



CLATSKANIE DISTRICT NO. 6J
CLATSKANIE, OREGON

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

CLATSKANIE SCHOOL DISTRICT NO. 6J

660 SW Bryant St
Clatskanie, OR 97106
503.728.0587

DISTRICT OFFICIALS

Megan Evenson PO Box 678, Clatskanie, OR 97016	Board Chair
Kara Harris PO Box 678, Clatskanie, OR 97016	Vice Chair
Kathy Engel PO Box 678, Clatskanie, OR 97016	Director
Ian Wiggins PO Box 678, Clatskanie, OR 97016	Director
Katherine Willis PO Box 678, Clatskanie, OR 97016	Director

ADMINISTRATION

Cathy Hurowitz PO Box 678, Clatskanie, OR 97016	Superintendent
Maeve Mitchell PO Box 678, Clatskanie, OR 97016	Business Manager

CLATSKANIE SCHOOL DISTRICT NO. 6J
AUDIT REPORT

JUNE 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	i-iii
MANAGEMENT'S DISCUSSION AND ANALYSIS	1-9
BASIC FINANCIAL STATEMENTS:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position	11
Statement of Activities	12
<u>Fund Financial Statements:</u>	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	17
<u>Fund Financial Statements - Fiduciary Funds:</u>	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
<u>Notes To The Basic Financial Statements</u>	21-53
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund #100	55
Special Revenue Fund #200	56
Schedule of Proportionate Share of the Net Pension Liability	57
Schedule of Employer Contributions	58
Schedule of Proportionate Share of the Net OPEB (RHIA) Liability	59
Schedule of Employer Contributions	60
Schedule of Related Ratios	61
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Debt Service Fund #300 (A Major Fund)	63
Capital Projects Fund #400 (A Major Fund)	64
Trust and Agency #700	65

CLATSKANIE SCHOOL DISTRICT NO. 6J
AUDIT REPORT

JUNE 30, 2023

TABLE OF CONTENTS (Cont.)

PAGE

OTHER INFORMATION

Additional Supporting Schedules:

Schedule of Long-Term Debt Transactions & Future Requirements	67-72
Form 581-3211-C	73
Revenue Summary – All Governmental Funds	74
Expenditure Summary – General Fund #100	75
Expenditure Summary – Special Revenue Funds #200	76
Expenditure Summary – Debt Service Funds #300	77
Expenditure Summary – Capital Projects Funds #400	78

REPORT ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Independent Auditor's Report Required by Oregon State Regulations	80
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clatskanie School District No. 6J,
660 NW Bryant, Clatskanie, Oregon 97016

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clatskanie School District No. 6J of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Clatskanie School District No. 6J basic financial statements, as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Governmental Fund – General Fund	Unmodified
Governmental Fund – Special Revenue Fund	Qualified
Governmental Fund – Debt Service Fund	Unmodified
Governmental Fund – Capital Projects Fund	Unmodified

Qualified Opinion on the Governmental Activities and Special Revenue Fund.

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities and Special Revenue Fund of the District as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on General Fund, Debt Service Fund, and the Capital Projects Fund.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Debt Service Fund, and the Capital Projects Fund of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions.

Matter Giving Rise to Qualified Opinion on the Governmental Activities and the Special Revenue Fund

As of June 30, 2023, there is a variance of approximately \$100,000 between supporting documentation and the related general ledger amounts for grants receivables and the related revenues, expenditures.

Change in Accounting Principle

As discussed in Notes to the Basic Financial Statements, in the fiscal year ended June 30, 2023 the District adopted new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clatskanie School District No. 6J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clatskanie School District No. 6J'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 Clatskanie School District No. 6J'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 on pages 1-9, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 55-56, and the pension and OPEB schedules on pages 57-61 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 management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described on pages

55-56 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clatskanie School District No. 6J's basic financial statements. The supplementary information on pages 63-65 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Clatskanie School District No. 6J.

The supplementary information on pages 63-65 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

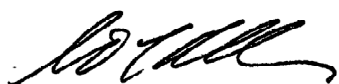
Other Information

Management is responsible for the other information included in the annual report. The other information comprises additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basis 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 our report.

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 27, 2023, on our consideration of the Clatskanie School District No. 6J's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Steve Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 27, 2023

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The discussion and analysis of Clatskanie School District No. 6J's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2023. This discussion and analysis intend to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023, are as follows:

- Total liabilities increased by \$1,760,336 during the year primarily due to future Bond payments. Deferred outflows of resources decreased by \$637,334. Deferred inflows of resources decreased by \$2,719,407.
- The District's net position increased by \$2,837,857, representing a 105.92% increase from the previous year.
- The general revenues accounted for \$9,670,497 in revenue or 57% of all revenues. Program-specific revenues in the form of charges for services, and grants and donations accounted for \$7,289,982 or 43 % of total revenues of \$16,960,479.
- Total assets of governmental activities increased by \$2,516,121, primarily due to an increase in building and building Improvement in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the District's net position, changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of an individual budget versus actual statements and combining statements in a later section of this report.

Governmental funds, focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Special Revenue Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's net position at fiscal year-end was \$2,679,130. This is a \$2,837,857 increase from last year's net position, representing a 105.92% increase.

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

Summary of Net Position

	Governmental Activities		Percentage Change
	June 30, 2023	June 30, 2022	
Assets			
Current and Other Assets	\$ 9,418,970	\$ 15,352,105	-38.6%
Capital Assets	14,517,730	6,068,474	139.2%
Total Assets	23,936,700	21,420,579	11.7%
Deferred Outflow of Resources	3,968,444	4,605,778	-13.8%
Liabilities			
Long-Term Liabilities	17,941,973	16,359,805	9.7%
Other Liabilities	4,348,904	4,170,736	4.3%
Total Liabilities	22,290,877	20,530,541	8.6%
Deferred Inflow of Resources	2,935,137	5,654,544	-48.1%
Net Position			
Net Investment in Capital Assets	12,511,617	3,929,848	218.4%
Unrestricted	(9,832,487)	(4,088,575)	-140.5%
Total Net Position	\$ 2,679,130	\$ (158,727)	1787.9%

CLATSKANIE SCHOOL DISTRICT NO. 6J**Management's Discussion and Analysis (MD&A)****For the Fiscal Year Ended June 30, 2023****Unaudited**

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position			
	Governmental Activities		
	2022-23	2021-22	Percentage Change
Revenues			
Program Revenues			
Charges for Services	\$ 251,363	\$ 50,515	397.6%
Operating Grants and Contributions	7,038,619	2,227,769	215.9%
General Revenues			
Property Taxes	5,808,951	4,249,345	36.7%
State Basic School Support	3,372,397	5,071,939	-33.5%
Other	489,149	438,762	11.5%
Total Revenues	16,960,479	12,038,330	40.9%
Program Expenses			
Instruction	7,905,374	7,098,632	11.4%
Support Services	5,525,913	4,546,255	21.5%
Community Services	451,171	393,080	14.8%
Interest on Long-Term Debt	229,392	24,298	844.1%
Total Program Expenses	14,111,850	12,062,265	17.0%
Special Item: Gain (Loss) on disposition of assets	(10,769)	-	
Change in Net Position	\$ 2,837,860	\$ (23,935)	

