

GRANT SCHOOL DISTRICT NO. 3
**INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS
AND
SINGLE AUDIT**

For the Year Ended June 30, 2021



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
BOARD OF DIRECTORS AND OFFICIALS
June 30, 2021

BOARD OF DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Position</u>
Kelly Stokes	PO Box 182 Mt. Vernon, OR 97865	Director Zone 1
Haley Walker	25196 Hwy 395 S. Canyon City, OR 97820	Vice Chair Zone 2
Aaron Lieuallen	26902 Rock Pit Road John Day, OR 97845	Director Zone 3
Chris Cronin	215 Franke Dr. John Day, OR 97845	Board Chair Zone 4
Tracy Wyllie	201 SE Ica Street John Day, OR 97845	Director At Large
Jake Taylor	PO Box 186 Seneca, OR 97873	Director At Large
Colleen Robertson	PO Box 242 John Day, OR 97845	Director At Large

ADMINISTRATIVE STAFF

Bret Uptmor	Superintendent
Ryan Gerry	Grant Union Jr/Sr High School
Darbie Dennison	Humbolt Elementary
Dana McLean	Seneca Elementary School
Heidi Hallgarth	Business Manager

Address: 401 N. Canyon Blvd
Canyon City, OR 97820

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 Canyon City, Grant County, Oregon
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*Mitch T. Saul, CPA
Amy K. Walker, CPA
Anna K. Bass*

Robert M. Armstrong, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grant School District No. 3, Canyon City, Oregon (the district), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the district as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the district and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Governmental Activities

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the district’s 2020 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and we expressed a qualified opinion on the governmental activities and an unmodified audit opinion on the major funds and remaining aggregate fund information in those audited financial statements in our report dated December 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Report on Supplementary and Other Information

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

The budgetary comparison information, supplementary schedules, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are the

responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, supplementary schedules, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

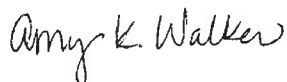
Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2022, on our consideration of the district's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the district's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 4, 2022, on our consideration of the district's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Solutions, CPAs PC
John Day, Oregon
January 4, 2022

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

This section of the annual report for Grant School District No. 3 presents a discussion and analysis of the district's financial performance during the fiscal year that ended on June 30, 2021. The readers are encouraged to consider the information presented here in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- General Fund revenues decreased \$425,407. General Fund expenditures decreased \$241,827 from \$7,331,683 in 2020 to \$7,089,856 in 2021. The district's General Fund balance decreased \$368,116 from \$2,598,156 to \$2,230,040 on June 30, 2021.
- In the government-wide statements, the assets of the district exceeded its liabilities as of June 30, 2021 by \$7,562,235. Of this amount, \$6,315,225 represents the district's investment in capital assets, \$597,294 is restricted for special programs, \$62,297 is invested in inventory, \$1,825,040 is restricted for debt service and the balance of (\$1,237,621) is unrestricted.
- The district's total assets as of June 30, 2021 were \$16,206,632. This was an increase in total assets of \$1,142,750 from the 2020 total of \$15,063,882. The district's total liabilities as of June 30, 2021 were \$9,610,777. This was an increase in total liabilities of \$1,304,952 from the 2020 total of \$8,305,825.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

In the government-wide financial statements, the district's activities are shown in one category:

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

intergovernmental revenues. The government-wide financial statement can be found on pages 12 through 15 of this report.

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

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

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

The district maintains 14 individual government funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, PERS Debt Service Fund, and Facilities Project Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as supplemental information. The basic governmental fund financial statements can be found on pages 16 through 22 of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 23 through 48 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes the General Fund budget to the actual statement along with budgetary reporting information and required schedules related to Oregon Public Retirement System. Required supplementary information can be found on pages 50 through 53 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented as supplemental information on pages 56 through 74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Grant School District No. 3, assets exceeded liabilities by \$7,562,235 at June 30, 2021.

Capital assets, which consist of the district's land, buildings, building improvements and equipment, represent about 47.0 percent of total assets. The district uses these capital assets to provide services to students and

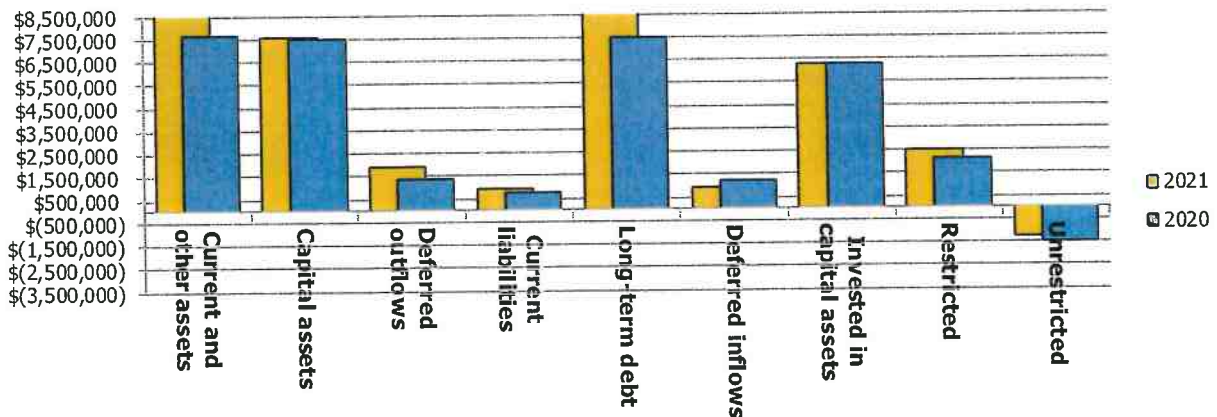
GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

other district residents; consequently, these assets are not available for future spending. The remaining assets consist mainly of cash and investments, grants receivable and property taxes receivable. The district's liabilities consist of accounts payable, accrued liabilities, current portion of long-term debt, long term debt including net pension liability.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	June 30, 2021	June 30, 2020
Current and other assets	\$ 8,612,305	\$ 7,603,190
Capital assets	7,594,327	7,460,692
Total assets	<u>16,206,632</u>	<u>15,063,882</u>
Deferred outflows of resources	1,925,228	1,398,322
Total assets and deferred outflows	<u>18,131,860</u>	<u>16,462,204</u>
Current liabilities	898,631	801,014
Long-term liabilities	8,712,146	7,504,811
Total liabilities	<u>9,610,777</u>	<u>8,305,825</u>
Deferred inflows of resources	958,848	1,237,104
Total liabilities and deferred inflows	<u>10,569,625</u>	<u>9,542,929</u>
Net position:		
Invested in capital assets	6,315,225	6,304,787
Restricted	2,484,631	2,114,050
Unrestricted	<u>(1,237,621)</u>	<u>(1,499,562)</u>
Total net position	<u>\$ 7,562,235</u>	<u>\$ 6,919,275</u>

STATEMENT OF NET POSITION



GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

Government Activities. During the current fiscal year, the district's net position increased by \$642,960. The key elements of the increase in the district's net position for the year ending June 30, 2021 are as follows:

- An increase in state school fund of approximately \$78K.
- An increase in other federal grant revenues of approximately \$584K.
- A decrease in capital grants of approximately \$1,162K.

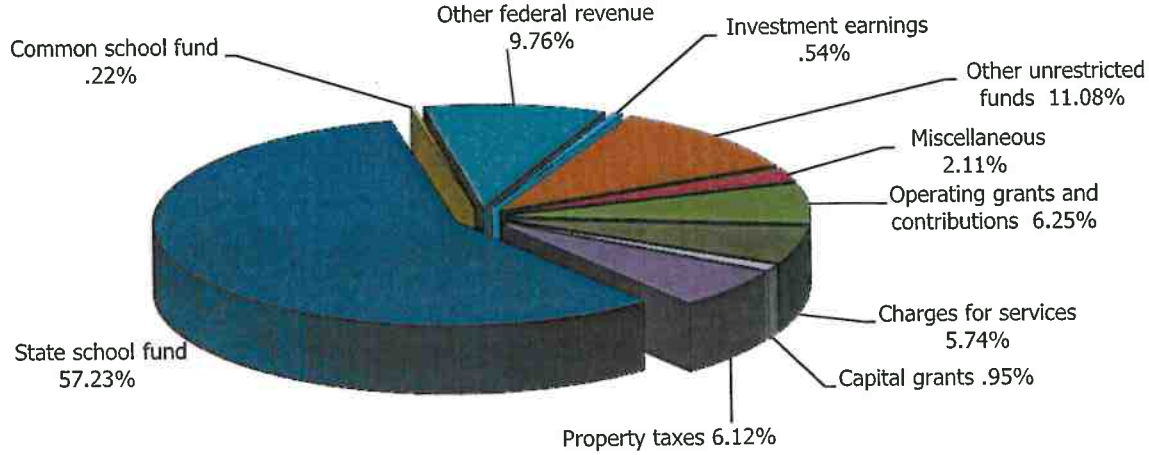
CONDENSED STATEMENT OF ACTIVITIES

For the year ended

	Governmental Activities	
	June 30, 2021	June 30, 2020
Program revenues		
Charges for services	\$ 576,479	\$ 586,995
Operating grants and contributions	627,394	912,767
Capital grants and contributions	94,954	1,256,604
General revenues		
Property taxes	614,050	597,165
State school fund - general support	5,743,650	5,665,276
Other state and local sources	1,134,281	1,131,564
Interest on investments	54,477	144,102
Restricted federal revenue	979,219	395,110
Other	211,273	509,767
Gain on disposal of capital assets	5,000	(53,253)
Total revenues	<u>10,040,777</u>	<u>11,146,097</u>
Expenses		
Instruction	5,736,886	5,297,949
Support services	3,148,225	3,004,584
Enterprise and community services	352,799	351,490
Debt service	158,997	309,317
Facilities maintenance	910	56,276
Total expenses	<u>9,397,817</u>	<u>9,019,616</u>
Changes in net position	642,960	2,126,481
Net position - beginning	<u>6,919,275</u>	<u>4,792,794</u>
Net position - ending	<u>\$ 7,562,235</u>	<u>\$ 6,919,275</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE



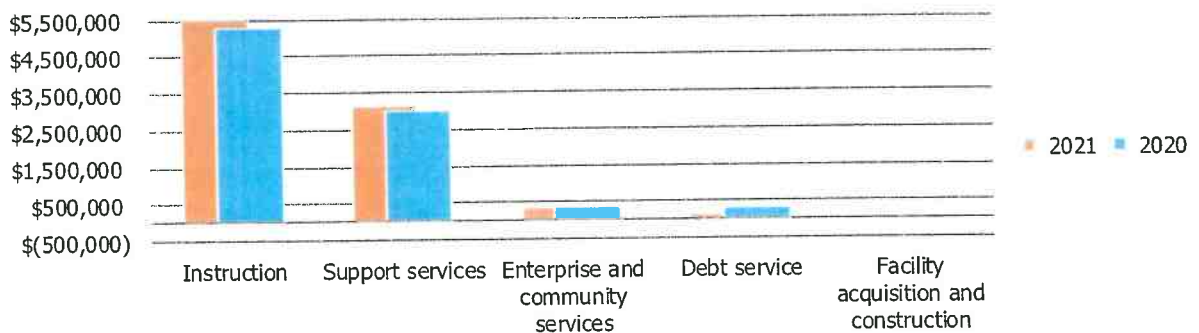
FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

On June 30, 2021, the district's governmental funds reported combined ending fund balances of \$8,071,801, an increase of \$971,362.

GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION



General Fund. The General Fund is the primary operating fund of the district. As of June 30, 2021, unassigned fund balance was \$2,053,298. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents approximately 31.5 percent of total General Fund expenditures.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

BUDGET HIGHLIGHTS

General Fund actual revenues were \$277,329 under budgeted amounts and actual expenditures were \$2,938,942 less than budgeted amounts. There were no changes during the year to the General Fund original adopted budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The district's investment in capital assets includes land, buildings and improvements, vehicles, and equipment. As of June 30, 2021, the district had invested \$6,315,225 in capital assets, net of accumulated depreciation and related debt. This is an increase of \$10,438 over June 30, 2020. Additional information on the district's capital assets can be found in note 4 on pages 31 and 32.

Long-Term Debt. During the current fiscal year, long-term debt (not counting Net pension and OPEB liability) decreased by \$131,803. Additional information on the district's long-term debt can be found in notes 5 thru 9 on pages 32 through 34.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The budget for the 2021-22 fiscal year indicates total appropriations of \$20,312,036 as compared to the 2020-21 year of \$18,326,644, an increase of 10.8%.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF NET POSITION
June 30, 2021
(With Comparative Totals for 2020)

	<u>Governmental Activities</u>	
	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
ASSETS		
Cash and investments	\$ 7,056,786	\$ 6,442,477
Receivables		
Property taxes	48,096	57,378
Other	1,073,192	763,104
Restricted cash	371,935	283,710
Inventory	62,296	56,521
Capital assets (net of accumulated depreciation)		
Land	330,421	330,421
Construction in progress	-	117,706
Buildings and improvements	6,095,874	6,232,458
Equipment and vehicles	<u>1,168,032</u>	<u>780,107</u>
Total capital assets	<u>7,594,327</u>	<u>7,460,692</u>
Total assets	<u>16,206,632</u>	<u>15,063,882</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions and other OPEB	<u>1,925,228</u>	<u>1,398,322</u>
LIABILITIES		
Current liabilities		
Accounts payable	84,161	185,925
Accrued liabilities	414,579	268,592
Accrued interest payable	12,753	13,391
Current portion of long-term debt	<u>387,138</u>	<u>333,106</u>
Total current liabilities	<u>898,631</u>	<u>801,014</u>
Long term liabilities		
Net pension and other OPEB liability	5,370,180	3,977,010
Leases payable	544,102	420,905
Bonds payable	3,185,002	3,440,002
Less current portion of long term debt	<u>(387,138)</u>	<u>(333,106)</u>
Total long term liabilities	<u>8,712,146</u>	<u>7,504,811</u>
Total liabilities	<u>9,610,777</u>	<u>8,305,825</u>

(Continued on next page)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF NET POSITION
June 30, 2021
(With Comparative Totals for 2020)

	Governmental Activities	
	June 30, 2021	June 30, 2020
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions and other OPEB	\$ 958,848	\$ 1,237,104
NET POSITION		
Net investment in capital assets	6,315,225	6,304,787
Restricted for inventory	62,297	56,522
Restricted for special programs	597,294	397,497
Restricted for debt service	1,825,040	1,660,031
Unrestricted (deficit)	(1,237,621)	(1,499,562)
Total net position	\$ 7,562,235	\$ 6,919,275

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2021
(With Comparative Totals for 2020)

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities			
Instruction			
Regular programs	\$ 4,511,462	\$ -	\$ 57,912
Special programs	1,225,424	-	334,726
Supporting services			
Students	246,157	-	-
Instructional staff	89,131	-	-
General administration	163,532	-	-
School administration	597,060	-	-
Business services	2,006,638	-	-
Central support services	45,707	-	-
Enterprise and community services			
Food services	352,799	10,398	234,756
Facilities acquisition and construction			
Bldg acq, const, and imp	910	-	-
Debt service	158,997	566,081	-
Total governmental activities	\$ 9,397,817	\$ 576,479	\$ 627,394

General revenues

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

Total general revenues

Gain (loss) from sale of fixed assets

- Changes in net position

Net position - beginning

Net position - ending

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

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Governmental Activities	
	June 30, 2021	June 30, 2020
Capital		
Grants and		
Contributions		
\$ -	\$ (4,453,550)	\$ (3,897,969)
-	(890,698)	(677,000)
-	(246,157)	(286,934)
-	(89,131)	(133,741)
-	(163,532)	(161,597)
-	(597,060)	(504,861)
82,029	(1,924,609)	(1,760,316)
-	(45,707)	(84,687)
-	(107,645)	(100,928)
-	(910)	1,104,955
12,925	420,009	239,828
<u>\$ 94,954</u>	<u>(8,098,990)</u>	<u>(6,263,250)</u>
	614,050	597,165
	5,743,650	5,665,276
	22,126	43,467
	979,219	395,110
	1,112,155	1,088,097
	54,477	144,102
	211,273	509,767
	<u>8,736,950</u>	<u>8,442,984</u>
	5,000	(53,253)
	642,960	2,126,481
	<u>6,919,275</u>	<u>4,792,794</u>
	<u>\$ 7,562,235</u>	<u>\$ 6,919,275</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021
(With Comparative Totals for 2020)

	100 General Fund	305 PERS Debt Service Fund	400 Facilities Project Fund	Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 1,579,085	\$ 1,825,040	\$ 2,526,913	\$ 1,125,748
Inventories	55,742	-	-	6,555
Receivables				
Property taxes	48,096	-	-	-
Other	761,672	-	-	311,520
Due from other funds	257,044	-	-	-
Restricted cash	-	-	-	371,935
Total assets	<u>\$ 2,701,639</u>	<u>\$ 1,825,040</u>	<u>\$ 2,526,913</u>	<u>\$ 1,815,758</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 61,561	\$ -	\$ -	\$ 22,600
Accrued liabilities	368,273	-	-	46,306
Due to other funds	-	-	-	257,044
Total liabilities	<u>429,834</u>	<u>0</u>	<u>0</u>	<u>325,950</u>
Deferred inflows of resources				
Unavailable property tax revenue	41,765	-	-	-
Total deferred inflows of resources	<u>41,765</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances				
Nonspendable	55,742	-	-	6,555
Restricted	-	1,825,040	-	597,294
Committed	121,000	-	-	885,959
Assigned	-	-	2,526,913	-
Unassigned	2,053,298	-	-	-
Total fund balances	<u>2,230,040</u>	<u>1,825,040</u>	<u>2,526,913</u>	<u>1,489,808</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,701,639</u>	<u>\$ 1,825,040</u>	<u>\$ 2,526,913</u>	<u>\$ 1,815,758</u>

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

Total	
June 30, 2021	June 30, 2020
\$ 7,056,786	\$ 6,442,477
62,297	56,522
48,096	57,378
1,073,192	763,103
257,044	-
371,935	283,710
<u>\$ 8,869,350</u>	<u>\$ 7,603,190</u>

\$ 84,161	\$ 185,925
414,579	268,591
257,044	-
<u>755,784</u>	<u>454,516</u>

<u>41,765</u>	<u>48,235</u>
<u>41,765</u>	<u>48,235</u>

62,297	56,522
2,422,334	2,057,528
1,006,959	918,081
2,526,913	1,642,221
2,053,298	2,426,087
<u>8,071,801</u>	<u>7,100,439</u>
<u>\$ 8,869,350</u>	<u>\$ 7,603,190</u>

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**
June 30, 2021

Total Fund Balances		\$ 8,071,801
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 15,531,891	
Accumulated depreciation	<u>(7,937,564)</u>	7,594,327
A portion of the district's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		41,765
Net pension/OPEB liability is not due and payable in the current period, therefore it is not recorded in the governmental funds.		(5,370,180)
Deferred outflows and inflows related to pensions/OPEB are not current financial resources, therefore, they are not reported in the governmental funds.		966,379
Liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Bus leases payable	(544,102)	
Accrued Interest	(12,753)	
Pension bonds payable	(2,450,002)	
Bonds payable	<u>(735,000)</u>	(3,741,857)
Total Net Position		<u><u>\$ 7,562,235</u></u>

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

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

For the Year Ended
June 30, 2021
(With Comparative Totals for 2020)

	100 General Fund	305 PERS Debt Service Fund	400 Facilities Project Fund	Nonmajor Governmental Funds
Revenues				
Taxes	\$ 620,521	\$ -	\$ -	\$ -
Intergovernmental	7,183,839	-	-	1,395,660
Local sources	189,116	566,081	-	87,030
Total revenues	<u>7,993,476</u>	<u>566,081</u>	<u>0</u>	<u>1,482,690</u>
Expenditures				
Current				
Instruction				
Regular programs	3,378,933	-	-	611,444
Special programs	825,722	-	-	268,514
Adult/continuing education programs	-	-	-	49,039
Support services				
Students	179,398	-	-	20,890
Instructional staff	82,939	-	-	-
General administration	142,513	-	-	-
School administration	488,131	-	-	37,452
Business services	1,759,197	-	-	190,758
Central activities	42,684	-	-	-
Food services	-	-	-	325,913
Facilities acquisition and construction	58,534	-	-	68,022
Capital outlay	131,805	-	-	-
Debt service	-	401,072	-	12,925
Total expenditures	<u>7,089,856</u>	<u>401,072</u>	<u>0</u>	<u>1,584,957</u>
Excess of revenues over (under) expenditures	<u>903,620</u>	<u>165,009</u>	<u>0</u>	<u>(102,267)</u>
Other financing sources (uses)				
Transfer in	-	-	884,692	392,044
Transfer out	(1,276,736)	-	-	-
Proceeds on sale of assets	5,000	-	-	-
Total other financing sources (uses)	<u>(1,271,736)</u>	<u>0</u>	<u>884,692</u>	<u>392,044</u>
Net change in fund balances	(368,116)	165,009	884,692	289,777
Available fund balance, July 1	<u>2,598,156</u>	<u>1,660,031</u>	<u>1,642,221</u>	<u>1,200,031</u>
Available fund balance, June 30 - by category				
Nonspendable	55,742	-	-	6,555
Restricted	-	1,825,040	-	597,294
Committed	121,000	-	-	885,959
Assigned	-	-	2,526,913	-
Unassigned	2,053,298	-	-	-
Available fund balance, June 30 - total	<u>\$ 2,230,040</u>	<u>\$ 1,825,040</u>	<u>\$ 2,526,913</u>	<u>\$ 1,489,808</u>

