-1.64%	144.4
2019	0.04	(45,313)	3,974,980	-1.14%	124.0
2018	0.04	(15,956)	3,705,226	-0.43%	124.0
2017	0.04	10,223	4,018,077	0.25%	124.0

**SCHEDULE OF CONTRIBUTIONS - OREGON RHIA**

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ -	\$ -	\$ -	\$ 6,253,232	-
2024	6	6	-	5,820,069	0.00%
2023	552	552	-	6,044,466	0.01%
2022	471	471	-	5,344,426	0.01%
2021	553	553	-	4,724,463	0.01%
2020	2,429	2,429	-	4,731,663	0.05%
2019	19,693	19,693	-	4,687,509	0.42%
2018	19,655	19,655	-	3,974,980	0.49%
2017	19,405	19,405	-	3,705,226	0.52%
2016	18,030	18,030	-	4,018,077	0.45%

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF CHANGE IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS  
For the Year Ended June 30, 2025**

<b>MEDICAL BENEFIT</b>								
	2025	2024	2023	2022	2021	2020	2019	
Total OPEB Liability - beginning	\$ 390,430	\$ 453,128	\$ 449,725	\$ 505,760	\$ 414,444	\$ 513,970	\$ 536,244	
Service cost	46,489	60,057	66,853	68,219	60,180	56,112	55,286	
Interest	15,668	17,629	10,906	12,322	16,259	20,843	19,647	
Changes of benefit terms	-	-	-	-	-	-	-	
Effect of economic/demographic gains/(losses)	-	(73,391)	-	(64,111)	35,200	(100,406)	-	
Differences between expected & actual	-	-	-	-	-	-	-	
Change of Assumptions and other input	(12,009)	(36,341)	(50,896)	(39,458)	-	(12,465)	(10,993)	
Benefit Payments	(15,476)	(30,652)	(23,460)	(33,007)	(20,323)	(63,610)	(86,214)	
Net change in total OPEB liability	34,672	(62,698)	3,403	(56,035)	91,316	(99,526)	(22,274)	
Total OPEB Liability - end	425,102	390,430	453,128	449,725	505,760	414,444	513,970	
Fiduciary net position - beginning								
Contributions - Employer	15,476	30,652	23,460	33,007	20,323	63,610	86,214	
Contributions - Employee	-	-	-	-	-	-	-	
Net Investment Income	-	-	-	-	-	-	-	
Benefit payments	(15,476)	(30,652)	(23,460)	(33,007)	(20,323)	(63,610)	(86,214)	
Administrative expense	-	-	-	-	-	-	-	
Net change in fiduciary net position	-	-	-	-	-	-	-	
Fiduciary net position - end of year	-	-	-	-	-	-	-	
Net OPEB Liability - end of year	425,102	390,430	453,128	449,725	505,760	414,444	513,970	
Fiduciary net position as percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%	
Covered Payroll	\$ 5,820,069	\$ 6,044,466	\$ 5,344,426	\$ 4,724,463	\$ 4,731,663	\$ 4,687,509	\$ 3,974,980	
Net OPEB liability as percentage of covered payroll	7.3%	6.5%	8.5%	9.5%	10.7%	8.8%	12.9%	