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

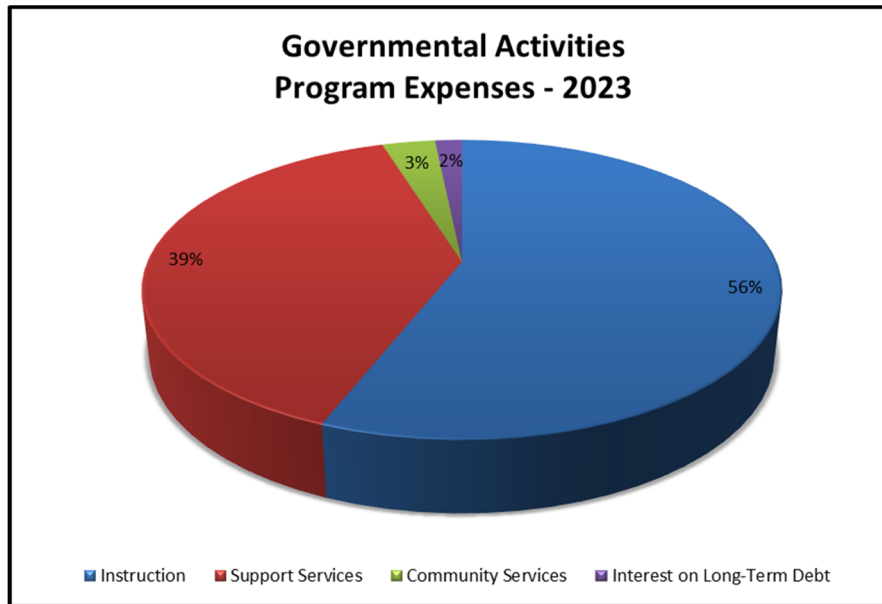
Governmental Activities				
	2022-23		2021-22	
	Total Cost of	Net Cost	Total Cost of	Net Cost
	Services	(Profit) of	Services	(Profit) of
		Services		Services
Instruction	\$ 7,905,374	\$ 5,390,252	\$ 7,098,632	\$ (6,018,211)
Support Services	5,525,913	1,223,316	4,546,255	(3,392,895)
Community Services	451,171	(21,092)	393,080	(348,577)
Interest on Long-Term Debt	229,392	229,392	24,298	(24,298)
Total Program Expenses	<u>\$ 14,111,850</u>	<u>\$ 6,821,868</u>	<u>\$ 12,062,265</u>	<u>\$ (9,783,981)</u>

The dependence on general revenues for general government activities is apparent. For the current year, 57% of general government activities are supported through general revenues.

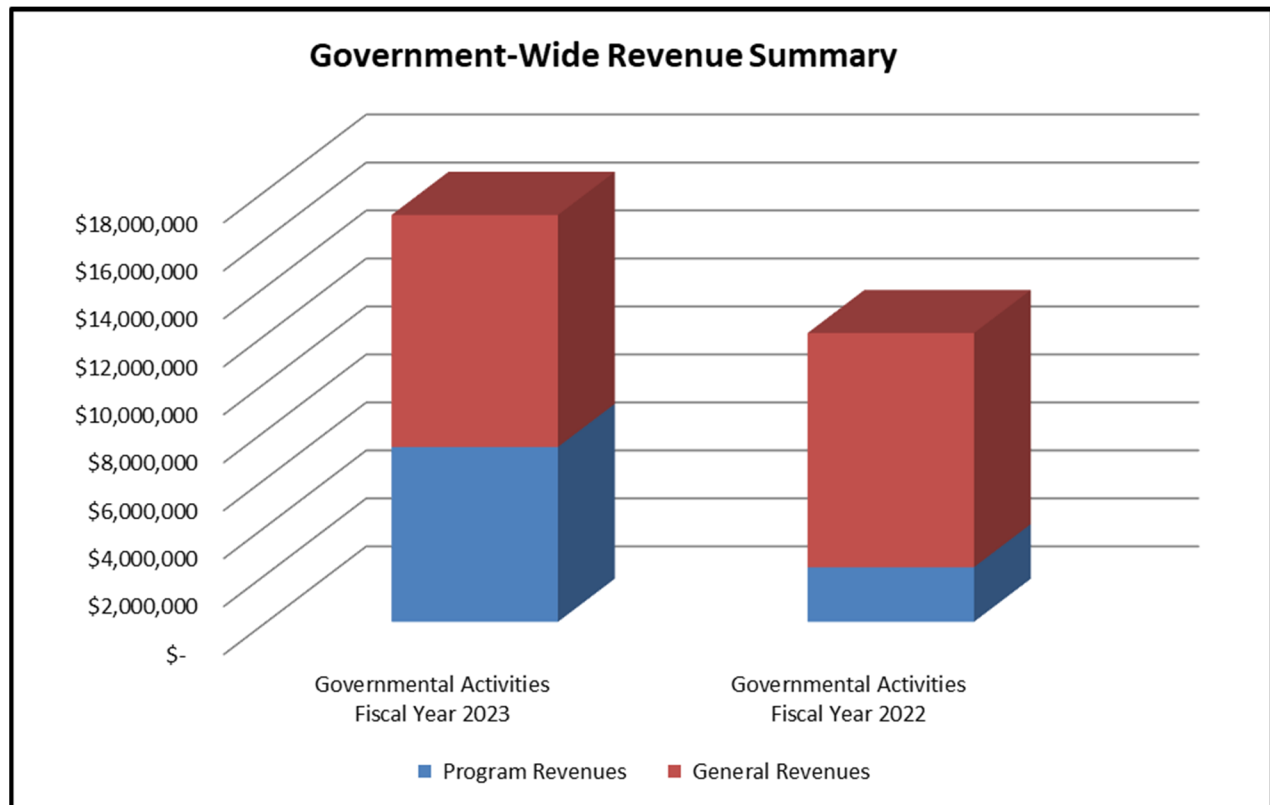
CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

This graph represents the cost of the District's Program expenses by governmental activities.



The following chart analyzes the revenue between governmental activities from the prior year to the current year.



CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$7,121,509. The fund balance consists of committed, assigned, and unassigned amounts. Of the current fund balances, \$1,029,741 is committed and \$6,091,768 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$1,466,475, totaling an ending balance of 686,898.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

BUDGETARY HIGHLIGHTS

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

General Fund revenues were budgeted and anticipated to be collected in the amount of \$9,651,866 during the fiscal year. Actual revenues of \$8,963,650 were less than budgeted revenues by \$688,216. The General Fund expenditures budget was underspent by \$22,713. The actual ending fund balance was more than the budgeted ending fund balance by \$686,898.

The Special Revenue Fund revenues were \$ 460,915 less than budgeted. The expenditure was \$1,013,200 less than budgeted. The ending fund balance was \$1,029,741.

The Debt Service Fund #300 ending fund balance increased by \$5,816. Actual revenues were more than budgeted revenues by \$752, and actual expenditures were \$2,001 under budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District had invested \$29,385,866 in capital assets, including school buildings, facilities, land, vehicles, and other equipment and furnishings. This amount represents a net increase before depreciation of \$9,125,379 from last year due to additions of \$9,179,088 and deletions of \$53,709. The total depreciation expense for the year was \$719,063.

Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to this report's basic financial statements section.

Long-Term Debt

As of June 30, 2023, the District had \$9,757,662 in long-term debt outstanding. The District paid \$904,230 toward their outstanding debt with \$493,161 allocated to the principal balance and \$411,069 in interest.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to this report's basic financial statements section.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The district prepares a budget every year, in accordance with Oregon's Local Budget Law. This budget aligns the financial, material, and human resources available with the school board's goals and strategies. The Local Budget Law establishes standard procedures for preparing, presenting, and administering the budgets of Oregon's local governments. It encourages citizen involvement in the budget preparation process before its final adoption. The law also provides a way to estimate revenues, expenditures, and approved taxes, and to control revenues and expenditures efficiently and economically when using public funds.

The District has a remaining balance in its ESSER II fund that it will spend by September 30th, 2023. This year is the last year they will have to spend their ESSER III allocation. In the future, the loss of federal ESSER funding will cause further strain on the already limited district resources, and the severe cost increases in products and supplies will continue. The District is expecting to spend more in this area. Moreover, this year, the District is also anticipating an extensive curriculum adoption for Mathematics. The District will continue to work on its school facilities with the proceeds of the bond sale.

Clatskanie School District's adopted budget for the fiscal year ending June 30, 2024, is \$24,434,249. This represents a decrease of \$4,781,598 from the prior year's budget. The most significant change is the decrease in revenue from state sources, with the 2023-24 budget at \$8,849,488 versus \$11,712,379 in the prior year. The budget projects General Fund Revenues of \$11,824,539, an increase of \$1,129,991 compared to the prior year.