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

Total	
June 30, 2021	June 30, 2020
\$ 620,521	\$ 596,632
8,579,499	9,361,321
842,227	1,240,861
<u>10,042,247</u>	<u>11,198,814</u>
3,990,377	3,535,606
1,094,236	1,179,562
49,039	168,266
200,288	241,521
82,939	126,773
142,513	147,708
525,583	459,023
1,949,955	1,789,270
42,684	80,677
325,913	331,034
126,556	197,895
131,805	1,189,441
413,997	585,417
<u>9,075,885</u>	<u>10,032,193</u>
<u>966,362</u>	<u>1,166,621</u>
1,276,736	1,201,200
(1,276,736)	(1,201,200)
5,000	-
<u>5,000</u>	<u>0</u>
971,362	1,166,621
<u>7,100,439</u>	<u>5,933,818</u>
62,297	56,522
2,422,334	2,057,528
1,006,959	918,081
2,526,913	1,642,221
2,053,298	2,426,087
<u>\$ 8,071,801</u>	<u>\$ 7,100,439</u>

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

For the Year Ended
June 30, 2021

Net Change in Fund Balance		\$ 971,362
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	\$ 518,158	
Less current year depreciation	<u>(384,523)</u>	133,635
Current year PERS contributions that will be recognized as an expense in the subsequent period.		438,407
Change in net OPEB liability is not recognized in the current year in the governmental funds.		(1,026,415)
Debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:		
Capital lease proceeds		(258,621)
Principal payments		390,424
In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.		638
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		(6,470)
Change in Net Position		<u><u>\$ 642,960</u></u>

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

Government-wide Financial Statements

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

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

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

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

Fund Financial Statements

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

The district reports the following major governmental funds:

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

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

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

Additionally, the district reports the following fund types:

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

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

C. Measurement Focus and Basis of Accounting

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

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

D. Budgets and Budgetary Accounting

A budget is prepared for each district fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, inter-agency fund transactions, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30.

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

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

E. Deposits and Investments

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

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

F. Receivables and Payables

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

G. Inventory

Inventories of supplies are charged to expenditures when purchased. The items in inventory remain at a relatively constant level and the amount is not material. Inventory at June 30, 2021 was \$62,296 and consisted of fuel and food.

H. Capital Assets

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

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

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

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The district has one item that qualifies for reporting in this category. It is the deferred amounts relating to

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

pensions/OPEB. This amount is deferred and recognized as an outflow of resources in the period when the district recognizes pension/OPEB expense. Deferred outflows are included in the government-wide Statement of Net Position.

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

K. Use of Estimates

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

L. Long-term Debt

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

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

M. Pensions

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

N. Other Post-Employment Benefits (OPEB)

PERS – Retirement Health Insurance Account

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

O. Fund Balances

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

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

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

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

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

Note 2. Deposits and Investments

At June 30, 2021 the carrying amount of the district's deposits was \$1,127,356 and the bank balance was \$1,161,918. The district maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's Oregon Public Funds Collateralization Program (PFCP) web site. Oregon Revised Statute Chapter 295 requires all Oregon bank depositories holding public fund deposits to maintain securities totaling a value not less than 110 percent of the greater of:

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

Custodial credit risk is the risk that in the event of a financial institution failure, the district's deposits may not be returned to it. The district does not have a policy for custodial credit risk. However, the balances in excess of the FDIC insurance are considered collateralized by PFCP. As of June 30, 2021 the district had no balances exposed to custodial credit risk.

As of June 30, 2021 the district had the following investments:

Investment	Maturities	Fair Value
Local government investment pool	Varies	\$ 6,241,503
Wells Fargo investments in federal obligations	Varies	18
Bank of NY Mellon investments in federal obligations	Varies	59,843
Total		<u>\$ 6,301,364</u>

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

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

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

Reconciliation to financial statements:

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Unrestricted cash and investments	\$ 7,056,786
Restricted cash	<u>371,935</u>
Total cash and investments	<u>\$ 7,428,721</u>
Cash carrying amount	\$ 1,127,356
Investments carrying amount	<u>6,301,364</u>
Total cash and investments	<u>\$ 7,428,721</u>

Note 3. Receivables

Receivables are comprised of the following as of June 30, 2021:

Property Taxes	\$ 48,096
Grants	<u>1,073,193</u>
Total	<u>\$ 1,121,289</u>

Note 4. Changes in Capital Assets

The following is a summary of changes in capital assets:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets				
Land	\$ 330,421	\$ -	\$ -	\$ 330,421
Construction in Progress	117,706	-	(117,706)	-
Buildings	6,299,540	72,841	-	6,372,381
Improvements	5,685,298	71,730	-	5,757,028
Equipment and Vehicles	<u>2,717,385</u>	<u>491,293</u>	<u>(136,617)</u>	<u>3,072,061</u>
Totals	<u>15,150,350</u>	<u>635,864</u>	<u>(254,323)</u>	<u>15,531,891</u>
Accumulated Depreciation				
Buildings	4,599,874	128,327	-	4,728,201
Improvements	1,152,506	152,828	-	1,305,334
Equipment and vehicles	<u>1,937,278</u>	<u>103,368</u>	<u>(136,617)</u>	<u>1,904,029</u>
Totals	<u>7,689,658</u>	<u>384,523</u>	<u>(136,617)</u>	<u>7,937,564</u>
Net fixed assets	<u>\$ 7,460,692</u>	<u>\$ 251,341</u>	<u>\$ (117,706)</u>	<u>\$ 7,594,327</u>

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Depreciation was charged to the following functions:

Instruction	
Regular programs	\$ 187,769
Special programs	51,003
Support services	
Students	10,245
Instructional staff	3,710
General administration	6,806
School administration	24,850
Business services	83,516
Central support services	1,902
Enterprise and community services	
Food services	14,684
Facilities acquisition and construction	
Building acquisition, construction, and improvement	38
	\$ 384,523

Note 5. Changes in Long-Term Debt

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

	Balance July 01, 2020	Issued/ Matured	Retired/ Paid	Balance June 30, 2021	Due in one year
Limited tax pensions bonds	\$ 2,450,002	\$ -	\$ -	\$ 2,450,002	\$ 275,000
Tax pension bond refunding	255,000	-	255,000	-	-
QSCB Bonds	235,000	-	-	235,000	-
QZAB Bonds	500,000	-	-	500,000	-
Blue Bird bus lease	95,959	-	23,057	72,902	23,668
Blue Bird bus lease	121,937	-	22,491	99,446	23,401
Chevy Micro Bird bus lease	57,161	-	10,558	46,603	10,978
Blue Bird bus lease	145,848	-	22,000	123,848	22,876
Blue Bird bus lease	-	182,744	45,686	137,058	21,253
Blue Bird bus lease	-	75,877	11,632	64,245	9,962
Total long-term debt	\$ 3,860,907	\$ 258,621	\$ 390,424	\$ 3,729,104	\$ 387,138

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Interest expense of \$221,106 on long-term debt has been included in the direct expense of individual functions on the government-wide Statement of Activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the programs for which borrowing is related.

Note 6. PERS UAL Bonds Payable

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

Fiscal Year Ended	Principal	Interest
2022	\$ 275,000	\$ 135,597
2023	310,000	120,527
2024	345,000	103,508
2025	385,000	84,360
2026	430,000	62,993
2027-2028	705,002	51,613
	<u>\$ 2,450,002</u>	<u>\$ 558,598</u>

On September 26, 2011, the district participated in a partial redemption of the 2002 PERS Series B obligation bonds. The district's portion of the bond refinance was \$255,000 and was refinanced to cover a 10-year period beginning in the 2011-12 fiscal year. The refinanced bond is referred to as the 2011 PERS Series B. The agreement will reduce the PERS debt by \$72,662 over the duration of the bonds. Bonds were paid in full as of June 30, 2021.

Note 7. Qualified School Construction Bond

On July 1, 2010, the district issued a general obligation bond for \$690,000. This Qualified School Construction Bond helped finance the construction of a science lab and multi-purpose room at Grant Union High School and replaced single pane windows at Humbolt Elementary. This federally subsidized bond has a fixed rate of 5.19%. The federal government will pay the interest in full. Interest is due and payable December 15th and June 15th. These bonds are to be repaid with State School funds intercepted and deposited into an account held by Bank of New York Mellon and then distributed to investors at various dates. The funds are held in a restricted district account at the Bank of New York Mellon with a balance of \$59,844 as of June 30, 2021. The debt service requirements to maturity on June 15, 2025 are as follows:

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Fiscal Year Ended	Principal	Interest
2022	\$ -	\$ 12,926
2023	-	12,926
2024	-	12,926
2025	235,000	12,926
TOTAL	<u>\$ 235,000</u>	<u>\$ 51,704</u>

Note 8. Qualified Zone Academy Bond

In October 2011, the district issued a Qualified Zone Academy Bond for \$500,000. The Qualified Zone Academy bond proceeds were used to purchase a highly efficient bio-mass boiler. This bond has a fixed rate of 0%. Required annual deposits of \$33,333 to a Public Funds time certificate of deposit held at Umpqua Bank were to begin October 19, 2012 and end October 19, 2026. These deposits are classified as restricted cash and will be used to pay the bond when it matures in 2027. As of June 30, 2021, the balance on deposit was \$312,091. The debt service requirements to maturity in October 2026 are as follows:

Fiscal Year Ended	Principal	Interest
2022	\$ -	\$ -
2023	-	-
2024	-	-
2025	-	-
2026-2027	500,000	-
TOTAL	<u>\$ 500,000</u>	<u>\$ 0</u>

Note 9. Capital Lease Obligations

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

Fiscal Year Ended	Principal	Interest
2022	\$ 23,668	\$ 1,932
2023	24,295	1,305
2024	24,939	662
TOTAL	<u>\$ 72,902</u>	<u>\$ 3,899</u>

The district entered a capital lease in April 2018 for a Blue Bird bus with 7 annual payments of \$27,429 starting in July 2018, including interest at 4.05 percent through July 2024. Future

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minimum lease payments are as follows:

Fiscal Year Ended	Principal	Interest
2022	\$ 23,401	\$ 4,028
2023	24,349	3,080
2024	25,335	2,094
2025	26,361	1,068
TOTAL	<u>\$ 99,446</u>	<u>\$ 10,270</u>

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

Fiscal Year Ended	Principal	Interest
2022	\$ 10,978	\$ 1,855
2023	11,415	1,418
2024	11,869	964
2025	12,341	492
TOTAL	<u>\$ 46,603</u>	<u>\$ 4,729</u>

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

Fiscal Year Ended	Principal	Interest
2022	\$ 22,876	\$ 4,929
2023	23,786	4,019
2024	24,733	3,072
2025	25,717	2,088
2026	26,736	1,069
TOTAL	<u>\$ 123,848</u>	<u>\$ 15,177</u>

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

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Fiscal Year Ended	Principal	Interest
2022	\$ 21,253	\$ 3,947
2023	21,865	3,335
2024	22,495	2,705
2025	23,142	2,058
2026	23,809	1,391
2027	24,495	705
TOTAL	\$ 137,058	\$ 14,142

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

Fiscal Year Ended	Principal	Interest
2022	\$ 9,962	\$ 1,850
2023	10,249	1,563
2024	10,544	1,268
2025	10,847	965
2026	11,160	652
2027	11,483	329
TOTAL	\$ 64,245	\$ 6,627

Note 10. Operating Lease Obligations

The district leases certain property and equipment from others. Leased property not having elements of ownership is classified as an operating lease. Operating lease payments are recorded as expenditures when payable. Total expenditures on such leases for the fiscal year ended June 30, 2021 was \$13,174.

