

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



**12700 SW 72nd Ave.
Tigard, OR 97223**

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2022

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

2021-2022
FINANCIAL REPORT

BOARD OF EDUCATION

TERM EXPIRES

Elaine Placido, Chair

June 30, 2023

Noel Hisey

June 30, 2023

Elizabeth Richardson

June 30, 2025

Christine Usher

June 30, 2025

Rod Harding

June 30, 2023

Christina Hendricks

June 30, 2025

Eric Schimmel

June 30, 2023

ADMINISTRATION

Dr. Joseph Hattrick, Superintendent
28168 Old Rainier Road
Rainier, OR 97048

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

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**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

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February 28, 2023

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

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rainier School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Rainier School District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated February 23, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

Our discussion and analysis of the District's financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the financial statements, which follow.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, liabilities and deferred inflows exceeded assets and deferred outflows at June 30, 2022 by \$2,504,001. Of this amount, \$4,252,760 represents the District's net investment in capital assets, \$1,089,326 is restricted and the deficit of \$7,846,087 is unrestricted.
- The District's total net position as reported on the government-wide financial statements increased by \$1,350,527.
- The District's governmental funds total ending fund balance is \$3,865,091, an increase of \$1,150,691 from the prior year.
- At the end of the year, the General Fund balance was \$2,685,924, or about 29.6 percent of General Fund expenditures. The General Fund balance increased by \$1,025,760 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements include:

The Statement of Net Position. The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. 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 net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

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

Governmental activities. 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 intergovernmental revenues.

The government-wide financial statements can be found on pages 4 and 5 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 and objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental 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 the near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The basic governmental fund financial statements can be found on pages 6 and 7 of this report.

Fiduciary Fund. The fiduciary fund is used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reported in the governmental-wide financial statements because the resources of those funds are not available to support the District’s own programs. The fund is used to report resources held in trust for students to use for scholarships.

The basic fiduciary fund financial statement can be found on page 10 of this report.

Notes to the 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 the basic financial statements can be found on pages 12 – 39 of this report.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* consisting of schedules detailing ten years of pension (assets)/liabilities, pension contributions, other post-employment benefits and budget to actual presentations for major funds. *Required supplementary information* can be found on pages 40 - 44 of this report. *Supplementary Information* presented on pages 45 – 46, includes the budgetary comparisons for the non-major funds. *Other Information* including the schedule of expenditures of federal awards and continuing disclosures can be found on pages 47 – 58.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

RAINIER SCHOOL DISTRICT			
STATEMENT OF NET POSITION			
	Governmental Activities		Increase (Decrease)
	June 30, 2022	June 30, 2021	
ASSETS			
Current and Other Assets	\$ 5,388,186	\$ 3,784,794	\$ 1,603,392
Capital Assets, net of depreciation	5,452,760	5,891,658	(438,898)
Total Assets	<u>10,840,946</u>	<u>9,676,452</u>	<u>1,164,494</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferrals	3,176,988	3,913,579	(736,591)
OPEB Related Deferrals	95,879	71,635	24,244
Total Deferred Outflows of Resources	<u>3,272,867</u>	<u>3,985,214</u>	<u>(712,347)</u>
LIABILITIES			
Current Liabilities	1,830,420	1,256,572	573,848
PERS net pension liability	4,770,651	9,573,157	(4,802,506)
Long-Term Obligations	4,630,937	5,293,742	(662,805)
Total Liabilities	<u>11,232,008</u>	<u>16,123,471</u>	<u>(4,891,463)</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferrals	5,144,313	1,259,974	3,884,339
OPEB Related Deferrals	241,493	132,749	108,744
Total Deferred Inflows of Resources	<u>5,385,806</u>	<u>1,392,723</u>	<u>3,993,083</u>
NET POSITION			
Net Investment in Capital Assets	4,252,760	4,691,658	(438,898)
Restricted	1,089,326	961,071	128,255
Unrestricted	(7,846,087)	(9,507,257)	1,661,170
Total Net Position	<u>\$ (2,504,001)</u>	<u>\$ (3,854,528)</u>	<u>\$ 1,350,527</u>

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

As noted previously, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources by \$2,504,001 as of June 30, 2022. During the 2021-22 fiscal year, the District's total Net Position increased by \$1,350,527 as compared to the previous year's net position.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 54 percent of total assets of governmental activities compared to about 61 percent the previous year. The remaining assets consist mainly of investments, cash and receivables of property taxes and grants.

The District's largest liability (84 percent) is for the repayment of Qualified Zone Academy Bonds (QZAB) and limited tax pension obligation bonds and its proportionate share of the net pension liability. Current liabilities, representing about 16 percent of the District's total liabilities, consist principally of payables on accounts, salaries and benefits and long-term obligations due within one year.

\$4,252,760 of the District's net position reflects its investment in capital assets (land, buildings, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other district residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. In addition, \$1,089,326 of the District's net position is restricted for debt service, grant and student activities. The unrestricted net position deficit of \$7,846,087 is mainly due to the PERS net pension liability.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

RAINIER SCHOOL DISTRICT			
CHANGES IN NET POSITION			
Year Ended June 30, 2022			
	Governmental Activities		Increase
	2022	2021	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 219,210	\$ 121,027	\$ 98,183
Operating Grants and Contributions	3,573,337	2,255,611	1,317,726
Capital Grants and Contributions	-	-	-
General Revenues			
Property Taxes Levied for:			
General Purposes	4,238,023	4,083,291	154,732
Local Sources	190,796	172,659	18,137
Intermediate and Federal Sources	78,503	161,941	(83,438)
State Sources	5,760,709	5,572,081	188,628
Total revenues	<u>14,060,578</u>	<u>12,366,610</u>	<u>1,693,968</u>
EXPENSES			
Instruction	6,793,629	7,280,936	(487,307)
Support services	4,947,472	4,269,808	677,664
Enterprise and Community Services	713,334	740,493	(27,159)
Interest on Long-Term Debt	255,616	276,794	(21,178)
Total expenses	<u>12,710,051</u>	<u>12,568,031</u>	<u>142,020</u>
Increase (Decrease) in Net Position	1,350,527	(201,421)	1,551,948
Net Position - Beginning	<u>(3,854,528)</u>	<u>(3,653,107)</u>	<u>(201,421)</u>
Net Position - Ending	<u>\$ (2,504,001)</u>	<u>\$ (3,854,528)</u>	<u>\$ 1,350,527</u>

Governmental activities. During the 2021-22 fiscal year, the District's net position increased by \$1,350,527. The key elements in this change are the following:

Revenues increase by \$1,693,968 primarily due to increased grant revenues offset by decreases in charges for services.

Overall changes in expenses resulted primarily due to increases in services, including Pre-kindergarten, Title 1, and summer school, which were funded through grant dollars supporting pandemic related costs, and instructional spending under the Student Investment Act (SIA).

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

FUND FINANCIAL ANALYSIS

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 government's net resources available for spending at the end of a fiscal year.

At June 30, 2022, total fund balance of all governmental funds was \$3,865,091. These amounts are available to use in accordance with applicable restrictions on the nature of the expenditures. The total fund balances of all governmental funds increased by \$1,150,691 in comparison with the prior year. Of this amount, \$1,218,299 (about 32 percent) of the ending fund balances constitutes nonspendable, restricted, committed or assigned ending fund balance, which are amounts that are either not expendable (such as inventory or prepaid expenses) or are legally restricted by outside parties for a specific purpose (such as student activities and debt service). The remaining \$2,646,792 (about 68 percent) of the ending fund balances is unassigned and available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2022 the unassigned fund balance was \$2,646,792. As a measure of the fund's liquidity, it may be useful to compare fund balance to fund expenditures. The fund balance represents 30 percent of the General Fund expenditures. The fund balance increased by \$1,025,760 from the prior year, primarily due to increased grant funding of instructional costs in the current fiscal year.

Special Revenue Fund. The Special Revenue Fund accounts for revenue and expenditures of funds restricted for specific programs, such as grants, associated student body activities, Outdoor School, and the food service program. Grant revenues are primarily from federal sources. As of June 30, 2022 the fund balance was \$417,253, a decrease of \$1,694 from the prior year.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$705,819 all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$126,625.

Capital Improvement Reserve. The Capital Improvement Reserve fund is reserved for capital improvement projects. As of June 30, 2022, the restricted fund balance was \$56,095, which is consistent with the previous year.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS

At June 30, 2022, the District had \$5,452,760 invested in a broad range of capital assets, including land, building, equipment and vehicles. As shown on the following table, total capital assets net of depreciation decreased overall by \$438,898 due to the depreciation of buildings and equipment.

RAINIER SCHOOL DISTRICT			
CAPITAL ASSETS			
(net of depreciation)			
	Governmental Activities		
	June 30,	June 30,	Increase
	2022	2021	(Decrease)
Land	\$ 693,143	\$ 693,143	\$ -
Building and improvements	4,729,093	5,163,591	(434,498)
Vehicles and equipment	30,524	34,924	(4,400)
Total Capital Assets, net of depreciation	\$ 5,452,760	\$ 5,891,658	\$ (438,898)

DEBT ADMINISTRATION

Long-Term Debt. At the end of the current fiscal year, the District had \$4,915,000 in bonded debt outstanding. This is a decrease of \$490,000 from the prior year, as the District continued to make payments on outstanding limited tax pension obligation bond and qualified zone academy bond (QZAB). Refer to the footnotes to the basic financial statements for detailed information.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

During the fiscal year ended June 30, 2022, the District continued to be faced with unprecedented public health, economic, social and educational challenges due to the COVID-19 pandemic. There were significant needs across the state in all facets of social service and state government that simply could not be addressed in full by the state budget. The economy, instructional strategies, and curricula in a virtual environment required educators to adapt in substantial ways.