The District will levy its maximum permanent property tax rate of \$4.6062 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Clatskanie School District No. 6J at 660 NW Bryant, Clatskanie, OR 97016.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

CLATSKANIE SCHOOL DISTRICT NO. 6J**STATEMENT OF NET POSITION**

June 30, 2023

		Governmental Activities
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 8,394,155	
Property Taxes Receivable	252,457	
Due From Other Governments	623,064	
Prepaid Expenses	69,908	
Total Current Assets		\$ 9,339,584
Restricted Assets:		
Net OPEB Asset (RHIA)	67,955	
Total Restricted Assets		67,955
Capital Assets:		
Land	476,270	
Construction in Progress	1,739,335	
Building and Building Improvement	24,016,419	
Machinery and Equipment	3,153,842	
Less: Accumulated Depreciation	(14,868,136)	
Total Capital Assets, Net of Depreciation		14,517,730
Subscription Assets:		
Subscription Based Information Technology Agreements - Net	11,431	
Total Subscription Assets		11,431
Total Assets		<u>23,936,700</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Related Deferrals	3,936,971	
OPEB Related Deferrals - RHIA	10,169	
OPEB Related Deferrals - OEBB	21,304	
Total Deferred Outflow of Resources		<u>3,968,444</u>
<u>LIABILITIES:</u>		
Accounts Payable	\$ 1,094,377	
Accrued Interest Payable	19,441	
Payroll Liabilities	820,621	
Accrued Vacation Benefits	65,065	
Early Retirement Benefits	40,800	
Leases Payable		
Due within one year	88,325	
Due in more than one year	111,872	
Bonds Payable		
Due within one year	340,000	
Due in more than one year	8,995,000	
Unamortize Bond Premiums	1,814,545	
Notes Payable		
Due within one year	52,562	
Due in more than one year	169,904	
Subscription Liabilities:		
Due within one year	11,583	
Due in more than one year	1,585	
Net OPEB Obligation - RHIA	-	
Net OPEB Obligation - OEBB	453,128	
Net Pension Liability	8,212,069	
Total Liabilities		<u>22,290,877</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Related Deferrals	2,742,271	
OPEB Related Deferrals - RHIA	9,289	
OPEB Related Deferrals - OEBB	183,577	
Total Deferred Inflow of Resources		<u>2,935,137</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	12,511,617	
Unrestricted	(9,832,487)	
Total Net Position		<u>\$ 2,679,130</u>

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

CLATSKANIE SCHOOL DISTRICT NO. 6J

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>				
Instruction	\$ 7,905,374	\$ 189,613	\$ 2,325,509	\$ (5,390,252)
Support Services	5,525,913	-	4,302,597	(1,223,316)
Enterprise and Community Services	451,171	61,750	410,513	21,092
Interest on Long-Term Debt	229,392	-	-	(229,392)
Total Governmental Activities	<u>\$ 14,111,850</u>	<u>\$ 251,363</u>	<u>\$ 7,038,619</u>	<u>\$ (6,821,868)</u>
<u>GENERAL REVENUES:</u>				
Local Sources:				
Property Taxes, Levied for General Purposes				\$ 5,078,611
Property Taxes, Levied for Debt Service				730,340
Earnings on Investments				236,435
Unrestricted State and Local Revenue				111,474
Intermediate Sources				57,181
State School Fund for Education and Support Se				3,372,397
State Common School Fund				84,059
Subtotal - General Revenues				9,670,497
Special Items:				
Gain on Disposition of Assets				(10,769)
Change in Net Position				2,837,860
Net Position, July 1, 2022				(158,730)
Net Position, June 30, 2023				<u>\$ 2,679,130</u>

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

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

CLATSKANIE SCHOOL DISTRICT NO. 6J

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern- mental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 2,280,636	\$ 716,075	\$ 2,482	\$ 5,394,962	\$ 8,394,155
Property Taxes Receivable	218,597	-	33,860	-	252,457
Due From Other Governments	162,148	460,916	-	-	623,064
Prepaid Expenses	69,908	-	-	-	69,908
Total Assets	\$ 2,731,289	\$1,176,991	\$ 36,342	\$ 5,394,962	\$ 9,339,584
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ 1,125,031	\$ (30,654)	\$ -	\$ -	\$ 1,094,377
Payroll Liabilities	762,332	58,289	-	-	820,621
Total Liabilities	1,887,363	27,635	-	-	1,914,998
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	157,028	119,615	26,434	-	303,077
Total Deferred Inflows of Resources	157,028	119,615	26,434	-	303,077
FUND BALANCES:					
Committed for:					
Special Programs	-	1,029,741	-	-	1,029,741
Unassigned	686,898	-	9,908	5,394,962	6,091,768
Total Fund Balances	686,898	1,029,741	9,908	5,394,962	7,121,509
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,731,289	\$1,176,991	\$ 36,342	\$ 5,394,962	\$ 9,339,584

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

CLATSKANIE SCHOOL DISTRICT NO. 6J
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2023

Total Fund Balances - Governmental Funds	\$ 7,121,509
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Cost of assets	\$ 29,385,866	
Accumulated depreciation	<u>(14,868,136)</u>	
Net Value of Capital Assets		14,517,730

Subscription Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Cost of assets	<u>11,431</u>	
Net Value of Subscription Assets		11,431

Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds. 303,077

Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.

Deferred Pension/OPEB Contributions	3,968,444	
Deferred Earnings on Pension/OPEB Assets	<u>(2,935,137)</u>	
Net Value of Deferrals		1,033,307

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

These liabilities consist of :

Accrued Interest Payable	19,441	
SBITA Payable	13,168	
Leases Payable	200,197	
Bonds Payable	9,335,000	
Unamortized Bond Premium	1,814,545	
Notes Payable	222,466	
Net Pension Liability	8,212,069	
Net OPEB Obligations	385,173	
Accrued Vacation Benefits	65,065	
Early Retirement Benefits Payable	<u>40,800</u>	
Total		<u>(20,307,924)</u>

Net Position of Governmental Activities	<u>\$ 2,679,130</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern- mental Funds
<u>REVENUES:</u>					
Taxes	\$ 5,106,354	\$ -	\$ 694,766	\$ -	\$ 5,801,120
Tuition Charges	1,504	-	-	-	1,504
Earnings on Investments	138,449	-	-	97,925	236,374
Fees and Charges	28,992	158,340	-	-	187,332
Miscellaneous Revenue	169,775	473,239	-	-	643,014
Intermediate Government Aid	56,150	6,836	1,786	-	64,772
State Aid	3,462,426	1,229,564	-	4,000,000	8,691,990
Federal Aid	-	1,326,542	-	-	1,326,542
Total Revenues	8,963,650	3,194,521	696,552	4,097,925	16,952,648
<u>EXPENDITURES:</u>					
Current:					
Instruction	5,950,532	2,038,022	-	-	7,988,554
Support Services	4,543,669	334,493	-	10,086	4,888,248
Enterprise and Community Services	-	453,783	-	-	453,783
Capital Outlay:					
Facilities Acquisition and Construction	-	53,043	-	9,227,576	9,280,619
Debt Service	-	-	755,736	-	755,736
Total Expenditures	10,494,201	2,879,341	755,736	9,237,662	23,366,940
Excess (Deficiency) of Revenues Over Expenditures	(1,530,551)	315,180	(59,184)	(5,139,737)	(6,414,292)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	241,710	112,634	65,000	-	419,344
Interfund Transfers Out	(177,634)	(241,710)	-	-	(419,344)
Total Other Financing Sources (Uses)	64,076	(129,076)	65,000	-	-
Net Change in Fund Balance	(1,466,475)	186,104	5,816	(5,139,737)	(6,414,292)
Beginning Fund Balance	2,153,373	843,637	4,092	10,534,699	13,535,801
Ending Fund Balance	\$ 686,898	\$ 1,029,741	\$ 9,908	\$ 5,394,962	\$ 7,121,509

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

CLATSKANIE SCHOOL DISTRICT NO. 6J

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

Net Changes in Fund Balances - Total Governmental Funds	\$ (6,414,292)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Expenditures for capitalized assets	\$ 9,179,088	
Less current year depreciation	<u>(719,063)</u>	
		8,460,025

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

Net change in subscription assets and subscription liabilities	(1,737)
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Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.