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2025**

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Revenue From Local Sources:				
Ad Valorem Taxes Levied by District	\$ 6,041,400	\$ 6,041,400	\$ 6,471,117	\$ 429,717
Penalties & Interest on Taxes	-	-	7,722	7,722
Transportation Fees	600	600	13,302	12,702
Earnings from Investments	220,000	220,000	167,043	(52,957)
Charges and Fees	24,500	24,500	29,280	4,780
Contributions and Donations From Private Sources	4,500	4,500	8,699	4,199
Recovery of Prior Years' Expenditures	15,000	15,000	6,035	(8,965)
Recovery of Current Years' Expenditures	7,000	7,000	9,201	2,201
Fees Charged to Grants	-	-	19,893	19,893
Miscellaneous	125,759	125,759	144,240	18,481
Total Local Revenue	6,438,759	6,438,759	6,876,532	437,773
Revenue From Intermediate Sources:				
County School Fund	18,000	18,000	128,119	110,119
Other Intermediate Sources	336,444	336,444	6,425	(330,019)
Total Intermediate Revenue	354,444	354,444	134,544	(219,900)
Revenue From State Sources:				
State School Fund- General Support	4,025,582	4,025,582	3,859,001	(166,581)
Common School Fund	93,383	93,383	91,368	(2,015)
State Managed County Timber	85,000	85,000	2,080	(82,920)
Other Grants from State	-	-	31,809	31,809
State Restricted Grants	-	-	102,693	102,693
Total State Revenue	4,203,965	4,203,965	4,086,951	(117,014)
Revenue From Federal Sources:				
Restricted Revenue From Fed Gov't Through State	-	-	22,037	22,037
Total Federal Revenue	-	-	22,037	22,037
Total Revenues	10,997,168	10,997,168	11,120,064	122,896
EXPENDITURES:				
Instruction	6,043,319	5,773,319 (1)	5,790,407	(17,088)
Support Services	4,938,977	5,208,977 (1)	5,460,245	(251,268)
Contingency	458,837	458,837 (1)	-	458,837
Total Expenditures	11,441,133	11,441,133	11,250,652	190,481
Excess of Revenues Over, (Under)				
Expenditures	(443,965)	(443,965)	(130,588)	313,377
Transfers Out	(184,426)	(184,426) (1)	(175,548)	8,878
Lease Proceeds	-	-	65,048	65,048
Total Other Financing Sources, (Uses)	(184,426)	(184,426)	(110,500)	73,926
Net Change in Fund Balance	(628,391)	(628,391)	(241,088)	387,303
Beginning Fund Balance	628,391	628,391	824,938	196,547
Ending Fund Balance	\$ -	\$ -	\$ 583,850	\$ 583,850

(1) Appropriation Level

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2025**

<u>SPECIAL FUNDS</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Revenue From Local Sources:				
School Sponsored Activities	\$ 61,176	\$ 61,176	\$ 100,819	\$ 39,643
Food Service Sales	57,290	57,290	18,641	(38,649)
Private Contributions	473,250	473,250	692,628	219,378
Recovery of Current Year Expenditures	-	-	103	103
Miscellaneous	140,500	140,500	33,399	(107,101)
Revenue From State Sources:				
Basic School Support	3,000	3,000	2,666	(334)
Grants-In-Aid	1,899,153	1,899,153	1,674,976	(224,177)
Revenue From Federal Sources:				
Restricted Grants-In-Aid	786,948	786,948	849,288	62,340
Total Revenues	3,421,317	3,421,317	3,372,520	(48,797)
EXPENDITURES:				
Instruction	2,948,664	2,948,664 (1)	2,083,937	864,727
Support Services	596,922	516,922 (1)	441,911	75,011
Community Services	519,203	519,203 (1)	525,542	(6,339)
Facilities Acquisition and Construction	2,710	82,710 (1)	73,352	9,358
Total Expenditures	4,067,499	4,067,499	3,124,742	942,757
Excess of Revenues Over, (Under) Expenditures	(646,182)	(646,182)	247,778	893,960
Other Financing Sources, (Uses):				
Transfers In	248,245	248,245	116,122	(132,123)
Transfers Out	(123,245)	(123,245) (1)	-	123,245
Total Other Financing Sources, (Uses)	125,000	125,000	116,122	(8,878)
Net Change in Fund Balance	(521,182)	(521,182)	363,900	885,082
Beginning Fund Balance	1,472,886	1,472,886	1,198,760	(274,126)
Ending Fund Balance	\$ 951,704	\$ 951,704	\$ 1,562,660	\$ 610,956