As of June 30, 2021, the district had future minimum payments under operating leases as follows:

Fiscal Year Ended	Principal
2022	\$ 13,174
2023	13,174
2024	13,174
2025	10,979
Total	\$ 50,502

Note 11. Interfund Transfers

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

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A transfer of \$35,000 was made to the Special Projects Fund from the General Fund to support extra-curricular activities. A transfer of \$35,000 was made to the Technology and Curriculum Fund from the General Fund to support future upgrades. A transfer of \$82,480 was made to the Food Service Fund from the General Fund for the district's required price-equity match. A transfer of \$139,564 was made to the Debt Service Fund from the General Fund to fund current year and reserve requirements on debt. A transfer of \$100,000 was made to the Bus Reserve Fund from the General Fund to fund future bus purchases. A transfer of \$884,692 was made from the General Fund to the Capital Projects Fund to provide for capital projects. The detail of interfund transfers for the fiscal year ended June 30, 2021 is as follows:

Transfer To	Transfer From	Amount
Facilities Project Fund	General Fund	\$ 884,692
Nonmajor Funds	General Fund	392,044
	Total Transfers	\$ 1,276,736

Note 13. Pension Plan

Name of pension plan

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

Description of benefit terms

Plan Benefits

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

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

1. Pension Benefits

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

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

2. Death Benefits

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

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

3. Disability Benefits

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

4. Benefit Changes After Retirement

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

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

B. OPSRP Pension Program (OPSRP DB)

1. Pension Benefits

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

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

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

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

2. Death Benefits

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

3. Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive

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a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

4. Benefit Changes After Retirement

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

C. OPSRP Individual Account Program (OPSRP IAP)

1. Pension Benefits

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

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

2. Death Benefits

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

3. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum unfunded actuarial liability payments to establish side accounts and their rates have been reduced.

Employer contributions for the year ended June 30, 2021 were \$403,748, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the district in effect for the fiscal year ended June 30, 2021 were:

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Rate Category	Normal Cost Rate	Combined UAL Rate	Side Account	Net Rate
PERS general service	13.79%	18.18%	-17.29%	14.68%
PERS police and fire	13.79%	18.18%	-17.29%	14.68%
OPSRP general service	8.40%	18.18%	-17.29%	9.29%
OPSRP police and fire	13.03%	18.18%	-17.29%	13.92%

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

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Actuarial Methods and Assumptions

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> Decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: PUB-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: PUB-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: PUB-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying

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assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
District's proportionate share of the net pension liability (asset)	\$ 8,168,676	\$ 5,501,098	\$ 3,264,210

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

At June 30, 2021, the district reported a liability of \$5,501,098 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the district's proportion was .02520729 percent.

For the year ended June 30, 2021, the district recognized \$1,828,124 in pension expense. Pension expense includes district expense of \$1,026,252 related to 2020 district's proportionate

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share of system pension expense, self-imposed expense for PERS bond retirement of \$526,220, and employee contributions picked up by the district of \$275,652.

At June 30, 2021, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 242,115	\$ -
Changes in assumptions	295,227	10,344
Net difference between projected and actual earnings on pension plan investments	646,858	-
Changes in proportion and differences between District contributions and proportionate share of contributions	286,135	888,530
District contributions subsequent to the measurement date	438,407	-
Total	<u>\$ 1,908,742</u>	<u>\$ 898,874</u>

\$438,407 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as PERS expense in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Deferred outflow or (inflow) of Resources
2022	\$ 46,880
2023	116,901
2024	166,530
2025	226,296
2026	14,854
Thereafter	-
Total	<u>\$ 571,461</u>

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Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2020 measurement date that would require a brief description under GASB 68.

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

Plan Description

Organization

The Oregon Public Employees Retirement System administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Post-Employment Benefit (OPEB) plan (the plan) for political subdivisions such as the district. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the plan.

Plan Membership

RHIA was established by ORS 238.420. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Contribution

Contributions are mandatory for each employer that is a member of PERS. For the fiscal year ended June 30, 2021, the district's contribution rate was 0.06 percent of PERS subject to wages. Employees are not required to contribute to the plan.

Net OPEB Liability

The district's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

Actuarial Methods and Assumptions

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount Rate	7.2 percent
Projected Salary Increases	3.5 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the OPEB Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term expected rate of return

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at <http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

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

The following presents the district’s proportionate share of the net OPEB liability calculated using the discount rate of 7.20 percent, as well as what the district’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
District’s proportionate share of the net OPEB liability (asset)	\$ (105,694)	\$ (130,918)	\$ (152,486)

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

At June 30, 2021, the district reported an asset of \$130,918 for its proportionate share of the net OPEB liability (asset). The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The district’s proportion of the net OPEB liability was based on a projection of the district’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the district’s proportion was .06425112 percent.

For the year ended June 30, 2021, the district recognized income of \$40,249. At June 30, 2021, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,384
Changes in assumptions	-	6,959
Net difference between projected and actual earnings on OPEB plan investments	14,559	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,927	39,631
Total	\$ 16,486	\$ 59,974

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

Fiscal Year	Deferred outflow or (inflow) of Resources
2022	\$ (32,157)
2023	(21,305)
2024	5,382
2025	4,592
2026	-
Thereafter	-
Total	\$ (43,488)

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2020 measurement date that would require a brief description under GASB 68.

Note 15. Commitments and Contingencies

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

Note 16. Tax Abatement Disclosures

The GASB issued Statement No. 77, Tax Abatement Disclosures in August 2015. GASB 77 requires governments that enter into tax abatement agreements to disclose information about those agreements. GASB Statement No. 77 is effective for the district for fiscal year ending June 30, 2017. The district did not have any tax abatements at June 30, 2021.

Note 17. Fund Balance Classification

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

Fund Balances:	100 General Fund	305 PERS Debt Service Fund	400 Facilities Project Fund	Nonmajor Funds	Total
Restricted fund balance					
<u>Non-spendable:</u>					
	\$ 55,742	\$ -	\$ -	\$ 6,555	\$ 62,297
<u>Restricted:</u>					
School lunch	-	-	-	731	731
Debt service	-	1,825,040	-	483,439	2,308,479
Education - grants	-	-	-	66,124	66,124
	<u>0</u>	<u>1,825,040</u>	<u>0</u>	<u>550,294</u>	<u>2,375,334</u>
Unrestricted fund balance					
<u>Committed To:</u>					
Special Projects	-	-	-	334,199	334,199
Capital outlay	121,000	-	-	551,760	672,760
	<u>121,000</u>	<u>0</u>	<u>0</u>	<u>885,959</u>	<u>1,006,959</u>
<u>Assigned to:</u>					
Capital outlay	-	-	2,526,913	-	2,526,913
<u>Unassigned:</u>	2,053,298	-	-	47,000	2,100,298
Total fund balances	<u>\$ 2,230,040</u>	<u>\$ 1,825,040</u>	<u>\$ 2,526,913</u>	<u>\$ 1,489,808</u>	<u>\$ 8,071,801</u>

REQUIRED SUPPLEMENTARY INFORMATION

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Taxes	\$ 620,521	\$ 610,000	\$ 610,000	\$ (10,521)
Local sources	189,118	98,000	98,000	(91,118)
Intermediate sources	923,962	974,788	974,788	50,826
State sources	5,892,890	6,112,028	6,112,028	219,138
Federal sources	366,986	475,990	475,990	109,004
Total revenues	<u>7,993,477</u>	<u>8,270,806</u>	<u>8,270,806</u>	<u>277,329</u>
Expenditures				
1000 Instruction	4,204,655	5,662,152	5,662,152	1,457,497
2000 Supporting services	2,831,454	4,187,533	4,187,533	1,356,079
4000 Facilities acquisition and const	58,534	183,900	183,900	125,366
Total expenditures	<u>7,094,643</u>	<u>10,033,585</u>	<u>10,033,585</u>	<u>2,938,942</u>
Excess of revenues over (under) expenditures	<u>898,834</u>	<u>(1,762,779)</u>	<u>(1,762,779)</u>	<u>(2,661,613)</u>
Other financing (uses)				
Transfers out	<u>(1,276,736)</u>	<u>(1,281,733)</u>	<u>(1,281,733)</u>	<u>(4,997)</u>
Total other financing (uses)	<u>(1,271,736)</u>	<u>(1,281,733)</u>	<u>(1,281,733)</u>	<u>(9,997)</u>
Net change in fund balance	(372,902)	(3,044,512)	(3,044,512)	(2,671,610)
Available fund balance, July 1	<u>2,547,200</u>	<u>3,044,512</u>	<u>3,044,512</u>	<u>497,312</u>
Available fund balance, June 30	<u>\$ 2,174,298</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,174,298)</u>

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended
June 30, 2021

Budgetary Reporting

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

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

During the year ended June 30, 2021, disbursements in the General Fund were within certified budget amounts in all functions.