Deferred revenues increased by this amount this year.	7,831
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Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.	(10,769)
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Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.

Amount of current year amortization - Bond Premiums	198,506
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Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Retirement of principal is as follows:

Leases	132,513	
Bonds	310,000	
Notes	<u>50,648</u>	
		493,161

Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.

This is the net change in pension related items.	125,994
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

The activities consist of:

Net increase/(decrease) in accrued interest expense	(16,829)	
Increase/(decrease) in accrued OPEB	(21,652)	
Increase/(decrease) in accrued vacation and early retirement benefits	<u>17,622</u>	
		(20,859)

Change in Net Position of Governmental Activities	<u><u>\$2,837,860</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements – Fiduciary Funds

CLATSKANIE SCHOOL DISTRICT NO. 6J

STATEMENT OF FIDUCIARY NET POSITION

at June 30, 2023

	Custodial Funds
<u>ASSETS:</u>	
Cash and Cash Equivalents	<u>\$ (96)</u>
Total Assets	<u><u>\$ (96)</u></u>
<u>NET POSITION:</u>	
Reserved for Scholarships and Grants	<u>\$ (96)</u>
Total Net Position	<u><u>\$ (96)</u></u>

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

CLATSKANIE SCHOOL DISTRICT NO. 6J

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended June 30, 2023

	Custodial Funds
<u>ADDITIONS:</u>	
Interest Earned	\$ 61
<u>DEDUCTIONS:</u>	
Purchased Services	<u>(53,486)</u>
Change in Net Position	(53,425)
Net Position, July 1, 2022	<u>53,329</u>
Net Position, June 30, 2023	<u>\$ (96)</u>

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

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

Clatskanie School District No. 6J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 to operate elementary and secondary schools. The District is governed by a separately elected Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of Clatskanie School District No. 6J have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, Clatskanie School District No. 6J complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District can impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, Clatskanie School District No. 6J has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants, and other intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain school district functions or activities in separate funds to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund and accounts for all revenues and expenditures, except those required to be accounted for in another fund. Expenditure categories include salaries, associated payroll costs, purchased services, supplies and materials, capital outlay, and other general expenses.

Special Revenue Fund – The Special Revenue Funds account for the uses of specific revenue sources that are legally restricted to specified purposes. Some examples of special revenue funds include restricted state or federal grants-in-aid and food service sales.

Debt Service Fund – Oregon Budget Law requires the establishment of a Debt Service Fund when a bond levy is passed. These funds account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

Capital Projects Fund – The Capital Maintenance Funds account for activities related to the acquisition, construction, repair, and equipping of facilities.

Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. Government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Notes to the Basic Financial Statements (Cont.)

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.):

The revenues susceptible to accrual are property taxes, charges for services, interest income, and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings, and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. LGIP is included in the Oregon Short-Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Notes to the Basic Financial Statements (Cont.)

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Receivables (Cont.)

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

Prepaid Expenses

The District has elected to report the amount paid to the Oregon Public Employee Retirement System (PERS) to reduce the calculated unfunded pension liability obligation as a prepaid expense, as reported on the government-wide Statement of Net Position. The prepaid asset is to be amortized in amounts and over the estimated length of time the unfunded portion of the pension obligation is expected to be paid out to its current and former employees.

Inventory

Food & supplies inventories in the Food Service Fund are valued at cost determined by the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Notes to the Basic Financial Statements (Cont.)

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Compensated Absences and Accrued Liabilities

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation.

All payables and accrued liabilities are reported on government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid on time and in full by current financial resources are reported as obligations of the funds.

Advances from Grantors

Amounts received for reimbursement-type grants in excess of District expenditures related to that grant are reported in the liability section of the government-wide statements as advances from grantors and are consequently not reported as revenues.

Long-Term Obligations

All bonds payable and capital leases payable are recognized in the government-wide financial statements as a liability of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on bonded debt and capital lease payments are recorded as a debt service in the expenditure section of the statement and schedules.

Deferred Inflows/Outflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds' balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position funds that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position funds are available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has restricted funds for various projects that are to be used for educational purposes.
- Committed: This classification includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through resolution of the highest level of decision-making authority, the Board of Directors, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

Real and personal property taxes are attached as an enforceable lien on the property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property tax receivables are due from property owners within the District.

Inter-Fund Transactions

In the fund financial statements, quasi-external transactions are accounted for as revenues or expenditures, while reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Use of Estimates

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

Pensions

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

CASH AND INVESTMENTS:

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

CASH AND INVESTMENTS (Cont.):

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2023, the reported amount of the District's deposits, including \$(96) held in trust as reported in the fiduciary statement of net position, was \$70,262,97, and the bank balance was \$709,126.16. Of the bank balance, the entire amount was covered by federal depository insurance or covered by the collateral held in a multiple financial institution's collateral pool administered by the Oregon State Treasurer. Petty cash held by the district was \$1060.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2023, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2023, the District's deposits in financial institutions were as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government		
Investment Pool (LGIP)	\$ 8,320,244	N/A
Total Investments	<u>\$ 8,321,304</u>	

Investments in the LGIP and federal agency notes do not require disclosure of credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100 percent of the District's total investment.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

Depreciable Assets Schedule				
For the Year 2023				
Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	\$ 476,270	\$ -	\$ -	\$ 476,270
Construction in Progress	1,739,335	-	-	1,739,335
Total assets not being depreciated	2,215,605	-	-	2,215,605
Assets being depreciated:				
Building and Building Improvement	14,939,970	9,123,864	47,415	24,016,419
Machinery and Equipment	3,104,912	55,224	6,294	3,153,842
Total Depreciable Assets	18,044,882	9,179,088	53,709	27,170,261
Less: Accumulated Depreciation				
Building and Building Improvement	11,819,207	537,513	36,646	12,320,074
Machinery and Equipment	2,372,806	181,550	6,294	2,548,062
Total Accumulated Depreciation	14,192,013	719,063	42,940	14,868,136
Net Value of Capital Assets Being Depreciated	3,852,869	8,460,025	10,769	12,302,125
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$ 6,068,474</u>	<u>\$ 8,460,025</u>	<u>\$ 10,769</u>	<u>\$ 14,517,730</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 6,589
Support Services	<u>712,474</u>
Total Depreciation Expense	<u>\$ 719,063</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

LONG-TERM DEBT:

General Obligation Bonds, Series 2021 - On June 15, 2017, the District entered into an Installment Purchase Agreement with U.S Bancorp in the amount of \$500,000 with an interest rate of 3.715%. As of June 30, 2018, \$500,000 in qualifying expenditures had been incurred and drawn down. The District agreed to repay the installment agreement in accordance with the terms of a payment schedule that begins on July 15, 2017, and concludes on June 15, 2027, for the full amount of the agreement (\$500,000).

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

Santander Bus Leases 25-26 - In 2019 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2020 Blue Bird Vision BBCV3310 71 Passenger School Busses. Annual payments of principal and interest will be made until the final payment on March 15, 2023. It is important to note, however, that the lease has been fully paid as of June 30, 2023.

Santander Bus Leases 27 - In 2020 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2021 Blue Bird T3FE School Bus. Annual payments of principal and interest are to be made until the final payment on March 15, 2024.

Santander Bus Leases 28 - In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2020 Micro Bird G5 School Bus. Annual payments of principal and interest are to be made until the final payment on February 10, 2025.

Santander Bus Leases 29-30 - In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2023 Blue Bird AARE T3RE 72 Passenger buses. After an initial payment of \$82,768 annual payments of principal and interest are to be made until the final payment on July 15, 2025.