In relation to the state’s economic challenges, the most significant economic factor for the District is the financial condition of Oregon’s State School Fund (SSF). For the year ended June 30, 2022, the State School Fund formula revenues and local tax revenues provided about 93 percent of the District’s General Fund resources. The Oregon Legislature passed a statewide education budget of \$9.3 billion for the 2021-23 biennium. SSF support payments are made to districts based on that budget. However, the budget is contingent upon a forecast of Oregon’s continued economic recovery and the projected tax receipts associated with that forecast.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

The District's total budgeted General Fund resources shows a 13 percent increase from 2021-22. State resources are allocated to districts based not only on the available funding, but also on enrollment. Overall, the District's enrollment has declined over the last ten years. The district will continue to monitor enrollment and make necessary adjustments as needed.

Personnel expenses make up about 76% of the program costs for the instructional and support functions. While salary costs have steadily increased in recent years, associated payroll costs have increased dramatically. These escalating costs continue to be one of the most pressing concerns for the District in the attempt to balance student needs with the provision of a realistic compensation package for staff. A major factor in benefit costs is medical insurance, which the cost of this is expected to increase. The premiums for District health insurance plans have increased over the years, consistent with state and national trends, and this trend is expected to continue.

Employer rates for the Public Employees Retirement System (PERS) for the 2023-25 biennium are projected to increase (from 18.42% to 20.14% for Tier 1 and Tier 2 and from 15.31% to 17.3% for OPSRP employees).

The focus of budget development for the 2022-23 fiscal year included the ongoing need for facilities repairs and maintenance, meeting increased demands mandated by federal and state regulations or reforms, and the need to build up the District's reserves.

The District's Budget Committee and School Board have considered all these factors while preparing the 2022-23 budget.

REQUESTS FOR INFORMATION

Our financial report is designed to provide our taxpayers, parents, teachers, students, investors and creditors with an overview of the District's finances. If you have any questions about this report or need any further information, please contact the Business Manager at the Rainier School District office, located at: 28168 Old Rainier Road, Rainier, Oregon 97048.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets:	
Cash and investments	\$ 3,187,701
Property taxes and other receivables	2,016,756
Prepaid Expenses	39,132
Inventories	33,746
Total current assets	5,277,335
Noncurrent assets:	
OPEB Asset - RHIA	110,851
Capital assets, non depreciable	693,143
Capital assets, net of depreciation	4,759,617
Total noncurrent assets	5,563,611
Total Assets	10,840,946
DEFERRED OUTFLOWS OF RESOURCES:	
OPEB Related Deferrals - Implicit Medical Benefit	35,479
OPEB Related Deferrals - RHIA	60,400
Pension Related Deferrals	3,176,988
Total Deferred Outflows	3,272,867
LIABILITIES:	
Current liabilities:	
Accounts payable	588,946
Accrued salaries and benefits	571,866
Due to Fiduciary Activities	87,556
Unearned Revenue	425
Long-term obligations, current portion	581,627
Total current liabilities	1,830,420
Noncurrent liabilities:	
Long-term obligations, due in more than one year	4,370,000
Proportionate Share of Net Pension Liability	4,770,651
OPEB Liability - Implicit Medical Benefit	260,937
Total noncurrent liabilities	9,401,588
Total Liabilities	11,232,008
DEFERRED INFLOWS OF RESOURCES:	
OPEB Related Deferrals - Implicit Medical Benefit	194,793
OPEB Related Deferrals - RHIA	46,700
Pension Related Deferrals	5,144,313
Total Deferred Inflows	5,385,806
NET POSITION:	
Net Investment in Capital Assets	4,252,760
Restricted for debt service	705,819
Restricted for Grants and Other	383,507
Unrestricted	(7,846,087)
Total Net Position	\$ (2,504,001)

See accompanying notes to the basic financial statements.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

FUNCTIONS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 6,793,629	41,091	2,614,598	-	\$ (4,137,940)
Support Services	4,947,472	169,497	356,513	-	(4,421,462)
Enterprise and Community Services	713,334	8,622	602,226	-	(102,486)
Interest on Long-Term Liabilities	255,616	-	-	-	(255,616)
Total Primary Government	\$ 12,710,051	219,210	3,573,337	-	\$ (8,917,504)
General Revenues					
					4,238,023
					18,854
					5,581,932
					83,023
					95,754
					78,503
					171,942
					<u>10,268,031</u>
					1,350,527
					<u>(3,854,528)</u>
					<u>\$ (2,504,001)</u>

See accompanying notes to the basic financial statements.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	<u>GENERAL</u>	<u>SPECIAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL</u>
ASSETS:					
Assets:					
Cash and Investments	\$ 2,236,656	\$ 209,072	\$ 741,973	\$ -	\$ 3,187,701
Prepays	39,132		-	-	39,132
Inventory	-	33,746	-	-	33,746
Receivables:					
Accounts	163,564	1,676,422	-	-	1,839,986
Property Taxes	176,770	-	-	-	176,770
Due from Other Funds	1,393,790	-	-	56,095	1,449,885
Total Assets	\$ 4,009,912	\$ 1,919,240	\$ 741,973	\$ 56,095	\$ 6,727,220
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 588,671	\$ 275	\$ -	\$ -	\$ 588,946
Accrued Salaries and Benefits	571,866	-	-	-	571,866
Unearned Revenue	-	425	-	-	425
Due to Other Funds	-	1,501,287	36,154	-	1,537,441
Total Liabilities	1,160,537	1,501,987	36,154	-	2,698,678
Deferred Inflows:					
Unavailable Revenue:					
Property Taxes	163,451	-	-	-	163,451
Total Deferred Inflows	163,451	-	-	-	163,451
Fund Balances:					
Non-Spendable					
Prepays	39,132	-	-	-	39,132
Inventory	-	33,746	-	-	33,746
Restricted					
Debt Service	-	-	705,819	-	705,819
Various Donor Specified	-	74,815	-	-	74,815
Food Service	-	101,032	-	-	101,032
Student Activities	-	207,660	-	-	207,660
Committed					
Capital Improvements	-	-	-	56,095	56,095
Unassigned	2,646,792	-	-	-	2,646,792
Total Fund Balances	2,685,924	417,253	705,819	56,095	3,865,091
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 4,009,912	\$ 1,919,240	\$ 741,973	\$ 56,095	\$ 6,727,220

See accompanying notes to the basic financial statements.

**RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022**

REVENUES:	GENERAL	SPECIAL	DEBT SERVICE	CAPITAL PROJECTS FUND	TOTALS
Property and Other Taxes	\$ 4,234,690	\$ -	\$ -	\$ -	\$ 4,234,690
Extracurricular Activities	23,869	163,018	-	-	186,887
Investment Earnings	17,234	527	1,093	-	18,854
Charges for Services	82,784	49,261	737,143	-	869,188
County and Intermediate Sources	13,280	64,371	-	-	77,651
State School Fund	5,581,932	3,407	-	-	5,585,339
Other State Support	234,598	1,410,897	-	-	1,645,495
Miscellaneous	75,774	123,635	-	-	199,409
Federal Grants	-	1,898,370	78,505	-	1,976,875
Total Revenues	10,264,161	3,713,486	816,741	-	14,794,388
EXPENDITURES:					
Current:					
Instruction	5,215,407	1,815,155	-	-	7,030,562
Support Services	3,842,188	1,277,804	-	-	5,119,992
Enterprise & Community Services	-	738,221	-	-	738,221
Capital Outlay	9,306	-	-	-	9,306
Debt Service					
Principal	-	-	490,000	-	490,000
Interest	-	-	255,616	-	255,616
Total Expenditures	9,066,901	3,831,180	745,616	-	13,643,697
Excess of Revenues Over, (Under) Expenditures	1,197,260	(117,694)	71,125	-	1,150,691
Other Financing Sources (Uses):					
Transfer In	135,000	116,000	55,500	-	306,500
Transfer Out	(306,500)	-	-	-	(306,500)
Total Other Financing, Sources (Uses)	(171,500)	116,000	55,500	-	-
Net Change in Fund Balance	1,025,760	(1,694)	126,625	-	1,150,691
Beginning Fund Balances	1,660,164	418,947	579,194	56,095	2,714,400
Ending Fund Balances	<u>\$ 2,685,924</u>	<u>\$ 417,253</u>	<u>\$ 705,819</u>	<u>\$ 56,095</u>	<u>\$ 3,865,091</u>

See accompanying notes to the basic financial statements.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2022

Total Fund Balances - Governmental Funds	\$	3,865,091
<p>The net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
		(4,770,651)
<p>Other Postemployment Benefits (OPEB) are liabilities or assets related to pension benefits</p>		
OPEB - Implicit Medical Benefit	\$	(260,937)
OPEB - RHIA		110,851
		(150,086)
<p>Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.</p>		
Deferred Outflows - Pensions	\$	3,176,988
Deferred Outflows - OPEB - Implicit Medical Benefit		35,479
Deferred Outflows - OPEB - RHIA		60,400
Deferred Inflows - Pensions		(5,144,313)
Deferred Inflows - OPEB - Implicit Medical Benefit		(194,793)
Deferred Inflows - OPEB - RHIA		(46,700)
		(2,112,939)
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>		
		5,452,760
<p>Unused vacation pay by employees is accrued as payable in the government-wide statements, but not in the governmental funds</p>		
		(36,627)
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.</p>		
Bonds Payable		(4,915,000)
<p>Revenue that is not available within 60 days of the balance sheet date is deferred in the Governmental Fund financial statements. In the Government Wide Financial Statements, revenue is recognized when earned.</p>		
		163,451
Net Position	\$	(2,504,001)