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

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

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

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

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

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

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

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

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

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

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

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

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SUPPLEMENTARY SCHEDULES

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 305 PERS DEBT SERVICE FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1500 Investment earnings	\$ -	\$ 500	\$ 500	\$ 500
1970 Services provided other funds	566,081	599,833	599,833	33,752
Total revenues	566,081	600,333	600,333	34,252
Expenditures				
5100 Debt service				
5110 Long-term debt service				
600 Other objects	401,072	386,089	666,336	265,264
Total expenditures	401,072	386,089	666,336	265,264
Excess of revenues over (under) expenditures and net change in fund balance	165,009	214,244	(66,003)	(231,012)
Available fund balance, July 1	1,660,031	1,497,627	1,497,627	(162,404)
Available fund balance, June 30	\$ 1,825,040	\$ 1,711,871	\$ 1,431,624	\$ (393,416)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 400 FACILITIES PROJECT FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3299 Restricted state grants	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Total revenues	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Expenditures				
4000 Facilities acquisition and construction				
4150 Bldg acq, const, and imp				
500 Capital outlay	-	3,634,692	3,634,692	3,634,692
Total expenditures	<u>0</u>	<u>3,634,692</u>	<u>3,634,692</u>	<u>3,634,692</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(1,134,692)</u>	<u>(1,134,692)</u>	<u>(1,134,692)</u>
Other financing (uses)				
Transfers in	884,692	884,692	884,692	-
Total other financing (uses)	<u>884,692</u>	<u>884,692</u>	<u>884,692</u>	<u>0</u>
Net change in fund balance	884,692	(250,000)	(250,000)	(1,134,692)
Available fund balance, July 1	<u>1,642,221</u>	<u>250,000</u>	<u>250,000</u>	<u>(1,392,221)</u>
Available fund balance, June 30	<u>\$ 2,526,913</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,526,913)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 100 GENERAL FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Local sources				
1110 Taxes	\$ 620,521	\$ 610,000	\$ 610,000	\$ (10,521)
1300 Tuition	-	2,000	2,000	2,000
1510 Interest on investments	53,477	60,000	60,000	6,523
1910 Rentals	-	6,000	6,000	6,000
1920 Donations	14,026	10,000	10,000	(4,026)
1990 Miscellaneous income	121,615	20,000	20,000	(101,615)
Total local sources	809,639	708,000	708,000	(101,639)
Intermediate sources				
2101 County school fund	-	6,000	6,000	6,000
2102 ESD apportionment	715,249	737,662	737,662	22,413
2199 Other intermediate sources	208,713	231,126	231,126	22,413
Total intermediate sources	923,962	974,788	974,788	50,826
State sources				
3101 Basic school support	5,743,650	5,921,231	5,921,231	177,581
3103 Common school fund	22,126	55,951	55,951	33,825
3199 Other unrestricted grants-in-aid	57,912	52,610	52,610	(5,302)
3299 Other restricted state grants	69,202	82,236	82,236	13,034
Total state sources	5,892,890	6,112,028	6,112,028	219,138
Federal sources				
4500 Restricted revenue through state	4,520	59,990	59,990	55,470
4801 Federal forest fees	362,466	416,000	416,000	53,534
Total federal sources	366,986	475,990	475,990	109,004
Total revenues	7,993,477	8,270,806	8,270,806	277,329
Expenditures				
1000 Instruction				
100 Salaries	2,433,010	2,936,186	2,936,186	503,176
200 Associated payroll costs	1,633,864	2,298,220	2,298,220	664,356
300 Purchased services	55,805	203,746	203,746	147,941
400 Supplies and materials	69,551	196,650	196,650	127,099
600 Other objects	12,425	27,350	27,350	14,925
Total instruction	4,204,655	5,662,152	5,662,152	1,457,497

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

For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
2000 Support services				
100 Salaries	\$ 1,138,778	\$ 1,270,424	\$ 1,270,424	\$ 131,646
200 Associated payroll costs	797,096	1,082,227	1,082,227	285,131
300 Purchased services	477,683	790,650	790,650	312,967
400 Supplies and materials	176,230	520,627	520,627	344,397
500 Capital outlay	131,805	383,300	383,300	251,495
600 Other objects	109,862	140,305	140,305	30,443
Total support services	<u>2,831,454</u>	<u>4,187,533</u>	<u>4,187,533</u>	<u>1,356,079</u>
4000 Facilities acquisition and construction				
300 Purchased services	58,534	177,900	177,900	119,366
500 Capital outlay	-	6,000	6,000	6,000
Total facilities acquisition and construction	<u>58,534</u>	<u>183,900</u>	<u>183,900</u>	<u>125,366</u>
Total expenditures	<u>7,094,643</u>	<u>10,033,585</u>	<u>10,033,585</u>	<u>2,938,942</u>
Excess of revenues over (under) expenditures	<u>898,834</u>	<u>(1,762,779)</u>	<u>(1,762,779)</u>	<u>(2,661,613)</u>
Other financing sources (uses)				
Transfers out	(1,276,736)	(1,281,733)	(1,281,733)	(4,997)
Sale of capital assets	5,000	-	-	(5,000)
Total other financing sources	<u>(1,271,736)</u>	<u>(1,281,733)</u>	<u>(1,281,733)</u>	<u>(9,997)</u>
Net change in fund balance	(372,902)	(3,044,512)	(3,044,512)	(2,671,610)
Available fund balance, July 1	<u>2,547,200</u>	<u>3,044,512</u>	<u>3,044,512</u>	<u>497,312</u>
Available fund balance, June 30	2,174,298	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,174,298)</u>
Reconciliation to GAAP:				
Inventory	<u>55,742</u>			
GAAP fund balance	<u>\$ 2,230,040</u>			

GRANT SCHOOL DISTRICT #3
Canyon City, Grant County, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	208 Special Projects	209 Technology and Curriculum	210 Bus Replacement	216 CTE	222 Student Investment Act
ASSETS					
Cash and investments	\$ 293,876	\$ 175,000	\$ 376,760	\$ 4,011	\$ 81,771
Accounts receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted cash	-	-	-	-	-
Total assets	\$ 293,876	\$ 175,000	\$ 376,760	\$ 4,011	\$ 81,771
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 886	\$ 14,580
Accrued liabilities	-	-	-	2,603	1,589
Due to other funds	-	-	-	-	-
Total liabilities	0	0	0	3,489	16,169
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	522	65,602
Committed	293,876	175,000	376,760	-	-
Total fund balance	293,876	175,000	376,760	522	65,602
Total liabilities and fund balances	\$ 293,876	\$ 175,000	\$ 376,760	\$ 4,011	\$ 81,771

240 Title I	241 COVID-19	243 Medicaid Grant	253 School Lunch	260 IDEA	301 Debt Service	Totals June 30, 2021
\$ -	\$ -	\$ 34,934	\$ -	\$ 7,354	\$ 152,042	\$ 1,125,748
22,130	238,728	5,902	38,298	-	6,462	311,520
-	-	-	6,555	-	-	6,555
-	-	-	-	-	371,935	371,935
<u>\$ 22,130</u>	<u>\$ 238,728</u>	<u>\$ 40,836</u>	<u>\$ 44,853</u>	<u>\$ 7,354</u>	<u>\$ 530,439</u>	<u>\$ 1,815,758</u>
\$ 2,144	\$ 70	\$ 195	\$ 4,725	\$ -	\$ -	\$ 22,600
11,316	5,982	318	17,144	7,354	-	46,306
8,670	232,676	-	15,698	-	-	257,044
<u>22,130</u>	<u>238,728</u>	<u>513</u>	<u>37,567</u>	<u>7,354</u>	<u>0</u>	<u>325,950</u>
-	-	-	6,555	-	-	6,555
-	-	-	731	-	530,439	597,294
-	-	40,323	-	-	-	885,959
<u>0</u>	<u>0</u>	<u>40,323</u>	<u>7,286</u>	<u>0</u>	<u>530,439</u>	<u>1,489,808</u>
<u>\$ 22,130</u>	<u>\$ 238,728</u>	<u>\$ 40,836</u>	<u>\$ 44,853</u>	<u>\$ 7,354</u>	<u>\$ 530,439</u>	<u>\$ 1,815,758</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended
June 30, 2021

	208 Special Projects	209 Technology and Curriculum	210 Bus Replacement	216 CTE	222 Student Investment Act
Revenues					
Local sources	\$ 59,826	\$ -	\$ -	\$ -	\$ -
State sources	-	-	82,029	188,192	-
Federal sources	-	-	-	-	175,352
Total revenues	<u>59,826</u>	<u>0</u>	<u>82,029</u>	<u>188,192</u>	<u>175,352</u>
Expenditures					
Instruction					
Regular programs	2,819	-	-	80,174	109,750
Special programs	-	-	-	-	-
Adult/continuing education programs	49,039	-	-	-	-
Support services					
Students	17,168	-	-	3,722	-
Administration	-	-	-	35,752	-
Business	-	-	151,477	-	-
Food services	-	-	-	-	-
Bldg acq and const	-	-	-	68,022	-
Debt service	-	-	-	-	-
Total expenditures	<u>69,026</u>	<u>0</u>	<u>151,477</u>	<u>187,670</u>	<u>109,750</u>
Excess of revenues over (under) expenditures	<u>(9,200)</u>	<u>0</u>	<u>(69,448)</u>	<u>522</u>	<u>65,602</u>
Other financing sources					
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Net change in fund balance	25,800	35,000	30,552	522	65,602
Available fund balance, July 1	<u>268,076</u>	<u>140,000</u>	<u>346,208</u>	<u>-</u>	<u>-</u>
Available fund balance, June 30	<u>\$ 293,876</u>	<u>\$ 175,000</u>	<u>\$ 376,760</u>	<u>\$ 522</u>	<u>\$ 65,602</u>