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

	Outstanding Balance July 1, 2022	Principal Paid	Interest Paid	Outstanding Balance June 30, 2023	Due Within One Year
Leases Payable:					
Santander Bus Leases 25-26	\$ 46,293	\$ 46,293	\$ 1,719	\$ 0	\$ -
Santander Bus Leases 27	47,506	23,418	1,368	24,088	24,088
Santander Bus Leases 28	45,788	14,447	1,066	31,341	14,794
Santander Bus Leases 29-30	193,122	48,356	3,265	144,766	49,443
Total Leases Payable	\$ 332,710	\$ 132,513	\$ 7,418	\$ 200,196	\$ 88,325
Bonds Payable:					
General Obligations Bonds, Series 2021	\$ 9,645,000	\$310,000	\$ 385,800	\$ 9,335,000	\$ 340,000
Total Bonds Payable	9,645,000	310,000	385,800	9,335,000	340,000
Notes Payable:					
Installment Purchase Agreement	\$ 273,114	\$ 50,648	\$ 17,851	\$ 222,466	\$ 52,562
Total Notes Payable	\$ 273,114	\$ 50,648	\$ 17,851	\$ 222,466	\$ 52,562
Total Long-Term Debt	\$ 10,250,824	\$ 493,161	\$ 411,069	\$ 9,757,662	\$ 480,887

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

LONG-TERM DEBT (Cont.):

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

Leases Payable:	Due Fiscal Year Ending June 30,	Principal	Interest	Total
	2024	\$ 88,325	\$ 3,617	\$ 91,941
	2025	66,700	1,481	68,181
	Total	<u>\$ 155,025</u>	<u>\$ 5,098</u>	<u>\$ 160,122</u>

Bonds Payable:	Due Fiscal Year Ending June 30,	Principal	Interest	Total
	2024	\$ 340,000	\$ 373,400	\$ 713,400
	2025	350,000	359,800	709,800
	2026	385,000	345,800	730,800
	2027	425,000	330,400	755,400
	2028	465,000	313,400	778,400
	2029 - 2033	2,995,000	1,253,800	4,248,800
	2034 - 2038	4,375,000	550,000	4,925,000
	Total	<u>\$ 9,335,000</u>	<u>\$ 3,526,600</u>	<u>\$ 12,861,600</u>

Notes from Direct Borrowings:	Due Fiscal Year Ending June 30,	Principal	Interest	Total
	2024	\$ 52,562	\$ 7,375	\$ 59,937
	2025	54,548	9,905	64,453
	2026	56,609	3,328	59,937
	2027	58,748	1,189	59,937
	Total	<u>\$ 222,467</u>	<u>\$ 21,797</u>	<u>\$ 244,264</u>

The District has no unused lines of credit.

The District has no assets that are specifically pledged as collateral for any of the debt.

For further details on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Information section of this report.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

Subscriptions Payable (Subscription-Based Information Technology Agreements)

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/01/2022, Clatskanie School District 6J, OR entered into a 24-month subscription for the use of Canvas. An initial subscription liability was recorded in the amount of \$3,260.85. As of 06/30/2023, the value of the subscription liability is \$1,646.67. Clatskanie School District 6J OR is required to make annual fixed payments of \$1,680.00. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of 06/30/2023 of \$3,260.85 with accumulated amortization of \$1,630.43 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Clatskanie School District 6J, OR entered into a 24-month subscription for the use of AVID Services. An initial subscription liability was recorded in the amount of \$16,904.21. As of 06/30/2023, the value of the subscription liability is \$8,389.95. Clatskanie School District 6J, OR is required to make annual fixed payments of \$8,574.00. The subscription has an interest rate of 2.1937%. The value of the right-to-use asset as of 06/30/2023 of \$16,904.21 with accumulated amortization of \$8,452.10 is included with Software on the Subscription Class activities table found below. Clatskanie School District 6J, OR had a termination period of 1 month as of the subscription commencement.

On 05/21/2023, Clatskanie School District 6J, OR entered into a 36-month subscription for the use of MusicplayOnline. An initial subscription liability was recorded in the amount of \$4,756.91. As of 06/30/2023, the value of the subscription liability is \$3,131.91. Clatskanie School District 6J, OR is required to make annual fixed payments of \$1,625.00. The subscription has an interest rate of 2.5033%. The value of the right to use asset as of 06/30/2023 of \$4,756.91 with accumulated amortization of \$176.18 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 18,458	\$ 7,027
Total Subscriptions	\$ 18,458	\$ 7,027

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		Total Payments
	Principal Payments	Interest Payments	
2024	\$ 9,937	\$ 262	\$ 10,199
2025	\$ 1,585	\$ 40	\$ 1,625
Unallocated Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 1,647	\$ 33	\$ 1,680

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

Subscriptions Payable (Subscription Based Information Technology Agreements) (Continued)

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
AVID Services	\$ 10,441	\$ -	\$ 2,051	\$ 8,390
MusicplayOnline	-	4,757	1,625	3,132
Total Software Subscription Liability	<u>\$ 10,441</u>	<u>\$ 4,757</u>	<u>\$ 3,676</u>	<u>\$ 11,522</u>

UNALLOCATED ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
Canvas	\$ 3,261	\$ -	\$ 1,614	\$ 1,647
Total Software Subscription Liability	<u>\$ 3,261</u>	<u>\$ -</u>	<u>\$ 1,614</u>	<u>\$ 1,647</u>

Total Subscription Liability

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Balance as of June 30, 2023
Subscription Assets			
Software			
AVID Services	\$ 10,441	\$ -	\$ 10,441
MusicplayOnline	-	4,757	4,757
Total Software Subscription Assets	<u>10,441</u>	<u>4,757</u>	<u>15,198</u>
Total Subscription Assets	<u>\$ 10,441</u>	<u>\$ 4,757</u>	<u>\$ 15,198</u>

Subscription Accumulated Amortization			
Software			
AVID Services	\$ -	\$ 5,220	\$ 5,220
MusicplayOnline	-	176	176
Total Software Subscription Accumulated Amortization	<u>-</u>	<u>5,397</u>	<u>5,397</u>
Total Subscription Accumulated Amortization	<u>-</u>	<u>5,397</u>	<u>5,397</u>
Total Governmental Subscription Assets, Net	<u>\$ 10,441</u>	<u>\$ (640)</u>	<u>\$ 9,801</u>

UNALLOCATED ACTIVITIES:	Balance as of July 1, 2022	Additions	Balance as of June 30, 2023
Subscription Assets			
Software			
Canvas	\$ 3,261	\$ -	\$ 3,261
Total Software Subscription Assets	<u>3,261</u>	<u>-</u>	<u>3,261</u>
Total Subscription Assets	<u>\$ 3,261</u>	<u>\$ -</u>	<u>\$ 3,261</u>

Subscription Accumulated Amortization			
Software			
Canvas	\$ -	\$ 1,630	\$ 1,630
Total Software Subscription Accumulated Amortization	<u>-</u>	<u>1,630</u>	<u>1,630</u>
Total Subscription Accumulated Amortization	<u>-</u>	<u>1,630</u>	<u>1,630</u>
Total Unallocated Subscription Assets, Net	<u>\$ 3,261</u>	<u>\$ (1,630)</u>	<u>\$ 1,630</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN:

Clatskanie School District no. 6J offers various retirement plans to qualified employees as described below.

Name of Pension Plan

Clatskanie School District no. 6J participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

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

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added, (\$210,582 as of January 1, 2022). This amount is indexed annually to the Consumer Price Index (CPI).

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, (adjusted to \$3,333/month in House Bill 2906 effective June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder will continue to go 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.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

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

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

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 OPERS judge members) for disability benefits regardless of the length of OPERS-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.

Benefit Changes After Retirement

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

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

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

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

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go 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.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

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.

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.

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

An IAP member becomes vested on the date the employee account is established 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 Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option.

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.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 898 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions to PERS for the year ended June 30, 2023 were \$1,547,807 excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2021 to June 30, 2023 are: Tier1/Tier2 – 26.83%, and OPSRP General Service – 23.72%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2022-2023, approximately \$39,200 in employee IAP contributions were paid or picked up by the District.

Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment 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 subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, School Districts 27.54%, and judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute 6.0% of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 5.0% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
[2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#)

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 OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

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

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 24, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate

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

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

Depletion Date Projection

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

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

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

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

OIC Target and Actual Investment Allocation as of June 30, 2022

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	19.8%
Public Equity	25.0% - 35.0%	30.0%	Public Equity	21.2%
Real Estate	7.5% - 17.5%	12.5%	Real estate	13.6%
Private Equity	15.0% - 27.5%	20.0%	Private Equity	28.0%
Risk Parity	0.0% - 3.5%	2.5%	Risk Parity	2.0%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	7.9%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	4.9%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.6%
Total		100%	Total	100%

¹Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

²Based on the actual investment value at 6/30/2022.

³In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

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

<u>Long Term Expected Rate of Return¹</u>	Target	Annual	20-Year	Annual
Asset Class	Allocation	Arithmetic	Annualized	Standard
		Return²	Geometric Mean	Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash ³	-2.50%	1.77%	1.76%	1.20%
Assumed Inflation - Mean			2.40%	1.65%

¹Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash repurchases levered exposure from allocation to Risk Parity strategy.

Sensitivity Analysis

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

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 14,563,395	\$ 8,212,069	\$ 2,896,303

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2021 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: [2020-Experience-Study.pdf \(oregon.gov\)](https://www.oregon.gov/PSERS/Pages/2020-Experience-Study.pdf).

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31, 2020 actuarial valuation.

Changes in Assumptions

There were no changes in actuarial methods and allocation procedures since the December 31, 2020 actuarial valuation.

Mortality Rates

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

Assumption	Recommended December 31, 2020 and 2021 Valuations	Recommended December 31, 2022 and 2023 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service male	115% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Non-Disabled Annuitant assumption	125% of same table and set back as Non-Disabled Annuitant assumption
School District female	100% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service female	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Non-Disabled Annuitant assumption	No change

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2022, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2022 Oregon PERS ACFR. [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#).

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

At June 30, 2023, the employer reported a liability of \$8,212,069 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

At June 30, 2022, the employer's proportion was 0.05363157%.

For the year ended June 30, 2023, the employer recognized pension expense of \$1,093,306. As of June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 398,630	\$ 51,212
Changes of assumptions	1,288,518	11,772
Net difference between projected and actual earnings on investments	-	1,468,159
Changes in proportionate share	492,073	529,613
Differences between employer contributions and employer's proportionate share of system contributions	209,943	681,515
Total Deferred Outflows/Inflows	\$ 2,389,164	\$ 2,742,271
Post-measurement date contributions	1,547,807	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 3,936,971</u>	<u>\$ 2,742,271</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(353,107)</u>

Contributions of \$1,547,807, for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (24,249)
2nd Fiscal Year	(300,058)
3rd Fiscal Year	(644,309)
4th Fiscal Year	650,498
5th Fiscal Year	(34,989)
Thereafter	-
Total	<u>\$ (353,107)</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2023, 2022, and 2021 were \$552, \$471, and \$553 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

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

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial 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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate

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

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in 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. Table 31 on page 74 shows Milliman's assumptions for each of the asset classes in which the plans were 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 on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	\$ (61,246)	\$ (67,955)	\$ (73,705)

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

At June 30, 2023, the District reported a net OPEB RHIA liability/(asset) of \$(67,955) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022, the District's proportion was 0.01912407 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2023 was \$(3,802).

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

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

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,842
Changes of assumptions	532	2,265
Net difference between projected and actual earnings on investments	-	5,182
Changes in proportionate share	<u>9,085</u>	<u>-</u>
Total Deferred Outflows/Inflows	\$ 9,617	\$ 9,289
Post-measurement date contributions	552	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 10,169</u>	<u>\$ 9,289</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>328</u>

Contributions of \$552 for RHIA OPEB were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

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

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 4,313
2nd Fiscal Year	(2,374)
3rd Fiscal Year	(3,270)
4th Fiscal Year	1,659
Thereafter	<u>-</u>
Total	<u>\$ 328</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

OEBB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2023, the District reported a an estimated net OPEB OEBB liability/(asset) of \$978,867 for its proportionate share of the net OPEB liability/(asset). The OPEB OEBB liability/(asset) was measured as of June 30, 2023, and the total OPEB OEBB liability/(asset) used to calculate the net OPEB OEBB liability/(asset) was determined by an actuarial valuation as of July 1, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB OEBB 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. Based on the measurement date of June 30, 2023, the District’s estimated OPEB OEBB expense/(income) for the year ended June 30, 2023 was \$41,863.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation of the OPEB EOBB program as of July 1, 2021 using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Independent Actuaries, Inc. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

Discount Rate	2.21%	2.16%	3.54%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2019	July 1, 2021	July 1, 2021
Measurement date	June 30, 2020	June 30, 2021	June 30, 2022
Inflation	2.50%	2.40%	2.40%
Salary increases	3.50%	3.40%	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2018 Oregon PERS valuation 50% of eligible employees	December 31, 2020 Oregon PERS valuation 50% of eligible employees	December 31, 2020 Oregon PERS valuation 50% of eligible employees
Election and Lapse Rates	50% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	50% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	50% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

Discount Rate

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Health Retiree, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on most recent Oregon PERS valuation assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

Mortality rates were based on the Pub -2010 Mortality Table – Teachers with Mortality Improvement using Scale MP-2020. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Election at Retirement - 50% of active employees are assumed to elect coverage at retirement. 60% of active employee males, and 35% active employee females are assumed to be married and elect spousal coverage upon retirement.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

The discount rate in effect for the June 20, 2022 measurement date is 3.54%.

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability from Implicit Rate Subsidy	\$ 491,020	\$ 453,128	\$ 417,840
Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 399,513	\$ 453,128	\$ 517,198

Participation

The following table represents the number of the District's covered participants:

As of Valuation Date	July 1, 2021
Active Employees	115
Eligible Retirees	3
Spouses of Ineligible Retirees	0
Total Participants	118
Spouses of Eligible Retirees	0

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

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

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2022 to June 30, 2023	Increase (Decrease) Total OPEB Liability
Balance per actuarial as of June 30, 2022	\$ 449,725
Changes for the year:	
Service Cost	66,853
Interest	10,906
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	-
Changes in assumptions or other inputs	(50,897)
Employer Contributions	-
Benefit payments	(23,460)
Net OPEB Liability per actuarial at June 30, 223	<u>\$ 453,128</u>

Components of OPEB Expense

OPEB Expense	July 1, 2022 to June 30, 2023
Service cost	\$ 66,853
Interest on total OPEB liability	10,906
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(21,875)
Recognition of assumption changes	(14,021)
OPEB Expense	<u>\$ 41,863</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

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

Schedule of Deferred Inflows and Outflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 94,345
Changes of assumptions or inputs	<u>21,304</u>	<u>89,232</u>
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	<u>\$ 21,304</u>	<u>\$ 183,577</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(162,273)</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (35,896)
2nd Fiscal Year	(35,556)
3rd Fiscal Year	(32,342)
4th Fiscal Year	(25,156)
5th Fiscal Year	(18,098)
Thereafter	<u>(15,225)</u>
Total	<u>\$ (162,273)</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

CONTINGENT LIABILITIES:

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 the District expects such amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school district and special districts in the state, which are members of Special Districts of Oregon (SDOA). SDOA oversees the Special Districts Insurance Services Trust, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay SDOA an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2023

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund receivables and payables, reported in the financial statements as due from other funds and due to other funds for the year ended June 30, 2023, were as follows:

Interfund transfers for the year ended June 30, 2023, were as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 177,634	\$ 241,710
Special Revenue Fund #200	241,710	112,634
Debt Service Fund #300	<u>-</u>	<u>65,000</u>
Total	<u>\$ 419,344</u>	<u>\$ 419,344</u>

The transfer out of the special revenue fund to the debt service fund was made to provide funds for the repayment of capital leases and other long-term debt not provided for by taxes and other services provided.