See accompanying notes to the basic financial statements.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2022

Total Net Changes in Fund Balances - Governmental Funds \$ 1,150,691

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

Capital Expenditures	\$ 9,306	
Depreciation Expense	<u>(448,204)</u>	
Net		(438,898)

Long term debt repayments are expenditures in the governmental funds but are recorded as a reduction in the outstanding principal obligation on the Statement of Net Position 490,000

The pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. 181,576

Other Post Employment Benefits are not recognized in the Governmental Funds. On the Statement of Activities, the change in the liability for Other Post Employment Benefits is recognized. (17,242)

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes a deferred revenue for all property taxes levied but not received, however in the Statement of Activities, there is no deferred revenue and the full property tax receivable is accrued. 3,333

Accrued Absences is an expenditure on the Statement of Activities but not in the budgetary statements. (18,933)

Change in Net Position of Governmental Activities \$ 1,350,527

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2022

	<u>MISCELLANEOUS SCHOLARSHIPS</u>	<u>BOWER SCHOLARSHIP</u>	<u>HAMMON SCHOLARSHIP</u>	<u>TOTAL</u>
ASSETS				
Due from Other Funds	\$ 5,000	\$ 45,177	\$ 37,379	\$ 87,556
Total Assets	<u>\$ 5,000</u>	<u>\$ 45,177</u>	<u>\$ 37,379</u>	<u>\$ 87,556</u>
NET POSITION				
Restricted For:				
Scholarships	<u>5,000</u>	<u>45,177</u>	<u>37,379</u>	<u>87,556</u>
Total Net Position	<u><u>\$ 5,000</u></u>	<u><u>\$ 45,177</u></u>	<u><u>\$ 37,379</u></u>	<u><u>\$ 87,556</u></u>

See accompanying notes to the basic financial statements.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS
For the Year Ended June 30, 2022

	<u>MISCELLANEOUS SCHOLARSHIPS</u>	<u>BOWER SCHOLARSHIP</u>	<u>HAMMON SCHOLARSHIP</u>	<u>TOTAL</u>
ADDITIONS				
Donations	\$ 500	\$ -	\$ -	\$ 500
Interest	-	65	63	128
Miscellaneous	-	-	2,000	2,000
Total Additions	<u>500</u>	<u>65</u>	<u>2,063</u>	<u>2,628</u>
DEDUCTIONS				
Scholarships	<u>500</u>	<u>500</u>	<u>9,500</u>	<u>10,500</u>
Net Increase, (Decrease) in Fiduciary Net Position	<u>-</u>	<u>(435)</u>	<u>(7,437)</u>	<u>(7,872)</u>
Net Position, Beginning	<u>5,000</u>	<u>45,612</u>	<u>44,816</u>	<u>95,428</u>
Net Position, Ending	<u>\$ 5,000</u>	<u>\$ 45,177</u>	<u>\$ 37,379</u>	<u>\$ 87,556</u>

See accompanying notes to the basic financial statements.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The District was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. The Rainier School District is a municipal corporation governed by an elected seven member board.

The District is a municipal corporation governed by an elected board. The accompanying financial statements present the government and its component units (if any), entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. The District has no component units or blended component units.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33 "Accounting and Financial Reporting for Non-exchange Transactions."

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

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

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Financial Statements

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

Governmental Fund Types

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the related liability is incurred, except for principal and interest on long-term debt, interfund transactions, certain compensated absences and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds.

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

The District reports the following major governmental funds:

General – accounts for the financial operations of the District that are not accounted for in any other fund. Principal sources of revenue are state school funding and property taxes. The primary expenditures are salaries for educational and support staff.

Special Revenue – accounts for the majority of the federal and state grant money received and expended by the District, and student activities. The principal revenue sources are federal and state grants, fundraising, and student fees. Costs are salaries and materials necessary to provide grant funded programs.

Debt Service– accounts for the repayment of principal and interest on long-term obligations. Interest payments on the QZAB Bond are subsidized and made as a direct payment by the IRS. The principal revenue sources are charges to other funds and transfers from the General Fund.

Capital Projects– accounts for expenditures related to the acquisition, construction and repair of facilities. Projects are currently funded with the fund's previously accumulated balance.

The District also reports the following fiduciary funds:

Scholarship (Custodial Funds) – The District receives and distributes monies received on behalf of the Bower Scholarship, Hammon Scholarship and other miscellaneous scholarship funds.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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. Revenue from grants, entitlements, and donations is 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 are both restricted and unrestricted and available to finance the program. It is the 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 modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. All revenues reported in the governmental funds are considered to be available if they are collected within sixty days after year-end.

Cash, Cash Equivalents and Investments

The cash and cash equivalents consist of cash on hand, demand deposits, saving deposits, and investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP).

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Interfund Receivables and Payables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due from other funds.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as deferred revenue.

Supply Inventories

Purchased inventories are stated at cost using first-in, first-out (FIFO) method. Any donated inventories are stated at their estimated fair market value. The cost of inventory items are recognized as an expenditure when purchased (purchase method).

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

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. Capital assets are defined as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of 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	50 years
Land Improvements	10 years
Building Improvements	20 years
Equipment	5-10 years

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Compensated Absences

The District has a policy which permits employees to earn sick leave at the rate of one day per month, except for ten month employees who earn ten days each school year. The district does not compensate the employees for accumulations upon termination of employment. The District has a policy which allows full-time, twelve month employees to earn vacation leave. The rate at which vacation leave is earned is determined by the employee's length of employment and collective bargaining agreements.

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 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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net Position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net Position is classified in the following three categories:

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

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, restricted net position is assumed to be utilized prior to net position that does not have restrictions attached.

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

Fund Balance

In March 2009, the GASB issued Statement 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid expenses.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. No assignments have been made.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures are expensed when purchased, debt is recorded as an expense when paid, tax revenue is recorded when received, inventories are budgeted as expenditures when purchased, and depreciation is not recorded. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Appropriations are established at the major function level (instruction, support services, community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations for the year, except for the following: special revenue fund – support services in the amount of \$12,329.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District inflows and outflows are clearly labeled on the face of the financial statements.

Fair Value Inputs and Methodologies and Hierarchy

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

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

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

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

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

2. CASH AND INVESTMENTS

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund’s audited financial report. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized. The audited financial statements can be found at:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

The District also holds fund in two investment accounts that hold monies deposited for the purpose of making payments on the PERS bonds and QZAB bonds. These accounts utilize the periodic purchase and sale of U.S.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONT.)

Treasuries for the purpose of earning interest, but generally hold cash that is available to make the scheduled payments on the bonds. At June 30, 2022 the accounts only held cash.

Cash and Investments at June 30, 2022 (recorded at fair value) consisted of:

Deposits With Financial Institutions:		<u>2022</u>	
Demand Deposits			
Checking	\$		284,371
Savings			15,115
Petty Cash			919
Investments			<u>2,887,296</u>
Total	\$		<u><u>3,187,701</u></u>
Reported In:			
Governmental Funds	\$		<u><u>3,187,701</u></u>

There are the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	More than 18
State Treasurer's Investment Pool	\$ 2,145,324	\$ 2,145,324	\$ -	\$ -
BNY Mellon (Cash Holdings)	741,934	741,934	-	-
Wells Fargo (Cash Holdings)	38	38	-	-
Total	\$ 2,887,296	\$ 2,887,296	\$ -	\$ -

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Credit Risk

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

Concentration of Credit/Deposit Risk

The above table shows the breakdown of the District's investment balances. Oregon Revised Statutes require no more than 25 percent of local government to be invested in bankers' acceptances of any qualified financial institution.

Custodial Credit Risk – Deposits

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements was \$388,250. Of these deposits, \$137,085 was insured by the NCUA,

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONT.)

\$250,000 was insured by the FDIC, and the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy which limits the amount of investments that can be held by counterparties.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund accounts and grants receivable are comprised of claims for reimbursement of costs under various federal grant programs. All are considered collectible and therefore there is no allowance for uncollectible accounts.

4. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Land (non-depreciable)	\$ 693,143	\$ -	\$ -	693,143
Buildings & Improvements	15,731,990	-	-	15,731,990
Equipment	899,153	9,306	-	908,459
	<hr/>	<hr/>	<hr/>	<hr/>
Total	17,324,286	9,306	-	17,333,592
Accumulated Depreciation				
Buildings and Improvements	10,568,399	434,498	-	11,002,897
Equipment	864,229	13,706	-	877,935
	<hr/>	<hr/>	<hr/>	<hr/>
Total	11,432,628	448,204	-	11,880,832
	<hr/>	<hr/>	<hr/>	<hr/>
Net Capital Assets	\$ 5,891,658	\$ (438,898)	\$ -	\$ 5,452,760

Depreciation was allocated to the functions as follows:

Instruction	\$ 244,495
Support Services	178,027
Community Services	<hr/> 25,682
	<hr/>
Total Depreciation	\$ 448,204

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$602,457, excluding amounts to fund employer specific liabilities. In addition approximately \$335,450 in employee contributions were paid or picked up by the District in fiscal 2022. At June 30, 2022, the District reported a net pension liability of \$4,770,651 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .039 percent and .044 percent, respectively. Pension expense for the year ended June 30, 2022 was (\$181,576).