(1) Appropriation Level

## **SUPPLEMENTARY INFORMATION**

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2025**

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Revenue From Local Sources:				
Taxes - Current Year's Levy	\$ 713,400	\$ 713,400	\$ 711,515	\$ (1,885)
Taxes - Prior Years' Levies	-	-	18,798	18,798
Payments in Lieu of Taxes	-	-	64	64
Revenue From Intermediate Sources:				
Other Intermediate Sources	-	-	2,047	2,047
Total Revenues	713,400	713,400	732,424	19,024
EXPENDITURES:				
Debt Service	773,337	773,337	769,737	3,600
Total Expenditures	773,337	773,337 (1)	769,737	3,600
Excess of Revenues Over, (Under) Expenditures	(59,937)	(59,937)	(37,313)	22,624
Other Financing Sources:				
Transfer Out	-	- (1)	-	-
Transfer In	59,426	59,426	59,426	-
Net Change in Fund Balance	(511)	(511)	22,113	22,624
Beginning Fund Balance	511	511	90,383	89,872
Ending Fund Balance	\$ -	\$ -	\$ 112,496	\$ 112,496

(1) Appropriation Level

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2025**

<u>CAPITAL CONSTRUCTION FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Revenue From Local Sources:				
Earnings on Investments	\$ 91,000	\$ 91,000	\$ 40,050	\$ (50,950)
Revenue From State Sources:				
Grants-In-Aid	2,182,945	2,182,945	1,806,721	(376,224)
Revenue From Federal Sources:				
Restricted Grants-In_Aid	-	-	45,375	45,375
Total Revenues	<u>2,273,945</u>	<u>2,273,945</u>	<u>1,892,146</u>	<u>(381,799)</u>
EXPENDITURES:				
Support Services	232,628	232,628 (1)	4,779	227,849
Facilities Acquisition and Construction	2,462,945	2,462,945 (1)	1,820,547	642,398
Contingency	<u>50,000</u>	<u>50,000 (1)</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>2,745,573</u>	<u>2,745,573</u>	<u>1,825,326</u>	<u>920,247</u>
Excess of Revenues Over, (Under) Expenditures	(471,628)	(471,628)	66,820	538,448
Net Change in Fund Balance	(471,628)	(471,628)	66,820	538,448
Beginning Fund Balance	<u>471,628</u>	<u>471,628</u>	<u>458,712</u>	<u>(12,916)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,532</u>	<u>\$ 525,532</u>

(1) Appropriation Level



**INDEPENDENT AUDITORS' REPORT REQUIRED**  
**BY OREGON STATE REGULATIONS**



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January 28, 2026

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Clatskanie School District as of and for the year ended June 30, 2025, and have issued our report thereon dated January 28, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

### **Compliance**

As part of obtaining reasonable assurance about whether the Clatskanie School 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 Clatskanie School 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, except for the following item:

1. We noted three appropriated line items where actual expenditures exceeded appropriations, as noted on page 15.

### **OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

A handwritten signature in dark ink, appearing to read "Ken Allen", with a stylized, flowing script.