EXPENDITURES OVER APPROPRIATIONS

During the Fiscal year ended June 30, 2023, the District had expenditures over budgeted appropriations in two funds:

- General Fund – Instruction
- Special Revenue Fund – Facilities Acquisition and Construction

REQUIRED
SUPPLEMENTARY
INFORMATION

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

GENERAL FUND

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Taxes	\$ 3,768,985	\$ 3,768,985	\$ 5,106,354	\$ 1,337,369
Tuition Charges	400	400	1,504	1,104
Earnings on Investments	10,000	10,000	138,449	128,449
Fees and Charges	18,500	18,500	28,992	10,492
Miscellaneous Revenue	109,500	109,500	169,775	60,275
Intermediate Government Aid	181,216	181,216	56,150	(125,066)
State Aid	5,563,265	5,563,265	3,462,426	(2,100,839)
Total Revenues	9,651,866	9,651,866	8,963,650	(688,216)
<u>EXPENDITURES:</u>				
Instruction	5,866,308	5,866,308	5,950,532	84,224
Support Services	4,596,943	4,596,943	4,543,669	(53,274)
Facilities Acquisition and Construction	2,000	2,000	-	(2,000)
Contingency	51,663	51,663	-	(51,663)
Total Expenditures	10,516,914	10,516,914	10,494,201	(22,713)
Excess (Deficiency) of Revenues Over Expenditures	(865,048)	(865,048)	(1,530,551)	(665,503)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	241,710	241,710	241,710	-
Interfund Transfers Out	(177,634)	(177,634)	(177,634)	-
Total Other Financing Sources (Uses)	64,076	64,076	64,076	-
Net Change in Fund Balance	(800,972)	(800,972)	(1,466,475)	(665,503)
Beginning Fund Balance	800,972	800,972	2,153,373	1,352,401
Ending Fund Balance	\$ -	\$ -	\$ 686,898	\$ 686,898

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 92,584	\$ 92,584	\$ 158,340	\$ 65,756
Miscellaneous Revenue	355,276	355,276	473,239	117,963
Intermediate Government Aid	-	-	6,836	6,836
State Aid	2,149,114	2,149,114	1,229,564	(919,550)
Federal Aid	1,058,462	1,058,462	1,326,542	268,080
Total Revenues	<u>3,655,436</u>	<u>3,655,436</u>	<u>3,194,521</u>	<u>(460,915)</u>
<u>EXPENDITURES:</u>				
Instruction	2,109,166	2,109,166	2,038,022	(71,144)
Support Services	572,350	572,350	334,493	(237,857)
Enterprise and Community Services	482,061	482,061	453,783	(28,278)
Facilities Acquisition and Construction	2,710	2,710	53,043	50,333
Contingency	726,254	726,254	-	(726,254)
Total Expenditures	<u>3,892,541</u>	<u>3,892,541</u>	<u>2,879,341</u>	<u>(1,013,200)</u>
Excess (Deficiency) of Revenues Over Expenditures	(237,105)	(237,105)	315,180	552,285
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	112,634	112,634	112,634	-
Interfund Transfers Out	(241,710)	(241,710)	(241,710)	-
Total Other Financing Sources (Uses)	(129,076)	(129,076)	(129,076)	-
Net Change in Fund Balance	(366,181)	(366,181)	186,104	552,285
Beginning Fund Balance	753,646	753,646	843,637	89,991
Ending Fund Balance	<u>\$ 387,465</u>	<u>\$ 387,465</u>	<u>\$ 1,029,741</u>	<u>\$ 642,276</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY****PERS****Last 10 Fiscal Years***

Fiscal Year June 30, ¹	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.05363157%	\$ 8,212,069	\$ 6,044,466	135.86%	84.5%
2022	0.05215186%	6,240,742	5,344,426	116.77%	87.6%
2021	0.05041284%	11,001,816	4,724,463	232.87%	75.8%
2020	0.05871171%	10,155,720	4,731,663	214.63%	80.2%
2019	0.05000000%	8,329,017	4,687,509	177.69%	82.1%
2018	0.06000000%	7,680,826	3,974,980	193.23%	83.1%
2017	0.06000000%	9,484,115	3,705,226	255.97%	80.5%
2016	0.08000000%	4,446,102	4,018,077	110.65%	91.9%
2015	0.08000000%	(1,772,705)	4,066,082	-43.60%	103.6%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY****PERS****Last 10 Fiscal Years***

Fiscal Year June 30, ¹	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.05363157%	\$ 8,212,069	\$ 6,044,466	135.86%	84.5%
2022	0.05215186%	6,240,742	5,344,426	116.77%	87.6%
2021	0.05041284%	11,001,816	4,724,463	232.87%	75.8%
2020	0.05871171%	10,155,720	4,731,663	214.63%	80.2%
2019	0.05000000%	8,329,017	4,687,509	177.69%	82.1%
2018	0.06000000%	7,680,826	3,974,980	193.23%	83.1%
2017	0.06000000%	9,484,115	3,705,226	255.97%	80.5%
2016	0.08000000%	4,446,102	4,018,077	110.65%	91.9%
2015	0.08000000%	(1,772,705)	4,066,082	-43.60%	103.6%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

Fiscal Year June 30, ¹	(a)	(b)	(c)	(b/c)	Plan fiduciary net position as a percentage of the total OPEB liability
	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	
2023	0.01912407%	\$ (67,955)	\$6,044,466	-1.12%	194.6%
2022	0.02066272%	(70,956)	5,344,426	-1.33%	183.9%
2021	0.03401325%	(69,305)	4,724,463	-1.47%	150.1%
2020	0.03973319%	(76,779)	4,731,663	-1.62%	144.4%
2019	0.04059332%	(45,313)	4,687,509	-0.97%	124.0%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 552	\$ 552	\$ -	\$ 6,044,466	0.01%
2022	471	471	-	5,344,426	0.01%
2021	553	553	-	4,724,463	0.01%
2020	2,429	2,429	-	4,731,663	0.05%
2019	19,655	19,655	-	4,687,509	0.42%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

OREGON EDUCATORS BENEFIT BOARD

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 66,853	\$ 68,219	\$ 60,180	\$ 56,112	\$ 55,286
Interest on total OPEB liability	10,906	12,322	16,259	20,843	19,647
Effect of economic/demographic gains or (losses)	-	(64,111)	35,200	(100,406)	-
Effect of assumption changes or inputs	(50,896)	(39,458)	-	(12,465)	(10,993)
Benefit payments	(23,460)	(33,007)	(20,323)	(63,610)	(86,214)
Net change in total OPEB liability *	3,403	(56,035)	91,316	(99,526)	(22,274)
Total OPEB liability, beginning	449,725	505,760	414,444	513,970	536,244
Total OPEB liability, ending (a) *	453,128	449,725	505,760	414,444	513,970
Covered payroll	\$ 6,044,466	\$ 5,344,426	\$ 4,724,463	\$ 4,731,663	\$ 4,687,509
Total OPEB liability as a % of covered payroll **	7.5%	7.6%	7.6%	7.6%	7.6%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* Totals may not agree due to rounding.