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 12.80%
- (2) OPSRP general services – 9.69%

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 446,564	\$ -
Changes in assumptions	1,194,238	12,555
Net difference between projected and actual earnings on pension plan investments	-	3,531,676
Net changes in proportionate share	933,729	993,402
Differences between contributions and proportionate share of contributions	-	606,680
Subtotal - Amortized Deferrals (below)	2,574,531	5,144,313
Contributions subsequent to measuring date	602,457	-
Deferred outflow (inflow) of resources	\$ 3,176,988	\$ 5,144,313

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

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

Year ending June 30,	Amount
2023	\$ (533,998)
2024	(555,691)
2025	(539,516)
2026	(977,033)
2027	36,455
Thereafter	-
Total	\$ (2,569,783)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2021 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2021 PERS ACFR; p. 74)

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – the following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 9,368,418	\$ 4,770,651	\$ 923,989

Changes Subsequent to the Measurement Date

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

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

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

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2022.

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

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

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

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

Funding Policy:

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were \$5,657, \$864 and \$671, respectively, which equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB liability/(asset) of (\$110,851) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .032 percent and .079 percent, respectively. OPEB expense for the year ended June 30, 2022 was (\$2,897).

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (18,129)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	15,997
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (2,132)</u>

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,084
Changes in assumptions	2,181	1,649
Net difference between projected and actual earnings on pension plan investments	-	26,344
Net changes in proportionate share	57,548	15,623
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>59,729</u>	<u>46,700</u>
Contributions subsequent to measuring date	671	-
Deferred outflow (inflow) of resources	<u>\$ 60,400</u>	<u>\$ 46,700</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2023.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 8,983
2024	18,382
2025	(6,014)
2026	(8,322)
2027	-
Thereafter	-
Total	<u>\$ 13,029</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/Oregon%20PERS%20-%20GASB%2075%20RHIA%20Employer%20Schedules%20-%20FY%2006-30-2021.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2021 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

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

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2021 PERS ACFR; p. 74)

Sensitivity of the District’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (98,031)	\$ (110,851)	\$ (121,802)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (HEALTH BENEFITS)

Post Employment Health Care Benefits

Plan Description: The District operates a single-employer retiree benefit plan that provides postemployment health, and dental vision to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The District's post-retirement healthcare plan established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Post Employment Health Insurance Subsidy

Plan Description

The District administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (HEALTH BENEFITS) – (CONT.)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2021 and the measurement date was June 30, 2021.

Funding Policy

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

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2021 using the Entry Age Actuarial Cost method. Mortality rates were based on the Pub-2010 Teacher Employee and Healthy Retiree tables, sex-distinct for members and dependents. Future mortality improvement is not projected as it would be immaterial to the valuation. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Health Care Cost Trend	June 30, 2021 measurement date - Medical																						
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Year</th> <th style="text-align: left; border-bottom: 1px solid black;">Pre-65 Trend %</th> </tr> </thead> <tbody> <tr><td>2021</td><td>3.25</td></tr> <tr><td>2022</td><td>5.00</td></tr> <tr><td>2023</td><td>5.25</td></tr> <tr><td>2024-25</td><td>5.00</td></tr> <tr><td>2026-28</td><td>4.75</td></tr> <tr><td>2029-61</td><td>4.50</td></tr> <tr><td>2062-67</td><td>4.25</td></tr> <tr><td>2068-72</td><td>4.00</td></tr> <tr><td>2073+</td><td>3.75</td></tr> <tr><td>2072+</td><td>4.00</td></tr> </tbody> </table>	Year	Pre-65 Trend %	2021	3.25	2022	5.00	2023	5.25	2024-25	5.00	2026-28	4.75	2029-61	4.50	2062-67	4.25	2068-72	4.00	2073+	3.75	2072+	4.00
Year	Pre-65 Trend %																						
2021	3.25																						
2022	5.00																						
2023	5.25																						
2024-25	5.00																						
2026-28	4.75																						
2029-61	4.50																						
2062-67	4.25																						
2068-72	4.00																						
2073+	3.75																						
2072+	4.00																						
Dental and Vision Trend	4.00% per year																						
	Health and dental cost trend affects both the projected health care costs as well as the projected health care premiums																						
General Inflation	2.40% per year, used to develop other economic assumptions																						
Annual Salary Increases	3.40% per year, based on general inflation and the likelihood of raises throughout participants' careers																						

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of our projections, we have chosen not to make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs

Demographic Assumptions

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2020. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers

Mortality	Pub-2010 Teacher Employee and Healthy Retiree tables, sex distinct for members and dependents. Future mortality improvement is not projected as it would be immaterial to the valuation
Disability	Not used

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (HEALTH BENEFITS) – (CONT.)

Changes in the Net OPEB Liability

Total OPEB Liability at June 30, 2021	\$ 378,742
Changes for the year:	
Service cost	57,877
Interest	9,295
Changes of assumptions or other input	(152,740)
Benefit payments	<u>(32,237)</u>
Balance as of June 30, 2022	<u>\$ 260,937</u>

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

The following analysis presents the net OPEB liability using a discount rate of 2.16%, as well as what the District's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 281,529	\$ 260,937	\$ 241,471

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Decrease Healthcare
Total OPEB Liability	\$ 227,695	\$ 260,937	\$ 300,929

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (136,368)
Changes in assumptions or other input	17,711	(58,425)
Benefit payments	17,768	-
Deferred outflow (inflow) of resources	<u>\$ 35,479</u>	<u>\$ (194,793)</u>

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (HEALTH BENEFITS) – (CONT.)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (29,265)
2024	(28,455)
2025	(26,230)
2026	(25,448)
2027	(25,448)
Thereafter	(42,236)
Total	<u>\$ (177,082)</u>

8. LONG-TERM OBLIGATIONS

At June 30, 2022, Long-Term Obligations consisted of Pension Obligation Bonds, Qualified Zone Academy Bonds and the outstanding balance of accumulated compensated absences.

Pension obligation bonds

UAL PERS, Series 2005A -. The District issued PERS bonds in the amount of \$7,265,000 with variable interest rates of 3.68 percent to 4.52 percent, as a prepayment of the District’s unfunded pension liability. The annual payments on the UAL PERS Bonds are accounted for as additional contributions to the Public Employees Retirement System.

Qualified Zone Academy Bond, Series 2012A

The District issued a \$1,200,000 bond through the Oregon School Boards Association Flex Fund Program. Interest is payable on the bonds at the rate of 4.625 percent per annum with semiannual interest payments of \$27,750 due on June 30 and December 30 of each year, through June 30, 2030. The District receives a subsidy from the United States Treasury for the entire amount of the interest payments. In the event of nonpayment by the United States Treasury, the District is obligated to pay the interest charges. The District is required to make annual sinking fund payments of \$66,667 to a trustee to be deposited and held in the debt service account. The District’s debt service account must match the end of year sinking fund balance as per agreement. At June 30, 2022 the sinking fund balance satisfied the agreement requirement.

In the event of default, the owners of 51% of Series 2012 Certificates outstanding may take whatever action at law or in equity may appear necessary or desirable to enforce the Installment Financing Agreement or to protect any of the rights vested in the Bank or the Owners of the Series 2012 Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Installment Financing Agreement or for the enforcement of any other legal or equitable right vested in the Bank by the Agreement or by law. However, the bonds are not subject to acceleration.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONT.)

Changes in long-term obligations and future maturities were as follows:

	Ousting June 30, 2021	Additions	Deductions	Ousting June 30, 2022	Balance Due Within One Year
Pension Obligation Bonds 2005A	\$ 4,205,000	\$ -	\$ (490,000)	\$ 3,715,000	\$ 545,000
Direct Placements - QZAB Bonds 2012A	1,200,000	-	-	1,200,000	-
Compensated Absences	17,694	18,933	-	36,627	36,627
Totals	<u>\$ 5,422,694</u>	<u>\$18,933</u>	<u>\$ (490,000)</u>	<u>\$ 4,951,627</u>	<u>\$ 581,627</u>

Future maturities of bonds payable as of June 30, 2022 are as follows:

Year	2005 PERS Bonds		2012 QZAB		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022-2023	\$ 545,000	\$ 176,797	\$ -	\$ 55,500	\$ 545,000	\$ 232,297
2023-2024	595,000	150,860	-	55,500	595,000	206,360
2024-2025	655,000	122,544	-	55,500	655,000	178,044
2025-2026	720,000	91,373	-	55,500	720,000	146,873
2026-2027	785,000	57,108	-	55,500	785,000	112,608
2027-2031	415,000	19,875	1,200,000	166,500	1,615,000	186,375
Totals	<u>\$ 3,715,000</u>	<u>\$ 618,557</u>	<u>\$ 1,200,000</u>	<u>\$ 444,000</u>	<u>\$ 4,915,000</u>	<u>\$ 1,062,557</u>

9. INTERFUND ACTIVITY

Transfers and interfund balances are used to support operations and reserves. Balances for the year ended June 30, 2022 are as follows:

Fund	Transfer In	Transfer Out	Due From	Due To
General Fund	\$ 135,000	\$ 306,500	\$ 1,393,790	\$ -
Special Funds	116,000	-	-	1,501,287
Debt Service Funds	55,500	-	-	36,154
Capital Projects Fund	-	-	56,095	-
Fiduciary Funds	-	-	87,556	-
Total	<u>\$ 306,500</u>	<u>\$ 306,500</u>	<u>\$ 1,537,441</u>	<u>\$ 1,537,441</u>

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. TAX ABATEMENTS

Columbia County has established an Enterprise Zone under ORS 285C.175 that abates property taxes on new business development within the zone. For the year ended June 30, 2022, the District received taxes reduced by \$48,186 of abatements.

11. COMMITMENTS AND CONTINGENCIES

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

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

As public employees retire, the PERS system reviews their complete employment history to verify that all of their previous public employers have contributed the correct amount to their pensions. When PERS becomes aware of unpaid pension amounts by an employer from previous years, the amount owed becomes due immediately and the total liability (plus interest) is added to the next invoice. The District is not currently aware of any material unpaid pension contributions from previous years.