<u>240 Title I</u>	<u>241 COVID-19</u>	<u>243 Medicaid Grant</u>	<u>253 School Lunch</u>	<u>260 IDEA</u>	<u>301 Debt Service</u>	<u>Totals June 30, 2021</u>
\$ -	\$ -	\$ 15,807	\$ 10,397	\$ -	\$ 1,000	\$ 87,030
-	-	-	-	-	-	270,221
<u>148,143</u>	<u>441,401</u>	<u>-</u>	<u>234,756</u>	<u>112,862</u>	<u>12,925</u>	<u>1,125,439</u>
<u>148,143</u>	<u>441,401</u>	<u>15,807</u>	<u>245,153</u>	<u>112,862</u>	<u>13,925</u>	<u>1,482,690</u>
-	418,701	-	-	-	-	611,444
155,765	-	-	-	112,749	-	268,514
-	-	-	-	-	-	49,039
-	-	-	-	-	-	20,890
-	1,700	-	-	-	-	37,452
-	21,000	18,281	-	-	-	190,758
-	-	-	325,913	-	-	325,913
-	-	-	-	-	-	68,022
-	-	-	-	-	12,925	12,925
<u>155,765</u>	<u>441,401</u>	<u>18,281</u>	<u>325,913</u>	<u>112,749</u>	<u>12,925</u>	<u>1,584,957</u>
<u>(7,622)</u>	<u>0</u>	<u>(2,474)</u>	<u>(80,760)</u>	<u>113</u>	<u>1,000</u>	<u>(102,267)</u>
-	-	-	82,480	-	139,564	392,044
<u>0</u>	<u>0</u>	<u>0</u>	<u>82,480</u>	<u>0</u>	<u>139,564</u>	<u>392,044</u>
(7,622)	0	(2,474)	1,720	113	140,564	289,777
<u>7,622</u>	<u>-</u>	<u>42,797</u>	<u>5,566</u>	<u>(113)</u>	<u>389,875</u>	<u>1,200,031</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,323</u>	<u>\$ 7,286</u>	<u>\$ 0</u>	<u>\$ 530,439</u>	<u>\$ 1,489,808</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 208 SPECIAL PROJECTS FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1760 Club fund raising	\$ 49,571	\$ 517,000	\$ 517,000	\$ 467,429
1920 Donations	10,255	28,000	28,000	17,745
Total revenues	<u>59,826</u>	<u>545,000</u>	<u>545,000</u>	<u>485,174</u>
Expenditures				
1000 Instruction				
1111 Elementary, K-5 or K-6				
400 Supplies and materials	2,819	60,000	60,000	57,181
1131 High school programs				
300 Purchased services	7,500	123,000	123,000	115,500
1132 High school extracurricular				
400 Supplies and materials	41,539	450,000	450,000	408,461
Total instruction	<u>51,858</u>	<u>633,000</u>	<u>633,000</u>	<u>581,142</u>
2000 Support services				
2120 Guidance services				
400 Supplies and materials	17,168	238,000	238,000	220,832
2540 Operation and maint of plant services				
400 Supplies and materials	-	2,000	2,000	2,000
2543 Care and upkeep of grounds services				
300 Purchased services	-	5,000	5,000	5,000
Total support services	<u>17,168</u>	<u>245,000</u>	<u>245,000</u>	<u>227,832</u>
Total expenditures	<u>69,026</u>	<u>878,000</u>	<u>878,000</u>	<u>808,974</u>
Excess of revenues over (under) expenditures	<u>(9,200)</u>	<u>(333,000)</u>	<u>(333,000)</u>	<u>(323,800)</u>
Other financing sources				
Transfers in	35,000	35,000	35,000	-
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Net change in fund balance	25,800	(298,000)	(298,000)	(323,800)
Available fund balance, July 1	268,076	298,000	298,000	29,924
Available fund balance, June 30	<u>\$ 293,876</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (293,876)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 209 TECHNOLOGY AND CURRICULUM FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1990 Miscellaneous income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
2000 Support services				
2660 Technology services				
400 Supplies and materials	-	140,000	140,000	140,000
Total support services	<u>0</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Total expenditures	<u>0</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>
Other financing sources				
Transfers in	35,000	35,000	35,000	-
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Net change in fund balance	35,000	(105,000)	(105,000)	(140,000)
Available fund balance, July 1	<u>140,000</u>	<u>105,000</u>	<u>105,000</u>	<u>(35,000)</u>
Available fund balance, June 30	<u>\$ 175,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (175,000)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 210 BUS REPLACEMENT FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3222 State school fund transportation	\$ 82,029	\$ 82,192	\$ 82,192	\$ 163
Total revenues	82,029	82,192	82,192	163
Expenditures				
2000 Support services				
2554 Bus replacement				
500 Capital outlay	135,732	128,667	141,022	5,290
600 Other objects	15,745	8,000	20,354	4,609
Total support services	151,477	136,667	161,376	9,899
Total expenditures	151,477	136,667	161,376	9,899
Excess of revenues over (under) expenditures	(69,448)	(54,475)	(79,184)	(9,736)
Other financing sources				
Transfers in	100,000	100,000	100,000	-
Total other financing sources	100,000	100,000	100,000	0
Net change in fund balance	30,552	45,525	20,816	(9,736)
Available fund balance, July 1	346,208	129,184	129,184	(217,024)
Available fund balance, June 30	\$ 376,760	\$ 174,709	\$ 150,000	\$ (226,760)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 216 CTE GRANT FUND

For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
3299 Restricted state grant	\$ 188,192	\$ 186,784	\$ 186,784	\$ (1,408)
Total revenues	188,192	186,784	186,784	(1,408)
Expenditures				
1000 Instruction				
1131 High school programs				
100 Salaries	18,067	42,169	42,169	24,102
200 Associated payroll costs	11,260	29,465	29,465	18,205
300 Purchased services	2,319	25,000	25,000	22,681
400 Supplies and materials	36,504	47,850	47,850	11,346
500 Capital outlay	11,664	15,000	15,000	3,336
600 Other objects	360	4,000	4,000	3,640
Total instruction	80,174	163,484	163,484	83,310
2000 Support services				
2120 Guidance services				
300 Purchased services	3,722	19,000	19,000	15,278
2240 Instruction staff development				
300 Purchased services	-	800	800	800
2320 Executive administration services				
100 Salaries	-	3,500	3,500	3,500
2410 Office of the principal services				
100 Salaries	23,100	-	-	(23,100)
200 Associated payroll costs	12,652	-	-	(12,652)
Total support services	39,474	23,300	23,300	(16,174)
4000 Facilities acquisition and construction				
4155 Bldg acq, const, and imp svcs				
300 Purchased services	68,022	-	-	(68,022)
Total facilities acquisition and construction	68,022	0	0	(68,022)
Total expenditures	187,670	186,784	186,784	(886)
Excess of revenues over (under) expenditures and net change in fund balance	522	0	0	(522)
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ 522	\$ 0	\$ 0	\$ (522)

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 222 STUDENT INVESTMENT ACT FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 175,352	\$ 605,205	\$ 605,205	\$ 429,853
Total revenues	<u>175,352</u>	<u>605,205</u>	<u>605,205</u>	<u>429,853</u>
Expenditures				
1000 Instruction				
1111 Instruction				
100 Salaries	40,052	210,920	210,920	170,868
200 Associated payroll costs	20,449	115,210	115,209	94,760
300 Purchased services	15,375	21,600	21,600	6,225
400 Supplies and materials	1,000	42,178	42,178	41,178
1131 High school programs				
100 Salaries	-	98,930	98,930	98,930
200 Associated payroll costs	-	62,037	62,038	62,038
300 Purchased services	5,147	18,400	18,400	13,253
400 Supplies and materials	27,727	35,930	35,930	8,203
Total instruction	<u>109,750</u>	<u>605,205</u>	<u>605,205</u>	<u>495,455</u>
Total expenditures	<u>109,750</u>	<u>605,205</u>	<u>605,205</u>	<u>495,455</u>
Excess of revenues over (under) expenditures and net change in fund balance	65,602	0	0	(65,602)
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	<u>\$ 65,602</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (65,602)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 240 TITLE I FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 148,143	\$ 222,244	\$ 222,244	\$ 74,101
Total revenues	148,143	222,244	222,244	74,101
Expenditures				
1000 Instruction				
1272 Title I/AD				
100 Salaries	64,498	111,672	111,672	47,174
200 Associated payroll costs	52,651	97,025	97,025	44,374
300 Purchased services	-	3,837	3,837	3,837
400 Supplies and materials	38,616	9,710	9,710	(28,906)
Total instruction	155,765	222,244	222,244	66,479
Total expenditures	155,765	222,244	222,244	66,479
Excess of revenues over (under) expenditures and net change in fund balance	(7,622)	0	0	7,622
Available fund balance, July 1	7,622	-	-	(7,622)
Available fund balance, June 30	\$ 0	\$ 0	\$ 0	\$ 0

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 241 COVID-19 FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 441,401	\$ 137,000	\$ 575,570	\$ 134,169
Total revenues	<u>441,401</u>	<u>137,000</u>	<u>575,570</u>	<u>134,169</u>
Expenditures				
1000 Instruction				
1111 Elementary, K-5 or K-6				
100 Salaries	64,478	23,500	60,500	(3,978)
200 Associated payroll costs	38,603	21,745	50,656	12,053
300 Purchased services	95,484	500	101,500	6,016
400 Supplies and materials	55,361	42,600	141,000	85,639
500 Capital Outlay	3,012	-	-	(3,012)
1131 High school programs				
100 Salaries	35,279	14,000	34,000	(1,279)
200 Associated payroll costs	21,865	11,755	34,014	12,149
300 Purchased services	66,389	500	65,500	(889)
400 Supplies and materials	38,230	22,400	88,400	50,170
Total instruction	<u>418,701</u>	<u>137,000</u>	<u>575,570</u>	<u>156,869</u>
2000 Support services				
2320 Executive administration services				
300 Purchased services	1,700	-	-	(1,700)
2540 Oper and maint of plant services				
500 Capital Outlay	21,000	-	-	(21,000)
Total support services	<u>22,700</u>	<u>0</u>	<u>0</u>	<u>(22,700)</u>
Total expenditures	<u>441,401</u>	<u>137,000</u>	<u>575,570</u>	<u>134,169</u>
Excess of revenues over (under) expenditures and net change in fund balance	0	0	0	0
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1990 Miscellaneous	\$ 15,807	\$ 41,000	\$ 41,000	\$ 25,193
Total revenues	<u>15,807</u>	<u>41,000</u>	<u>41,000</u>	<u>25,193</u>
Expenditures				
2000 Support services				
2550 Student transportation				
100 Salaries	10,780	11,075	11,075	295
200 Associated payroll costs	5,904	7,890	7,890	1,986
300 Purchased services	300	2,500	2,500	2,200
400 Supplies and materials	298	1,200	1,200	902
600 Other objects	999	600	600	(399)
Total support services	<u>18,281</u>	<u>23,265</u>	<u>23,265</u>	<u>4,984</u>
4000 Facilities acquisition and construction				
4150 Bldg acq, const, and imp svcs				
500 Capital outlay	-	82,469	82,469	82,469
Total facilities acquisition and construction	<u>0</u>	<u>82,469</u>	<u>82,469</u>	<u>82,469</u>
Total expenditures	<u>18,281</u>	<u>105,734</u>	<u>105,734</u>	<u>87,453</u>
Excess of revenues over (under) expenditures and net change in fund balance	(2,474)	(64,734)	(64,734)	(62,260)
Available fund balance, July 1	<u>42,797</u>	<u>64,734</u>	<u>64,734</u>	<u>21,937</u>
Available fund balance, June 30	<u>\$ 40,323</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (40,323)</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 253 SCHOOL LUNCH FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1660 Food service	\$ 10,397	\$ 88,111	\$ 88,111	\$ 77,714
3299 State grant	-	6,400	6,400	6,400
4500 Restricted federal revenue	209,916	160,000	160,000	(49,916)
4900 Commodities received	24,840	25,000	25,000	160
Total revenues	245,153	279,511	279,511	34,358
Expenditures				
3000 Enterprise and community services				
3100 Food services				
100 Salaries	89,389	103,704	103,704	14,315
200 Associated payroll costs	83,668	110,056	110,056	26,388
300 Purchased services	1,412	15,550	15,550	14,138
400 Supplies and materials	150,744	189,500	189,500	38,756
500 Capital outlay	260	5,000	5,000	4,740
600 Other objects	1,428	3,500	3,500	2,072
Total enterprise and community services	326,901	427,310	427,310	100,409
Total expenditures	326,901	427,310	427,310	100,409
Excess of revenues over (under) expenditures	(81,748)	(147,799)	(147,799)	(66,051)
Other financing sources				
Transfers in	82,480	87,477	87,477	4,997
Total other financing sources	82,480	87,477	87,477	4,997
Net change in fund balance	732	(60,322)	(60,322)	(61,054)
Available fund balance, July 1	-	60,322	60,322	60,322
Available fund balance, June 30	732	\$ 0	\$ 0	\$ (732)
Reconcile to GAAP basis:				
Inventory	6,554			
	\$ 7,286			