Kenneth Allen, CPA  
Municipal Auditor  
**CLEAR TRAIL CPAS**

## **GRANT COMPLIANCE REVIEW**

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2025**

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal AL Number	Pass Through Entity Number	Grant Period	Expenditures	Pass through to Sub-Recipients
<b>U.S. Department of Education</b>						
Title I -Grants to Local Educational Agencies	ODE	84.010	82128	2024-25	\$ 190,204	\$ -
Title I -Grants to Local Educational Agencies	ODE	84.010	79378	2024-25	32,522	-
Total Title I Grants to Local Educational Agencies					<b>222,726</b>	-
Title IIA - Supporting Effective Instruction State Grants						
Title IIA - Supporting Effective Instruction State Grants	ODE	84.367	82391	2024-25	28,616	-
					<b>28,616</b>	-
Title IV-A Student Support and Academic Enrichment						-
Title IV-A Student Support and Academic Enrichment	ODE	84.424	82588	2024-25	15,335	-
					<b>15,335</b>	-
<u>Special Education Cluster</u>						
Special Education Grants to States	ODE	84.027	77936	2023-24	64,271	-
Special Education Grants to States	ODE	84.027	83322	2024-25	66,724	-
Total of Special Education Grant to States					<b>130,995</b>	-
Indian Education Grants to Local Education Agencies	Direct	84.060	N/A	2023-24	3,143	-
Indian Education Grants to Local Education Agencies	Direct	84.060	N/A	2024-25	4,556	-
Total Indian Education Grants to Local Education Agencies					<b>7,699</b>	-
Rural Education	Direct	84.358	N/A	2024-25	26,033	-
Total Rural Education					<b>26,033</b>	-
Career and Technical Education - Basic Grants to States	N/A	84.048	N/A	2024-25	36,277	-
Total Career and Technical Education - Basic Grants to States					<b>36,277</b>	-
Education Stabilization Fund-State Educational Agency (ESD-SEA)	ODE	84.425U	64852	2023-24	19,553	-
Education Stabilization Fund-State Educational Agency (ESD-SEA)	ODE	84.425U	80400	2024	8,000	-
Total LEA ESSER Fund - Formula					<b>27,553</b>	-
Foster Care Title IV-E	ODE	93.658	81303	2024-25	22,037	-
Total Foster Care Title IV-E					<b>22,037</b>	-
<b>Total U.S. Department of Education</b>					<b>517,272</b>	-
<b>U.S. Department of Agriculture</b>						
Local Food for Schools Cooperative Agreement Program	ODE	10.185	NA	2024-25	2,539	-
Total Local Food for Schools Cooperative Agreement Program					<b>2,539</b>	-
Child Nutrition Discretionary Grants Limited Availability	ODE	10.579	N/A	2024-25	5,535	-
Total Child Nutrition Discretionary Grants Limited Availability					<b>5,535</b>	-
<u>Child Nutrition Cluster</u>						
School Breakfast Program	ODE	10.553	N/A	2024-25	78,444	-
Total Breakfast Program					<b>78,444</b>	-
National School Lunch Program	ODE	10.555	N/A	2024-25	220,392	-
National School Lunch Program Supply Chain Assistance	ODE	10.555	N/A	2024-25	21,544	-
Total National School Lunch Program					<b>241,936</b>	-
NSLP Food Service Program Commodities - Non Cash Assistance	ODE	10.555	N/A	2024-25	25,598	-
Total Food Service Program Commodities - Non Cash Assistance					<b>25,598</b>	-
<b>Total Child Nutrition Cluster</b>					<b>345,979</b>	-
<b>Total U.S. Department of Agriculture</b>					<b>354,053</b>	-
<b>Total Federal Financial Assistance</b>					<b>\$ 871,325</b>	<b>\$ -</b>

Other Federal revenue not grants      \$      45,375



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January 28, 2026

To the Board of Directors  
Clatskanie School District  
Columbia County, Oregon

**Independent Auditors' 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***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clatskanie School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 28, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) as a basis for designing 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 internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in dark ink, appearing to read 'Ken Allen', is positioned above the printed name.

Kenneth Allen, CPA  
Municipal Auditor  
**CLEAR TRAIL CPAS**



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January 28, 2026

To the Board of Directors  
Clatskanie School District  
Columbia County, Oregon

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Clatskanie School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Clatskanie School 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 for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Clatskanie School 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of 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 its federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing*



*Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with 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 compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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 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**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Kenneth Allen, CPA  
Municipal Auditor  
**CLEAR TRAIL CPAS**

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2025**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered  
to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in  
accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes ☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered  
to be material weaknesses?

☐ yes ☒ none reported

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance  
with section 200.516(a) of the Uniform Guidance?

☐ yes ☒ no

**IDENTIFICATION OF MAJOR PROGRAMS**

**AL NUMBER**

**NAME OF FEDERAL PROGRAM CLUSTER**

84.010	Title 1 Grants to Local Educational Agencies
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

**CLATSKANIE SCHOOL DISTRICT  
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2025**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

No findings were noted during the audit for 2024-2025.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:**

No findings were noted during the audit for 2024-2025.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.