12. PROPERTY TAX LIMITATION

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$4.8880 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. RISK MANAGEMENT

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

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
PERS PENSION LIABILITY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.04 %	\$ 4,770,651	\$ 5,240,452	91.0 %	87.6 %
2021	0.04	9,573,157	5,386,550	177.7	75.8
2020	0.03	5,904,999	5,229,405	112.9	80.2
2019	0.04	6,451,295	4,754,693	135.7	82.1
2018	0.04	5,420,113	4,687,692	115.6	83.1
2017	0.04	6,440,696	4,562,864	141.2	80.5
2016	0.04	2,168,823	4,597,915	47.2	91.2
2015	0.04	(997,934)	4,501,455	(22.2)	103.6
2014	0.04	2,246,689	4,499,061	49.9	92.0

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

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS - NET PENSION LIABILITY

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 602,457	\$ 602,457	\$ -	\$ 6,195,291	9.7 %
2021	587,087	587,087	-	5,240,452	11.2
2020	639,794	639,794	-	5,386,550	11.9
2019	481,908	481,908	-	5,229,405	9.2
2018	461,938	461,938	-	4,754,693	9.7
2017	243,207	243,207	-	4,687,692	5.2
2016	240,863	240,863	-	4,562,864	5.3
2015	459,431	459,431	-	4,597,915	10.0
2014	455,431	455,431	-	4,501,455	10.1

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

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
PERS RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE PERS RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPA)	(b) Employer's proportionate share of the net pension liability (NPA)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the opeb liability
2022	0.03 %	\$ (110,851)	\$ 5,240,452	(2.1) %	0.8 %
2021	0.08	(161,398)	5,386,550	(3.0)	0.6
2020	0.05	(90,784)	5,229,405	(1.7)	0.6

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

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS - PERS RHIA

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 671	\$ 671	\$ -	\$ 6,195,291	0.01 %
2021	864	864	-	5,240,452	0.02
2020	5,657	5,657	-	5,386,550	0.11

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

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT HEALTH INSURANCE SUBSIDY
SCHEDULE OF CHANGE IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
IMPLICIT MEDICAL BENEFIT

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Other Post Employment Benefits Liability - Beginning	\$ 378,742	\$ 336,949	\$ 414,131	\$ 449,881	\$ 490,328
Changes for the year:					
Service Cost	57,877	50,156	44,842	44,070	45,623
Interest	9,295	12,776	16,694	16,114	14,113
Differences between expected and actual experience	(108,762)	-	(63,951)	-	-
Changes in assumptions or other input	(43,978)	23,425	(19,045)	(7,472)	(18,104)
Benefit Payments	(32,237)	(44,564)	(55,722)	(88,462)	(82,079)
Net changes for the year	(117,805)	41,793	(77,182)	(35,750)	(40,447)
Total Other Post Employment Benefits Liability - Ending	\$ 260,937	\$ 378,742	\$ 336,949	\$ 414,131	\$ 449,881
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%	0%	0%
Covered Payroll	\$ 6,195,291	\$ 5,240,452	\$ 5,386,550	\$ 5,229,405	\$ 4,754,693
Net Single Employer Pension Plan as a Percentage of Covered Payroll	4%	7%	6%	8%	9%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

	<u>GENERAL FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
1000 Revenue From Local Sources:				
1110 Ad Valorem Taxes Levied by District	3,975,000	\$ 3,975,000	\$ 4,233,942	\$ 258,942
1190 Penalties and Interest on Taxes	1,750	1,750	748	(1,002)
1410 Transportation Fees	-	-	200	200
1500 Interest on Investments	23,500	23,500	17,234	(6,266)
1700 Extracurricular Activities	-	-	23,869	23,869
1920 Contributions and Donations	13,085	13,085	-	(13,085)
1930 Lease Payments From Private Co.	36,000	36,000	36,000	-
1960 Recovery of Prior Years' Expenses	10,000	10,000	32,210	22,210
1980 Fees Charged to Grants	29,358	29,358	46,584	17,226
1990 Other Local Sources	35,000	35,000	43,564	8,564
Total Local Revenue	<u>4,123,693</u>	<u>4,123,693</u>	<u>4,434,351</u>	<u>310,658</u>
2000 Revenue from Intermediate Sources:				
2101 County School Funds	50,000	50,000	13,280	(36,720)
2105 Natural Gas, Oil, & Mineral Receipts	15,000	15,000	-	(15,000)
Total Intermediate Revenue	<u>65,000</u>	<u>65,000</u>	<u>13,280</u>	<u>(51,720)</u>
3000 Revenue From State Sources:				
3101 State School Fund - General	5,514,136	5,514,136	5,581,932	67,796
3103 Common School Fund	96,743	96,743	83,023	(13,720)
3104 State Managed County Timber	80,000	80,000	79,068	(932)
3199 Other Unrestricted Grants-in-Aid	50,000	50,000	33,713	(16,287)
3299 Other Restricted Grants-in-aid	10,000	10,000	38,794	28,794
Total State Revenue	<u>5,750,879</u>	<u>5,750,879</u>	<u>5,816,530</u>	<u>65,651</u>
Total Revenue	<u>9,939,572</u>	<u>9,939,572</u>	<u>10,264,161</u>	<u>324,589</u>
EXPENDITURES:				
1000 Instruction	5,273,734	5,273,734 (1)	5,215,407	58,327
2000 Support Services	4,634,101	4,634,101 (1)	3,851,494	782,607
Operating Contingency	467,907	467,907 (1)	-	467,907
Total Expenditures	<u>10,375,742</u>	<u>10,375,742</u>	<u>9,066,901</u>	<u>1,308,841</u>
Excess of Revenues Over, (Under) Expenditures	(436,170)	(436,170)	1,197,260	(1,633,430)
Other Financing Sources, (Uses):				
5200 Interfund Transfers	-	-	135,000	(135,000)
5200 Transfers of Funds	(306,500)	(306,500) (1)	(306,500)	-
Total Other Financing Sources, (Uses):	<u>(306,500)</u>	<u>(306,500)</u>	<u>(171,500)</u>	<u>135,000</u>
Net Change in Fund Balance	(742,670)	(742,670)	1,025,760	1,768,430
Beginning Fund Balance	<u>928,810</u>	<u>928,810</u>	<u>1,660,164</u>	<u>731,354</u>
Ending Fund Balance	<u>\$ 186,140</u>	<u>\$ 186,140</u>	<u>\$ 2,685,924</u>	<u>\$ 2,499,784</u>

(1) Appropriation Level

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

	<u>SPECIAL REVENUE FUND</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>TO FINAL</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>BUDGET</u>
REVENUES:				
1000 Revenue From Local Sources:				
1200 Revenue from Local Governments	\$ 52,000	\$ 52,000	\$ 60,000	\$ 8,000
1311 Tuition From Individuals	40,000	40,000	40,639	639
1400 Transportation Fees	7,000	7,000	-	(7,000)
1500 Earnings on Investments	2,000	2,000	527	(1,473)
1600 Food Service	93,500	93,500	8,622	(84,878)
1700 Extracurricular Activities	210,000	210,000	163,018	(46,982)
1920 Private Contributions	4,600	4,600	14,050	9,450
1990 Other Revenue from Local Sources	259,551	259,551	49,585	(209,966)
Total Local Sources	<u>668,651</u>	<u>668,651</u>	<u>336,441</u>	<u>(332,210)</u>
2000 Revenue From Intermediate Sources				
2200 Restricted Revenue	292,989	292,989	64,371	(228,618)
Total Intermediate Sources	<u>292,989</u>	<u>292,989</u>	<u>64,371</u>	<u>(228,618)</u>
3000 Revenue from State Sources				
3102 State School Fund-Lunch Match	3,500	3,500	3,407	(93)
3299 Other Restricted Grants-In-Aid	1,273,412	1,273,412	1,410,897	137,485
Total State Sources	<u>1,276,912</u>	<u>1,276,912</u>	<u>1,414,304</u>	<u>137,392</u>
4000 Revenue From Federal Sources:				
4300 Restricted Revenue Direct from the Federal Government	-	-	5,236	5,236
4500 Restricted Revenue from the Federal Government Through the State	2,917,562	2,917,562	1,849,533	(1,068,029)
4900 Revenue for/on Behalf of the District	52,000	52,000	43,601	(8,399)
Total Federal Sources	<u>2,969,562</u>	<u>2,969,562</u>	<u>1,898,370</u>	<u>(1,071,192)</u>
Total Revenues	<u>5,208,114</u>	<u>5,208,114</u>	<u>3,713,486</u>	<u>(1,494,628)</u>
EXPENDITURES:				
1000 Instruction	1,930,092	1,930,092 (1)	1,815,155	114,937
2000 Support Services	1,265,475	1,265,475 (1)	1,277,804	(12,329)
3000 Enterprise and Community Services	792,899	792,899 (1)	738,221	54,678
Total Expenditures	<u>3,988,466</u>	<u>3,988,466</u>	<u>3,831,180</u>	<u>157,286</u>
Excess of Revenues Over, (Under) Expenditures	1,219,648	1,219,648	(117,694)	(1,337,342)
Other Financing Sources, (Uses):				
5200 Transfers In	116,000	116,000	116,000	-
Total Other Financing Sources, (Uses):	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>	<u>-</u>
Net Change in Fund Balance	1,335,648	1,335,648	(1,694)	(1,337,342)
Beginning Fund Balance	<u>164,351</u>	<u>164,351</u>	<u>418,947</u>	<u>254,596</u>
Ending Fund Balance	<u>\$ 1,499,999</u>	<u>\$ 1,499,999</u>	<u>\$ 417,253</u>	<u>\$ (1,082,746)</u>