GRANT SCHOOL DISTRICT NO. 3
 Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 260 IDEA FUND

For the Year Ended
 June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
4500 Restricted federal revenue	\$ 112,862	\$ 123,901	\$ 123,901	\$ 11,039
Total revenues	<u>112,862</u>	<u>123,901</u>	<u>123,901</u>	<u>11,039</u>
Expenditures				
1000 Instruction				
1250 Less restrictive programs				
100 Salaries	62,589	63,049	63,049	460
200 Associated payroll costs	50,160	55,889	55,889	5,729
300 Purchased services	-	1,363	1,363	1,363
400 Supplies and materials	-	3,600	3,600	3,600
Total instruction	<u>112,749</u>	<u>123,901</u>	<u>123,901</u>	<u>11,152</u>
Total expenditures	<u>112,749</u>	<u>123,901</u>	<u>123,901</u>	<u>11,152</u>
Excess of revenues over (under) expenditures and net change in fund balance	113	0	0	(113)
Available fund balance, July 1	<u>(113)</u>	<u>0</u>	<u>0</u>	<u>113</u>
Available fund balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 301 DEBT SERVICE FUND
For the Year Ended
June 30, 2021

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
1510 Interest on investments	\$ 1,000	\$ 542	\$ 542	\$ (458)
4300 Restricted federal revenue	12,925	22,925	22,925	10,000
Total revenues	<u>13,925</u>	<u>23,467</u>	<u>23,467</u>	<u>9,542</u>
Expenditures				
5000 Debt service				
5110 Bond payment				
600 Other objects	12,925	27,699	27,699	14,774
Total debt service	<u>12,925</u>	<u>27,699</u>	<u>27,699</u>	<u>14,774</u>
Total expenditures	<u>12,925</u>	<u>27,699</u>	<u>27,699</u>	<u>14,774</u>
Excess of revenues over (under) expenditures	<u>1,000</u>	<u>(4,232)</u>	<u>(4,232)</u>	<u>(5,232)</u>
Other financing sources				
Transfers in	139,564	139,564	139,564	-
Total other financing sources	<u>139,564</u>	<u>139,564</u>	<u>139,564</u>	<u>0</u>
Net change in fund balance	140,564	135,332	135,332	(5,232)
Available fund balance, July 1	<u>389,875</u>	<u>252,004</u>	<u>252,004</u>	<u>(137,871)</u>
Available fund balance, June 30	<u>\$ 530,439</u>	<u>\$ 387,336</u>	<u>\$ 387,336</u>	<u>\$ (143,103)</u>

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - 100 GENERAL FUND
For the Year Ended
June 30, 2021

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
1000 Instruction			
1111 Primary, K-3	\$ 942,777	\$ 647,063	\$ 9,500
1121 Middle and junior high programs	274,986	171,441	-
1122 Middle and junior high school extracurricular	22,185	9,010	-
1131 High school programs	673,512	401,622	700
1132 High school extracurricular	111,501	47,011	1,067
1140 Pre-kindergarten programs	-	-	-
1210 Programs for talented and gifted	-	-	-
1250 Resource rooms	376,953	340,002	24,210
1271 Remediation	8,621	4,283	-
1283 Alternative education	3,685	1,436	20,328
1291 English second language programs	18,790	11,996	-
Total 1000 instruction	<u>2,433,010</u>	<u>1,633,864</u>	<u>55,805</u>
2000 Support services			
2115 Student safety	-	-	45,000
2120 Guidance services	-	-	75
2130 Health services	-	-	-
2190 Student direction support	79,939	51,568	1,823
2210 Improvement of instruction	-	10,000	1,118
2220 Educational media	26,133	23,279	-
2240 Instructional staff development	-	-	153
2310 Board of education	-	-	23,429
2320 Executive administration	64,050	38,283	5,308
2410 Office of the principal	260,560	170,908	48,192
2520 Fiscal services	99,311	27,788	3,513
2528 Risk management services	-	-	-
2529 Other fiscal services	-	27,693	-
2540 Operation and maintenance of plant	187,162	158,886	277,154
2545 Maintenance	-	-	20,398
2550 Student transportation	362,034	238,494	47,656
2555 Co-curricular transportation	32,455	29,179	1,567
2558 Special education transportation	21,394	17,787	2,297
2620 Planning, research, development, and evaluation	-	-	-
2660 Technology services	5,740	3,231	-
Total 2000 support services	<u>1,138,778</u>	<u>797,096</u>	<u>477,683</u>

(Continued on next page)

400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ 15,964	\$ -	\$ -	\$ 1,615,304	\$ 2,128,647	\$ 2,128,647	\$ 513,343
4,163	-	-	450,590	550,256	550,256	99,666
-	-	-	31,195	65,993	65,993	34,798
24,628	-	313	1,100,775	1,294,303	1,294,303	193,528
9,442	-	12,049	181,070	309,682	309,682	128,612
-	-	-	-	7,000	7,000	7,000
498	-	-	498	2,000	2,000	1,502
14,007	-	63	755,235	1,114,695	1,114,695	359,460
849	-	-	13,753	76,908	76,908	63,155
-	-	-	25,449	76,311	76,311	50,862
-	-	-	30,786	36,357	36,357	5,571
<u>69,551</u>	<u>0</u>	<u>12,425</u>	<u>4,204,655</u>	<u>5,662,152</u>	<u>5,662,152</u>	<u>1,457,497</u>
-	-	-	45,000	45,000	45,000	-
526	-	-	601	14,122	14,122	13,521
459	-	-	459	1,200	1,200	741
8	-	-	133,338	148,093	148,093	14,755
18,304	-	-	29,422	124,300	124,300	94,878
3,953	-	-	53,365	62,422	62,422	9,057
-	-	-	153	11,650	11,650	11,497
694	-	8,414	32,537	67,030	67,030	34,493
1,114	-	1,221	109,976	131,727	131,727	21,751
6,686	-	1,785	488,131	542,838	542,838	54,707
9,929	-	4,528	145,069	247,403	247,403	102,334
-	-	15,421	15,421	22,400	22,400	6,979
-	-	400	28,093	49,100	49,100	21,007
47,395	131,805	58,985	861,387	1,334,692	1,334,692	473,305
125	-	-	20,523	3,600	3,600	(16,923)
45,782	-	19,108	713,074	1,021,900	1,021,900	308,826
3,874	-	-	67,075	98,146	98,146	31,071
3,669	-	-	45,147	85,198	85,198	40,051
-	-	-	-	11,000	11,000	11,000
<u>33,712</u>	<u>-</u>	<u>-</u>	<u>42,683</u>	<u>165,712</u>	<u>165,712</u>	<u>123,029</u>
<u>176,230</u>	<u>131,805</u>	<u>109,862</u>	<u>2,831,454</u>	<u>4,187,533</u>	<u>4,187,533</u>	<u>1,356,079</u>

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended
June 30, 2021

Function	100 <u>Salaries</u>	200 <u>Associated Payroll Costs</u>	300 <u>Purchased Services</u>
4000 Facilities acquisition and construction			
4120 Site acquisition and development services	\$ -	\$ -	\$ -
4150 Building acquisition, construction, and improvement	-	-	58,534
Total 4000 facilities acquisition and construction	<u>0</u>	<u>0</u>	<u>58,534</u>
Total expenditures	<u>\$ 3,571,788</u>	<u>\$ 2,430,960</u>	<u>\$ 592,022</u>

400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	\$ 6,000
-	-	-	58,534	177,900	177,900	119,366
0	0	0	58,534	183,900	183,900	125,366
<u>\$ 245,781</u>	<u>\$ 131,805</u>	<u>\$ 122,287</u>	<u>\$ 7,094,643</u>	<u>\$ 10,033,585</u>	<u>\$ 10,033,585</u>	<u>\$ (2,938,942)</u>

GRANT SCHOOL DISTRICT NO. 3
 Canyon City, Grant County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
 For the Year Ended
 June 30, 2021

2019-20 Assessed valuation of taxable property \$396,074,432
 Tax rate (Dollars per \$1,000 assessed value) \$1.6468

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Bonded Debt Service</u>	<u>General Fund Expenditures and Transfers</u>	<u>Ratio of Debt Service to General Fund Expenditures and Transfers</u>
2020-21	\$ 255,000	\$ 146,090	\$ 401,090	\$ 8,371,378	4.79%

Ratio of Net Bonded Debt to Assessed Value:

	<u>Assessed Valuation</u>	<u>Net Bonded Debt (1)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
2020-21	\$ 396,074,432	\$ 829,523	0.21%

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

Principal Taxpayers for Grant School District No. 3

	<u>Assessed Valuation</u>	<u>Percent of Total County Value</u>
<u>Private Enterprises</u>		
CenturyLink	\$ 12,159,000	3.07%
Silvies Valley Ranch LLC	9,903,298	2.50%
Malheur Lumber Co.	8,641,510	2.18%
Oregon Telephone Corp.	7,750,000	1.96%
Gene Powell	4,994,565	1.26%
4R Equipment, LLC	2,753,490	0.70%
John Conley	2,650,592	0.67%
Valley View Holding Co, LLC	2,324,729	0.59%
Double R Ranch LLC	2,214,435	0.56%
IZ Ranch, LLC	2,014,076	0.51%
<u>All other taxpayers</u>	<u>340,668,737</u>	<u>86.00%</u>
Total	<u><u>\$ 396,074,432</u></u>	<u><u>100.00%</u></u>

Continued on next page

GRANT SCHOOL DISTRICT NO. 3
 Canyon City, Grant County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
 For the Year Ended
 June 30, 2021

Summary of General Fund State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2020-21	\$ 5,743,650	71.81%	\$ 7,998,476

Computation of Legal Debt Margin:

Real Market Value	\$	786,060,480
Allowable proportion		0.0795
Debt limit: 7.95% of real market value (1)		62,491,808
Amount of debt applicable to debt limit:		
Bonded debt		3,185,002
Less: amount available in debt service funds		(2,355,479)
Amount of debt applicable to debt limit		829,523
Legal debt margin	\$	61,662,285

Allowable percentage of real market value:

A Kindergarten through eighth grade, 9 x .0055	4.95%
B Ninth through twelfth, 4 x .0075	3.00%
Allowable percentage	7.95%

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

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

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

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Grant School District No. 3 (the district) as of and for the year ended June 30, 2021, and have issued our report thereon dated January 4, 2022.