(1) Appropriation Level

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

SUPPLEMENTARY INFORMATION

RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
1000 Revenue From Local Sources:				
1500 Earnings on Investment	\$ 5,250	\$ 5,250	\$ 1,093	\$ (4,157)
1970 Services provided to other funds	688,866	688,866	737,143	48,277
Total Local Sources	<u>694,116</u>	<u>694,116</u>	<u>738,236</u>	<u>44,120</u>
4000 Revenue From Federal Sources				
4900 Revenue for/on Behalf of the District	52,000	52,000	78,505	(26,505)
Total Federal Sources	<u>52,000</u>	<u>52,000</u>	<u>78,505</u>	<u>(26,505)</u>
Total Revenues	<u>746,116</u>	<u>746,116</u>	<u>816,741</u>	<u>17,615</u>
EXPENDITURES:				
5110 Debt Service	745,616	745,616 (1)	745,616	-
Excess of Revenues Over, (Under) Expenditures	500	500	71,125	70,625
Other Financing Sources, (Uses):				
5200 Transfers of Funds	55,500	55,500	55,500	-
Total Other Financing Sources, (Uses):	<u>55,500</u>	<u>55,500</u>	<u>55,500</u>	<u>-</u>
Net Change in Fund Balance	56,000	56,000	126,625	70,625
Beginning Fund Balance	<u>573,000</u>	<u>573,000</u>	<u>579,194</u>	<u>6,194</u>
Ending Fund Balance	<u>\$ 629,000</u>	<u>\$ 629,000</u>	<u>\$ 705,819</u>	<u>\$ 76,819</u>

(1) Appropriation Level

**RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
3299 Other Restricted Grants-In-Aid	\$ 45,000	\$ 45,000	\$ -	\$ (45,000)
Total State Sources	45,000	45,000	-	(45,000)
Total Revenues	45,000	45,000	-	(45,000)
EXPENDITURES:				
2000 Supporting Services	101,095	101,095 (1)	-	101,095
Total Expenditures	101,095	101,095	-	101,095
Net Change in Fund Balance	(56,095)	(56,095)	-	56,095
Beginning Fund Balance	56,095	56,095	56,095	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,095</u>	<u>\$ 56,095</u>

(1) Appropriation Level

**RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE/ (NEGATIVE)</u>
<u>FIDUCIARY CUSTODIAL FUNDS SCHOLARSHIPS</u>				
REVENUES:				
1000 Revenue From Local Sources:				
1510 Interest on Investments	\$ 1,250	\$ 1,250	\$ 128	\$ (1,122)
1920 Private Contributions	12,000	12,000	500	(11,500)
1960 Recovery of Prior Years Fees		-	2,000	2,000
Total Revenue From Local Sources	<u>13,250</u>	<u>13,250</u>	<u>2,628</u>	<u>(10,622)</u>
EXPENDITURES:				
3000 Community Services	<u>26,500</u>	<u>26,500</u> (1)	<u>10,500</u>	<u>16,000</u>
Total Expenditures	<u>26,500</u>	<u>26,500</u>	<u>10,500</u>	<u>16,000</u>
Net Change in Fund Balance	(13,250)	(13,250)	(7,872)	5,378
Beginning Fund Balance	<u>95,390</u>	<u>95,390</u>	<u>95,428</u>	<u>38</u>
Ending Fund Balance	<u>\$ 82,140</u>	<u>\$ 82,140</u>	<u>\$ 87,556</u>	<u>\$ 5,416</u>

(1) Appropriation Level

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

OTHER INFORMATION

RAINIER SCHOOL DISTRICT
Columbia County, Oregon

REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2022

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700	TOTAL
Revenue from Local Sources						
1111 Taxes - current year's levy	\$ 4,127,709	\$ -	\$ -	\$ -	\$ -	4,127,709
1112 Taxes - prior year's levies	105,533	-	-	-	-	105,533
1114 Taxes - payments in lieu of property taxes	700	-	-	-	-	700
1190 Penalties and interest on taxes	748	-	-	-	-	748
1200 Revenue from local government	-	60,000	-	-	-	60,000
1311 Tuition from individuals	-	40,639	-	-	-	40,639
1411 Transportation fees from individuals	200	-	-	-	-	200
1510 Earnings on investments	17,234	527	1,093	-	128	18,982
1600 Food Service	-	8,622	-	-	-	8,622
1700 Extracurricular activities	23,869	163,018	-	-	-	186,887
1920 Contributions and donations from private sources	-	14,050	-	-	500	14,550
1930 Rental or lease payments from private contractors	36,000	-	-	-	-	36,000
1960 Recovery of prior year expenditures	32,210	-	-	-	2,000	34,210
1970 Services provided other funds	-	-	737,143	-	-	737,143
1980 Fees Charged to Grant	46,584	-	-	-	-	46,584
1990 Miscellaneous	24,645	49,585	-	-	-	74,230
1995 Erate	18,920	-	-	-	-	18,920
Total Revenue from Local Sources	4,434,352	336,441	738,236	-	2,628	5,511,657
Revenue from Intermediate Sources						
2101 County school funds	13,280	-	-	-	-	13,280
2105 Natural gas, oil and mineral receipts	-	-	-	-	-	-
2200 Restricted revenue	-	64,371	-	-	-	64,371
Total Revenue from Intermediate Sources	13,280	64,371	-	-	-	77,651
Revenue from State Sources						
3101 State School Support	5,581,932	-	-	-	-	5,581,932
3102 SSF School Lunch Match	-	3,407	-	-	-	3,407
3103 Common school fund	83,023	-	-	-	-	83,023
3104 State managed county timber	79,068	-	-	-	-	79,068
3199 Other unrestricted sources	33,713	-	-	-	-	33,713
3299 Other restricted grants-in-aid	38,794	1,410,897	-	-	-	1,449,691
Total Revenue from State Sources	5,816,530	1,414,304	-	-	-	7,230,834
Revenue from Federal Sources						
4300 Restricted Rev Fed Gov through State	-	5,236	-	-	-	5,236
4500 Restricted Rev Fed Gov through State	-	1,849,533	-	-	-	1,849,533
4900 USDA Donated Commodities	-	43,601	78,505	-	-	122,106
Total Revenue from Federal Sources	-	1,898,370	78,505	-	-	1,976,875
Revenue from Other Sources						
5200 Interfund Transfers	135,000	116,000	55,500	-	-	306,500
5400 Resources - Beginning Fund Balance	1,660,164	418,947	579,194	56,095	95,428	2,809,828
Total Revenue from Other Sources	1,795,164	534,947	634,694	56,095	95,428	3,116,328
Total	\$ 12,059,326	\$ 4,248,433	\$ 1,451,435	\$ 56,095	\$ 98,056	\$ 17,913,345

RAINIER SCHOOL DISTRICT

Columbia County, Oregon

**GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022**

Fund: 100 General Fund								
Instruction Expenditures	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
1111 Primary, K-3	\$ 1,162,042	\$ 746,308	\$ 9,058	\$ 23,252	\$ -	\$ -	\$ -	\$ 1,940,660
1121 Middle/Junior high school programs	395,931	241,569	1,727	560	-	-	-	639,787
1131 High school programs	777,816	436,663	3,588	24,488	-	2,393	-	1,244,948
1132 High school extracurricular	88,150	22,660	4,265	14,710	-	27,021	-	156,806
1140 Pre-kindergarten programs	-	-	-	-	-	-	-	-
1220 Restrictive programs for student with disabilities	454,049	284,799	25,410	4,900	-	-	-	769,158
1250 Less restrictive programs for student with disabilities	290,132	163,946	-	888	-	-	-	454,966
1272 Title IA/D	4,847	-	-	-	-	-	-	4,847
1291 English second language program	-	-	-	-	-	-	-	-
1400 Summer School Programs	2,000	741	1,495	-	-	-	-	4,236
Total Instruction Expenditures	3,174,967	1,896,686	45,543	68,798	-	29,414	-	5,215,408
Support Services Expenditures								
2110 Attendance and social work services	-	-	-	-	-	-	-	-
2120 Guidance services	(2,438)	2,438	-	243	-	-	-	243
2130 Health services	-	-	220	756	-	-	-	976
2140 Psychological services	-	-	123,094	250	-	-	-	123,344
2150 Speech pathology and audiology services	-	-	56,602	-	-	-	-	56,602
2160 Other student treatment services	-	-	18,690	-	-	-	-	18,690
2190 Service direction, student support services	106,748	55,398	5,441	3,130	-	655	-	171,372
2210	-	-	-	1,493	-	-	-	1,493
2220 Educational media services	62,954	33,876	398	6,710	-	-	-	103,938
2240 Instructional staff development	-	-	14,109	-	-	-	-	14,109
2310 Board of education services	2,000	744	70,091	767	-	4,856	-	78,458
2320 Executive administration services	185,097	89,433	13,124	11,832	-	42,461	-	341,947
2410 Office of the principal services	388,022	234,963	5,620	2,878	-	2,156	-	633,639
2520 Fiscal services	92,192	28,944	6,629	382	-	11,880	-	140,027
2540 Operation and maintenance of plant services	386,565	250,091	246,262	49,636	9,306	86,699	-	1,028,559
2550 Student transportation services	-	-	831,788	83,478	-	-	-	915,266
2570 Internal Services	-	-	17,180	3,360	-	-	-	20,540
2630 Information services	-	-	2,001	-	-	-	-	2,001
2640 Staff services	24,118	(10,267)	4,046	1,608	-	-	-	19,505
2660 Technology services	59,141	30,968	22,452	65,555	-	2,479	-	180,595
2680	-	-	190	-	-	-	-	190
Total Support Services Expenditures	1,304,399	716,588	1,437,937	232,078	9,306	151,186	-	3,851,494
Other Uses Expenditures								
5200 Transfers of Funds	-	-	-	-	-	-	306,500	306,500
Total Other Uses Expenditures	-	-	-	-	-	-	306,500	306,500
Total 100 General Fund	\$ 4,479,366	\$ 2,613,274	\$ 1,483,480	\$ 300,876	\$ 9,306	\$ 180,600	\$ 306,500	\$ 9,373,402