COMPLIANCE

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

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

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

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

CTE Grant Fund	Support services	\$16,174
CTE Grant Fund	Facilities	\$68,022
COVID-19 Fund	Support services	\$22,700

In addition to the above, there were two budget violations involving the PERS Debt Service Fund.

- 1) A resolution was adopted to reduce previously adopted unappropriated fund balance.
- 2) A supplemental budget was adopted without the required hearing and publication notice.

OAR 162-10-0230 INTERNAL CONTROL

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

Our Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated January 4, 2022, is presented under separate cover.

RESTRICTIONS ON USE

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

Amy K. Walker

For Solutions, CPAs PC
 John Day, Oregon
 January 4, 2022



Oregon Secretary of State – Audits Division
Summary of Revenues and Expenditures

A. Municipal corporation information			
Municipality name: <u>Grant School District No. 3</u>			
Address line 1:	<u>401 North Canyon Blvd</u>	Reporting period: From	<u>07/01/2020</u>
Address line 2:		To	<u>06/30/2021</u>
City, state, ZIP:	<u>Canyon City OR 97820</u>	Report type:	<u>Audit</u>
Check if new address:	<input type="checkbox"/>	Opinion issued:	<u>Qualified</u>
If this is the final report, please enter the last date of operations:		Basis of accounting:	<u>GAAP</u>

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

C. Summary of revenues and expenditures

Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 10,040,777	a. Expenditures from government-wide statement of activities:	\$ 9,444,817
b. Fiduciary fund additions:		b. Fiduciary fund deductions:	
c. Gross revenues subtotal (a + b):	\$ 10,040,777	c. Gross expenditures subtotal (a + b):	\$ 9,444,817
d. Revenues of component units:		d. Component unit expenditures reported with primary government:	
e. Taxes, assessments and other collections to be distributed to other governments:		e. Turnovers to other municipal corporations:	
f. Exempt revenue subtotal (d + e):	\$ 0	f. Exempt expenditures subtotal (d + e):	\$ 0
g. Net revenues (c – f):	\$ 10,040,777	g. Net expenditures (c – f):	\$ 9,444,817

D. Filing fee:	\$ 300
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E. Submitted by	
Auditor name: <u>Amy K. Walker, CPA</u>	Municipal license number: <u>1604</u>
Firm name: <u>Solutions, CPAs PC</u>	Date: <u>01/04/2022</u>
Municipal contact name, title: <u>Heidi Hallgarth, Business Manager</u>	Municipal phone: <u>(541) 575-1280</u>

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

OREGON DEPARTMENT OF EDUCATION
REQUIRED INFORMATION

FORM 581-3211 - SUPPLEMENTAL INFORMATION

GRANT SCHOOL DISTRICT NO. 3
 Canyon City, Grant County, Oregon
OREGON DEPARTMENT OF EDUCATION REQUIRED INFORMATION
FORM 581-3211 - SUPPLEMENTAL INFORMATION
 June 30, 2021

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

Function	Objects 325, 326 and 327
2540	\$ 183,184
2550	\$ 15,262

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

\$ 3,892

Exclude these functions:

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

Grant School District No. 3

SINGLE AUDIT

For the Year Ended June 30, 2021

Grant School District No. 3
Canyon City, Grant County, Oregon
SINGLE AUDIT
June 30, 2021

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GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Pass Through Organization	Federal CFDA Number	Grant Award Number	Period Covered	2021 Expenditures
U.S. Treasury Department					
Direct Program					
QSCB Interest Direct Payment	US Treasury Dept	na	na	na	\$ 12,925
Total U.S. Treasury Department					<u>12,925</u>
U.S. Department of Agriculture					
<u>Child Nutrition Cluster</u>					
School Breakfast Program	Or Dept of Education	10.553	1207001	7/1/20-6/30/21	70,383
National School Lunch Program	Or Dept of Education	10.555	1207001	7/1/20-6/30/21	139,533
Child Nutrition Programs - Commodity Distribution	Or Dept of Education	10.555	1207001	7/1/20-6/30/21	24,840
Total Child Nutrition Cluster					<u>234,756</u>
Schools and Roads - Grants to Counties	Grant County, Oregon	10.666	na	na	362,466
Total Forest Service Schools and Roads Cluster					<u>362,466</u>
Total Department of Agriculture					<u>597,222</u>
U.S. Department of Education					
Title IA - Low Income	Or Dept of Education	84.010	58287	7/1/19-9/30/20	93,887
Total Title I Part A Cluster					<u>93,887</u>
<u>Special Education Cluster</u>					
Special Education - Grants to States (IDEA Part B)	Or Dept of Education	84.027	54178	7/1/19-9/30/21	89,365
Special Education - Grants to States (IDEA Part B)	Or Dept of Education	84.027	60678	7/1/20-9/30/22	18,020
Special Education - Grants to States (IDEA Part B)	Or Dept of Education	84.027	56673	7/1/19-9/30/21	2,049
Special Education - Preschool Grants (IDEA Preschool)	Or Dept of Education	84.173	53967	7/1/19-9/30/21	3,428
Total Special Education Cluster					<u>112,862</u>
Rehab Svcs Vocational Rehabilitation to States	Or Employment Dept	84.126	160716	7/1/19-6/30/21	4,520
Small Rural School Achievement Program	U.S. Dept of Education	84.358	S358A202778	7/1/20-9/30/21	21,006
Supporting Effective Instruction State Grants	Or Dept of Education	84.367	58779	7/1/20-9/30/21	8,823
Student Support and Academic Enrichment Program	Or Dept of Education	84.424	54543	7/1/19-9/30/20	11,119
Student Support and Academic Enrichment Program	Or Dept of Education	84.424	58629	7/1/20-9/30/21	13,307
* COVID-19 - Elementary and Secondary School Emergency Relief Fund	Or Dept of Education	84.425	57895	3/13/20-9/30/22	148,768
* COVID-19 - Elementary and Secondary School Emergency Relief Fund	Or Dept of Education	84.425	64604	3/13/20-9/30/23	189,245
* COVID-19 - CDL Grant Program GEER Funding	Or Dept of Education	84.425	61078	7/1/20-5/30/21	103,388
Total U.S. Department of Education					<u>706,925</u>
Total Federal Assistance					<u>\$ 1,317,072</u>

* Major program

See accompanying notes to schedule of expenditures of federal awards

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Purpose of the schedule

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

Significant accounting policies

Basis of presentation

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal financial assistance

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

Major programs

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

Reporting entity

The reporting entity is fully described in the notes to financial statements. The schedule includes all federal programs administered by the district for the year ended June 30, 2021.

Revenue and expenditure recognition

The receipt and expenditure of federal awards are accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are recorded when a liability is incurred.

Indirect Cost Rate

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Federal Forest Fees

The district includes federal forest fees in the schedule due to requirements of the Oregon Department of Education. These expenditures aren't subject to Uniform Guidance audit due to treatment based on guidance provided by both the Oregon Department of Education and United States Department of Agriculture.

Subrecipients

The district did not pass any federal funds to subrecipients during the year ended June 30, 2021.

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Type of Report Issued

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

Material Weakness in Internal Control

Our audit of the financial statements of the district identified one material weakness in internal control over financial reporting (2021-001).

Significant Deficiencies in Internal Control

Our audit of the financial statements of the district did not identify any significant deficiencies in internal control over financial reporting.

Noncompliance Material to Financial Statements

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

Material Weakness in Internal Control Over Major Programs

Our audit of the district did not identify any material weaknesses in internal control over major federal programs.

Significant Deficiencies in Internal Control Over Major Programs

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

Type of Report Issued on Compliance for Major Programs

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

Audit Findings

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

Identification of Major Programs

For the identification of major programs see the preceding Schedule of Expenditures of Federal Awards.

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

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

Risk Classification of Auditee

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

Classification of Federal Awards Expended

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

1. Non-cash assistance – USDA Commodities – 10.555 - \$24,840
2. Insurance in effect during the period - \$0
3. Loans or loan guarantees, including interest subsidies, outstanding at year end - \$0

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

MATERIAL WEAKNESSES IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

CURRENT YEAR

2021-001

Financial Statement Preparation

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

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

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

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

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

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

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

PRIOR YEAR

2020-001

Financial Statement Preparation

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

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

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

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

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

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

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

GRANT SCHOOL DISTRICT NO. 3
Canyon City, Grant County, Oregon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

SIGNIFICANT DEFICIENCIES IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

CURRENT YEAR

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

PRIOR YEAR

The audit for the year ended June 30, 2020 did not report any significant deficiencies in accordance with *Government Auditing Standards*.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

CURRENT YEAR FINDINGS

Our audit did not disclose any findings and questioned costs as defined by 2 CFR 200.516(a) for the year ended June 30, 2021.

PRIOR YEAR FINDINGS

The district was not subject to the provisions of the Single Audit Act for the year ended June 30, 2020.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Grant School District No. 3 (the district), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the district's basic financial statements, and have issued our report thereon dated January 4, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified one deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the district's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-001 to be a material weakness.

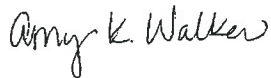
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. See Independent Auditor's Report Required by Oregon State Regulations for instances of noncompliance, if any, with matters related to Oregon statutes.

District's Response to Findings

Purpose of this Report

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



For Solutions, CPAs PC
John Day, Oregon
January 4, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Grant School District No. 3's (the district) compliance with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the district's major federal programs for the year ended June 30, 2021. The district's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the district's major federal programs based on our audit of the types of compliance requirements referred to above. 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the district complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

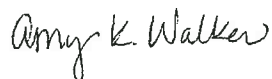
Report on Internal Control over Compliance

Management of the district is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the district's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the district's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



For Solutions, CPAs PC
John Day, Oregon
January 4, 2022