RAINIER SCHOOL DISTRICT
Columbia County, Oregon

**SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022**

Fund: 200 Special Revenue Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Instruction Expenditures								
1111 Primary, K-3	\$ 202,578	\$ 98,807	\$ 32,762	\$ 21,306	\$ -	\$ 328	\$ -	\$ 355,781
1121 Middle School 7-8	4,261	2,384	-	-	-	-	-	6,645
1131 High school programs	222,908	116,460	4,761	32,683	-	9,440	-	386,252
1132 High school extracurricular	-	-	-	114,882	-	-	-	114,882
1140 Pre-kindergarten programs	157,569	99,539	125	1,693	-	10	-	258,936
1220 Restrictive programs for students with disabilities	45,102	25,857	2,558	29,018	-	-	-	102,535
1250 Less restrictive programs for student with disabilities	98,349	60,287	-	1,918	-	-	-	160,554
1272 Title I	182,441	95,989	-	2,035	-	-	-	280,465
1280 Alternative education	-	-	-	586	-	-	-	586
1291 English language learner	-	-	-	568	-	-	-	568
1299 Other programs	55	20	1,000	2,898	-	-	-	3,973
1400 Summer school programs	102,831	37,554	200	3,393	-	-	-	143,978
Total Instruction Expenditures	1,016,094	536,897	41,406	210,980	-	9,778	-	1,815,155
Support Services Expenditures								
2110 Attendance and social work services	99,676	57,916	-	-	-	-	-	157,592
2115 Student Safety	-	-	-	-	-	37,144	-	37,144
2120 Guidance services	156,797	105,110	-	-	-	-	-	261,907
2130 Health services	60,509	22,386	1,863	8,902	-	-	-	93,660
2140 Psychological services	-	-	-	-	-	-	-	-
2150 Speech pathology and audiology services	-	-	61,150	-	-	-	-	61,150
2160	212	18	-	-	-	-	-	230
2190 Service direction, student support services	35,059	750	-	-	-	-	-	35,809
2210 Improve instruction services	184	68	830	131	-	-	-	1,213
2220	2,000	1,008	-	2,153	-	-	-	5,161
2240 Instructional staff development	4,194	1,062	1,715	-	-	-	-	6,971
2321	2,000	1,091	-	3,231	-	-	-	6,322
2410	6,000	3,535	-	-	-	-	-	9,535
2520	1,500	349	-	-	-	-	-	1,849
2540 Operation and maintenance of plant services	8,400	4,619	63,600	361	-	-	-	76,980
2550 Student Transportation Services	-	-	1,296	-	-	-	-	1,296
2570	-	-	3,094	6,783	-	-	-	9,877
2630 Information services	-	-	-	-	-	-	-	-
2640 Staff services	-	-	-	4,305	-	2,564	-	6,869
2660 Technology services	1,000	491	900	501,848	-	-	-	504,239
Total Support Services Expenditures	377,531	198,403	134,448	527,714	-	39,708	-	1,277,804
Enterprise and Community Services								
3100 Food services	281,628	151,986	11,258	225,308	-	2,554	-	672,734
3300 Community services	38,991	22,939	2,500	1,057	-	-	-	65,487
Total Enterprise and Community Services	320,619	174,925	13,758	226,365	-	2,554	-	738,221
Total 200 Special Revenue Fund	\$ 1,714,244	\$ 910,225	\$ 189,612	\$ 965,059	\$ -	\$ 52,040	\$ -	\$ 3,831,180

RAINIER SCHOOL DISTRICT

Columbia County, Oregon

**DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022**

	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>
Fund: 300 Debt Service								
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 745,616	\$ -	\$ 745,616
Total Other Uses Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,616</u>	<u>-</u>	<u>745,616</u>
Total 300 Debt Service Fund	<u>\$ -</u>	<u>\$ 745,616</u>	<u>\$ -</u>	<u>\$ 745,616</u>				

RAINIER SCHOOL DISTRICT
Columbia County, Oregon

CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022

Fund: 400 Capital Projects Fund		Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Support Services Expenditures									
2540	Operation and maintenance of plant services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Support Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures									
4110	Service area direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Facilities and Construction Expenditures	-	-	-	-	-	-	-	-
	Total 400 Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RAINIER SCHOOL DISTRICT

Columbia County, Oregon

**CUSTODIAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022**

Fund: 700 Agency Fund

	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>
Enterprise and Community Services								
3300 Community Services	\$ -	\$ -	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ 10,500
Total Enterprise and Community Services	\$ -	\$ -	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ 10,500
Total 100 General Fund	\$ -	\$ -	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ 10,500

RAINIER SCHOOL DISTRICT

Columbia County, Oregon

**SUPPLEMENTAL INFORMATION REQUIRED BY THE STATE OF OREGON
DEPARTMENT OF EDUCATION
YEAR ENDED JUNE 30, 2022**

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

Parts A is needed for computing Oregon's full allocation for ESEA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325, 326 & 327
Function 2540	\$ 189,625
Function 2550	\$ -

B. Replacement of Equipment – General Fund:

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

	\$ 9,306
--	----------

Exclude these functions:

Exclude these functions:

1113, 1122 & 1132	Co - curricular Activities	4150	Construction
1140	Pre - Kindergarten	2550	Pupil Transportation
1300	Continuing Education	3100	Food Services
1400	Summer School	3300	Community Services

**RAINIER SCHOOL DISTRICT NO. 13
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2022**

GENERAL FUND

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED July 1, 2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED June 30, 2022
Current:						
2021-22	\$ 4,344,196	\$ 116,143	\$ (9,582)	\$ 2,450	\$ 4,127,709	\$ 93,212
Prior Years:						
2020-21	86,423	(3)	(832)	3,891	48,375	41,110
2019-20	48,251	-	(450)	4,474	25,688	26,587
2018-19	28,589	-	(485)	6,339	25,186	9,257
2017-18	9,485	-	(308)	2,681	9,374	2,484
Prior	7,497	-	(525)	2,258	5,110	4,120
Total Prior	180,245	(3)	(2,600)	19,643	113,733	83,558
Total	\$ 4,524,441	\$ 116,140	\$ (12,182)	\$ 22,093	\$ 4,241,442	\$ 176,770

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 4,241,442
Accrual of Receivables:	
June 30, 2022	13,319
June 30, 2021	(20,127)
Taxes in Lieu	56
Total GAAP Revenue	\$ 4,234,690

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

ANNUAL OPERATING DATA

General Obligation Bond Debt Capacity – Fiscal Year 2022

Real Market Value	\$ 1,302,870,961
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$ 103,578,241
Less: Outstanding Debt Subject to Limit	-
Remaining General Obligation Debt Capacity	\$ 103,578,241
Percent of Capacity Issued	0.0%

Taxable Property Values

Fiscal Year	M5 Real Market Value	Total Assessed Value	Urban Renewal Excess	Net Assessed Value	% AV Growth
2022	\$ 1,302,870,961	\$ 824,151,729	\$ 17,755,140	\$ 806,396,589	7.65%
2021	\$ 1,176,996,525	\$ 796,390,037	\$ 17,579,347	\$ 778,810,690	9.52%
2020	1,004,866,907	765,585,167	17,448,897	748,136,270	5.39%
2019	910,159,767	727,170,181	17,262,786	709,907,395	3.83%
2018	899,501,020	700,366,935	16,832,259	683,534,676	4.50%
2017	768,633,204	670,219,059	16,847,414	653,371,645	1.49%
2016	751,817,235	660,360,994	16,657,752	643,703,242	4.50%
2015	686,211,501	631,922,440	16,848,365	615,074,075	0.24%
2014	703,017,841	630,429,410	16,193,906	614,235,504	1.85%
2013	686,028,296	618,951,003	16,191,256	602,759,747	1.90%
2012	670,726,741	607,402,770	16,205,605	591,197,165	-1.16%

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

ANNUAL OPERATING DATA

Representative Levy Rate

Fiscal Year 2022

General Government	Billing Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidat ed Rate
Columbia County	\$ 1.3937	\$ 0.0000	\$ 0.0000	\$ 1.3937
Jail Operations 3 Year Levy	0.0000	0.0000	0.5797	0.5797
Columbia 4H Extension	0.0571	0.0000	0.0000	0.0571
911 Communication District	0.2551	0.0000	0.0000	0.2551
911 LO Levy	0.2900	0.0000	0.2900	0.5800
Vector Control District	0.1277	0.0000	0.0000	0.1277
Soil and Water Conservation D	0.0999	0.0000	0.0000	0.0999
Columbia River Fire Dist.	2.9731	0.0000	0.0000	2.9731
CCDA - Colco Dev Agency	0.0027	0.0000	0.0000	0.0027
Total General Government	5.1993	0.0000	0.8697	6.0690
Education				
Northwest Regional ESD	0.1437	0.0000	0.0000	0.1437
Rainier School District	5.0844	0.0000	0.0000	5.0844
Total Education	5.2281	0.0000	0.0000	5.2281
Total Tax Rate	\$ 10.4274	\$ 0.0000	\$ 0.8697	\$ 11.2971

**RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

ANNUAL OPERATING DATA

Debt Ratios – As of June 30, 2022

Real Market Value	\$	1,302,870,961	
Estimated Population		8,332	
Per Capita Real Market Value	\$	156,370	
Debt Information			
		Gross Direct Debt⁽¹⁾	Net Direct Debt⁽²⁾
District Direct Debt	\$	4,915,000	\$ 4,915,000
Overlapping Direct Debt		12,380,520	11,727,614
Total Direct Debt	\$	<u>17,295,520</u>	<u>\$ 16,642,614</u>
Bonded Debt Ratios			
District Direct Debt to Real Market Value		0.38%	0.38%
Total Direct Debt to Real Market Value		1.33%	1.28%
Per Capita District Direct Debt	\$	590	\$ 590
Per Capita Total Direct Debt	\$	2,076	\$ 1,997

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt. Beginning in FY 2010, the State changed its classification for pension bonds from self supporting to non-self supporting. As a result, they are now included in the Net Direct Debt total.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

ANNUAL OPERATING DATA

Major Taxpayers

Fiscal Year 2022

Rainier School District No. 13

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
United States Gypsum	Wallboard Manufacturing Plant	\$ 1,284,023	\$ 79,674,780	9.67%
Portland General Electric	Utility	345,000	30,259,000	3.67%
Clatskanie PUD	Utility	248,314	19,666,000	2.39%
Shaver Transportation	Transportation	217,072	12,948,000	1.57%
Foss Maritime Company	Marine Towing	115,845	6,910,000	0.84%
Columbia River PUD	Utility	114,627	10,320,000	1.25%
Teevin Term & Teevin Invest & Teevin Timber Tracts	Timber Tracts	112,628	6,717,320	0.82%
Teevin Investment Co. Inc	Timber Tracts	108,896	6,403,120	0.78%
Weyerhaeuser Timber Holding	Timber	90,704	8,082,054	0.98%
Northwest Natural Gas Co.	Utility	75,909	5,836,000	0.71%
Subtotal - ten of District's largest taxpayers			186,816,274	22.67%
All other District's taxpayers			637,335,455	77.33%
Total District			\$ 824,151,729	100.00%

Columbia County

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Portland General Electric	Utility	\$ 4,986,024	\$ 670,063,000	11.08%
Northwest Natural Gas Co.	Utility	3,727,485	309,986,700	5.13%
United States Gypsum	Wallboard Manufacturing Plant	1,296,779	80,744,590	1.34%
Airpark Development	Airpark	1,248,123	30,641,655	0.51%
Weyerhaeuser Timber Holding	Timber	1,041,058	81,484,652	1.35%
Dyno Nobel Inc.	Manufacturing Plant	879,094	64,318,465	1.06%
Cascades Tissue Group Oregon	Paper Products	853,395	57,508,980	0.95%
Columbia River PUD	Utility	673,637	49,737,500	0.82%
Northwest Aggregates Inc	Mining	456,209	34,807,490	0.58%
Clatskanie PUD	Utility	448,449	33,955,000	0.56%
St Helens Place Apartments LL	Real Estate	399,969	24,915,680	0.41%
Subtotal - ten of County's largest taxpayers			1,438,163,712	23.78%
All other County's taxpayers			4,609,524,032	76.22%
Total County			\$ 6,047,687,744	100.00%

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS



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February 23, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Rainier School District as of and for the year ended June 30, 2022, and have issued our report thereon dated February 23, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Rainier School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, 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 Rainier School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. A budget over expenditure as noted on page 18.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Rainier School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rainier School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rainier School District's internal control over financial reporting.

We noted a matter involving the internal control structure and its operations we consider to be a material weakness and a matter we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Questioned Costs.

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



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

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RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

GRANT COMPLIANCE REVIEW

RAINIER SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Grant Period	Expenditures	Pass through to Sub-Recipients
U.S. Department of Education						
Title I -Grants to Local Educational Agencies	ODE	84.010	60421	2021-22	\$ 1,111	\$ -
Title I -Grants to Local Educational Agencies	ODE	84.010	65144	2021-22	43,869	-
Title I -Grants to Local Educational Agencies	ODE	84.010	58349	2021-22	10,497	-
Title I -Grants to Local Educational Agencies	ODE	84.010	67058	2021-22	225,577	-
Total Title I Grants to Local Educational Agencies					<u>281,054</u>	<u>-</u>
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	67492	2021-22	33,544	-
Total Title IIA Improving Teacher Quality					<u>33,544</u>	<u>-</u>
Title IV-A Student Support and Academic Enrichment	ODE	84.424	58652	2021-22	17,618	-
Total Title IV-A Student Support and Academic Enrichment					<u>17,618</u>	<u>-</u>
Special Education Cluster						
Special Education Grants to States	ODE	84.027	68712	2021-22	196,181	-
Special Education Grants to States	ODE	84.173	60566	2021-22	27,340	-
Total of Special Education Grant to States					<u>223,521</u>	<u>-</u>
Title VIIA Indian Education	USDOE	84.060	S060A202540	2021-22	5,236	-
Total Title VIIA Indian Education Grants to Local Education Agencies					<u>5,236</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	CCC	84.048	36401/36427	2021-22	15,817	-
Total Career and Technical Education - Basic Grants to States					<u>15,817</u>	<u>-</u>
Education Stabilization Fund-State Educational Agency (ESD-SEA) COVID-19	ODE	84.425A	57897	2021-22	35,402	-
Education Stabilization Fund-State Educational Agency (ESD-SEA) COVID-19	ODE	84.425A	64668	2021-22	63,536	-
Education Stabilization Fund-State Educational Agency (ESD-SEA) COVID-19	ODE	84.425A	64972	2021-22	587,431	-
Total LEA ESSER Fund - Formula COVID-19					<u>686,369</u>	<u>-</u>
Total U.S. Department of Education					<u>1,263,159</u>	<u>-</u>
U.S. Department of Health and Human Services						
Vocational Rehabilitation Grants to States	ODHS	84.126A	160742	2021-22	44,098	-
Total Vocational Rehabilitation Grants to States					<u>44,098</u>	<u>-</u>
Total, U.S. Department of Health and Human Services					<u>44,098</u>	<u>-</u>
U.S. Department of Agriculture						
Child Nutrition Cluster						
School Breakfast Program	ODE	10.553	N/A	2021-22	132,473	-
Total Breakfast Program					<u>132,473</u>	<u>-</u>
National School Lunch Program	ODE	10.555	N/A	2021-22	332,572	-
National School Lunch Program Supply Chain Assistance	ODE	10.555	N/A	2021-22	20,335	-
National School Lunch Program Commodities (non cash)	ODE	10.555	N/A	2021-22	42,644	-
Total National School Lunch Program CFDA 10.555					<u>395,551</u>	<u>-</u>
Summer Food Service Program Commodities (non cash)	ODE	10.559	N/A	2020-21	957	-
Summer Food Service Program	ODE	10.559	N/A	2021-22	43,986	-
Total Summer Food Service Program CFDA 10.559					<u>44,943</u>	<u>-</u>
Total Child Nutrition Cluster					<u>572,967</u>	<u>-</u>
Child and Adult Care Food Program	ODE	10.558	N/A	2021-22	5,567	-
Child and Adult Care Food Program COVID 19	ODE	10.558	N/A	2021-22	11,966	-
Total Child and Adult Care Food Program					<u>17,533</u>	<u>-</u>
CNP SNAP State and Local P-EBT COVID-19	ODE	10.649	N/A	2021-22	614	-
Total CNP SNAP State and Local P-EBT COVID-19					<u>614</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>591,114</u>	<u>-</u>
Total Federal Financial Assistance					<u>\$ 1,898,371</u>	<u>\$ -</u>

This schedule does not agree to the statement of revenues, expenditures, and changes in fund balances by \$78,505 because the interest subsidy related to the 2012 Qualified Zone Academy Bond is not considered expenditures of federal awards but is a federal source receipt.



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February 23, 2023

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rainier School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated February 23, 2023.

Report on Internal Control over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted a matter we consider to be a significant deficiency as noted as FS-2022-01 in the Schedule of Findings and Questioned Costs.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We noted a matter we consider to be a material weakness as noted as FS-2022-02 in the Schedule of Findings and Questioned Costs.

Report on Compliance and Other Matters

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

Response to the Finding

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

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



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.



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February 23, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rainier School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rainier School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Rainier School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.425	Elementary and Secondary Education Stabilization Fund

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

Auditee qualified as low-risk auditee? yes no

RAINIER SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

FS-2022-01 – SIGNIFICANT DEFICIENCY

CONDITION: Cash was not accurately reconciled at year end. When testing bank balances at 6/30, we noted the G/L did not match the reconciliation for the ASB, LGIP, and the QZAB Bond accounts. We recommend that cash accounts be reconciled in the G/L against the monthly reconciliations to ensure they balance.

CRITERIA: Cash should be accurately reconciled to the general ledger.

EFFECT: Without proper controls over accounting for cash, the possibility exists of a material misstatement to the financial statements.

CAUSE: The finance department had turnover of key staff during the year.

RECOMMENDATION: We recommend cash is reconciled accurately in accordance with Generally Accepted Accounting Principles.

VIEWS OF RESPONSIBLE OFFICIALS: The District will ensure the bank statements for the ASB, LGIP, and QZAB bond account are reconciled in a timely manner.

FS-2022-02 – MATERIAL WEAKNESS

CONDITION: Accounts Payable was not recorded at year end.

CRITERIA: Generally Accepted Accounting Principles require that liabilities are accrued at year end.

EFFECT: Without proper controls over accounting for liabilities, the possibility exists of a material misstatement to the financial statements.

CAUSE: The finance department had turnover of key staff during the year.

RECOMMENDATION: We recommend all liabilities are accrued in accordance with Generally Accepted Accounting Principles.

VIEWS OF RESPONSIBLE OFFICIALS: The District has put a plan in place to record liabilities when they come in for the prior year so they can be booked back.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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