SUPPLEMENTARY
INFORMATION

CLATSKANIE SCHOOL DISTRICT NO. 6J**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual****Debt Service Fund #300****For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 695,800	\$ 695,800	\$ 694,766	\$ (1,034)
Intermediate Government Aid	-	-	1,786	1,786
Total Revenues	695,800	695,800	696,552	752
<u>EXPENDITURES:</u>				
Debt Service	757,737	757,737	755,736	(2,001)
Total Expenditures	757,737	757,737	755,736	(2,001)
Excess (Deficiency) of Revenues Over Expenditures	(61,937)	(61,937)	(59,184)	2,753
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	65,000	65,000	65,000	-
Total Other Financing Sources (Uses)	65,000	65,000	65,000	-
Net Change in Fund Balance	3,063	3,063	5,816	2,753
Beginning Fund Balance	(3,063)	(3,063)	4,092	7,155
Ending Fund Balance	\$ -	\$ -	\$ 9,908	\$ 9,908

CLATSKANIE SCHOOL DISTRICT NO. 6J**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual****Capital Projects Fund #400****For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ 50,000	\$ 50,000	\$ 97,925	\$ 47,925
State Aid	4,000,000	4,000,000	4,000,000	-
Total Revenues	4,050,000	4,050,000	4,097,925	47,925
<u>EXPENDITURES:</u>				
Support Services	120,000	120,000	10,086	(109,914)
Facilities Acquisition and Construction	13,050,000	13,050,000	9,227,576	(3,822,424)
Contingency	18,182	18,182	-	(18,182)
Total Expenditures	13,188,182	13,188,182	9,237,662	(3,950,520)
<u>OTHER FINANCING SOURCES (USES):</u>				
Net Change in Fund Balance	(9,138,182)	(9,138,182)	(5,139,737)	3,998,445
Beginning Fund Balance	9,138,182	9,138,182	10,534,699	1,396,517
Ending Fund Balance	\$ -	\$ -	\$ 5,394,962	\$ 5,394,962

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Trust and Agency #700

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ 273	\$ 273	\$ 61	\$ (212)
Total Revenues	273	273	61	(212)
<u>EXPENDITURES:</u>				
Enterprise and Community Services	53,664	53,664	53,486	(178)
Total Expenditures	53,664	53,664	53,486	(178)
<u>OTHER FINANCING SOURCES (USES):</u>				
Net Change in Fund Balance	(53,391)	(53,391)	(53,425)	(34)
Beginning Fund Balance	53,391	53,391	53,329	(62)
Ending Fund Balance	\$ -	\$ -	\$ (96)	\$ (96)

OTHER
INFORMATION

Additional Supporting Schedules

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

Installment Purchase Agreement

On June 15, 2017, the District entered into an Installment Purchase Agreement with U.S Bancorp in the amount of \$500,000 with an interest rate of 3.715%. As of June 30, 2018, \$500,000 in qualifying expenditures had been incurred and drawn down. The District agreed to repay the installment agreement in accordance with the terms of a payment schedule that begins on July 15, 2017 and concludes June 15, 2027, for the full amount of the agreement (\$500,000).

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 273,114	\$ -	\$ 50,648	\$ 222,466	\$ 52,562
Interest	-	17,851	17,851	-	7,375
Total	<u>\$ 273,114</u>	<u>\$ 17,851</u>	<u>\$ 68,499</u>	<u>\$ 222,466</u>	<u>\$ 59,937</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 52,562	\$ 7,375	\$ 59,937	0.00%
	2025	54,548	9,905	64,453	0.00%
	2026	56,609	3,328	59,937	0.00%
	2027	58,748	1,189	59,937	0.00%
Total		<u>\$ 222,467</u>	<u>\$ 21,797</u>	<u>\$ 244,264</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

General Obligations Bonds, Series 2021

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

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 9,645,000	\$ -	\$ 310,000	\$ 9,335,000	\$ 340,000
Interest	-	385,800	385,800	-	373,400
Total	<u>\$ 9,645,000</u>	<u>\$ 385,800</u>	<u>\$ 695,800</u>	<u>\$ 9,335,000</u>	<u>\$ 713,400</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 340,000	\$ 373,400	\$ 713,400	4.00%
	2025	350,000	359,800	709,800	4.00%
	2026	385,000	345,800	730,800	4.00%
	2027	425,000	330,400	755,400	4.00%
	2028	465,000	313,400	778,400	4.00%
	2029	505,000	294,800	799,800	4.00%
	2030	550,000	274,600	824,600	4.00%
	2031	595,000	252,600	847,600	4.00%
	2032	645,000	228,800	873,800	4.00%
	2033	700,000	203,000	903,000	4.00%
	2034	755,000	175,000	930,000	4.00%
	2035	810,000	144,800	954,800	4.00%
	2036	870,000	112,400	982,400	4.00%
	2037	935,000	77,600	1,012,600	4.00%
	2038	1,005,000	40,200	1,045,200	0.00%
Total		<u>\$ 9,335,000</u>	<u>\$ 3,526,600</u>	<u>\$ 12,861,600</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

Santander Bus Leases 25-26

In 2019 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2020 Blue Bird Vi-sion BBCV3310 71 Passenger School Busses. Annual payments of principal and interest will be made until the final payment on March 15, 2023.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 46,293	\$ -	\$ 46,293	\$ 0	\$ -
Interest	-	1,719	1,719	-	-
Total	<u>\$ 46,293</u>	<u>\$ 1,719</u>	<u>\$ 48,012</u>	<u>\$ 0</u>	<u>\$ -</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

Santander Bus Leases 27

In 2020 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2021 Blue Bird T3FE School Bus. Annual payments of principal and interest are to be made until the final payment on March 15, 2024.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 47,506	\$ -	\$ 23,418	\$ 24,088	\$ 24,088
Interest	-	1,368	1,368	-	698
Total	<u>\$ 47,506</u>	<u>\$ 1,368</u>	<u>\$ 24,786</u>	<u>\$ 24,088</u>	<u>\$ 24,786</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 24,088	\$ 698	\$ 24,786	0.00%
Total		<u>\$ 24,088</u>	<u>\$ 698</u>	<u>\$ 24,786</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

Santander Bus Leases 28

In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2020 MicroBird G5 School Bus. Annual payments of principal and interest are to be made until the final payment on February 10, 2025.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 45,788	\$ -	\$ 14,447	\$ 31,341	\$ 14,794
Interest	-	1,066	1,066	-	719
Total	<u>\$ 45,788</u>	<u>\$ 1,066</u>	<u>\$ 15,513</u>	<u>\$ 31,341</u>	<u>\$ 15,512</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 14,794	\$ 719	\$ 15,512	0.00%
	2025	16,144	368	16,512	0.00%
Total		<u>\$ 30,938</u>	<u>\$ 1,086</u>	<u>\$ 32,024</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS****For the Fiscal Year Ended June 30, 2023****Santander Bus Leases 29-30**

In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2023 Blue Bird AARE T3RE 72 Passenger busses. After an initial payment of \$82,768 annual payments are to be made until the final payment on July 15, 2025.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 193,122	\$ -	\$ 48,356	\$ 144,766	\$ 49,443
Interest	-	3,265	3,265	-	2,200
Total	<u>\$ 193,122</u>	<u>\$ 3,265</u>	<u>\$ 51,620</u>	<u>\$ 144,766</u>	<u>\$ 51,643</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 49,443	\$ 2,200	\$ 51,643	0.00%
	2025	50,556	1,113	51,669	0.00%
Total		<u>\$ 99,999</u>	<u>\$ 3,314</u>	<u>\$ 103,312</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2023

SUPPLEMENTAL INFORMATION 2022-2023

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel, and water & sewage
for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 184,172
Function 2550	\$ 4,355

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

1113,1122 & 1132 Extra-curricular Activities
1140 Pre-Kindergarten
1300 Continuing Education
1400 Summer School

Exclude these functions:

4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

\$ -

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

CLATSKANIE SCHOOL DISTRICT NO. 6J**Audit Revenue Summary - All Funds****For the Fiscal Year Ended June 30, 2023****Revenue from Local Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 5,109,695	\$ -	\$ 694,349	\$ -	\$ -
1190 Penalties and Interest on Taxes	(3,342)	-	418	-	-
1411 Transportation Fees - From Individuals	1,228	-	-	-	-
1500 Earnings on Investments	138,449	-	-	97,925	61
1600 Food Service	-	61,750	-	-	-
1700 Extracurricular Activities	28,992	96,590	-	-	-
1920 Contributions and Donations From Private Sources	5,560	463,454	-	-	-
1960 Recovery of Prior Years' Expenditure	49,192	152	-	-	-
1980 Fees Charged to Grants	13,182	-	-	-	-
1990 Miscellaneous	102,117	9,633	-	-	-
Total Revenue from Local Sources	\$ 5,445,074	\$ 631,580	\$ 694,766	\$ 97,925	\$ 61

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
2101 County School Funds	\$ 49,083	\$ -	\$ -	\$ -	\$ -
2105 Natural Gas, Oil, and Mineral Receipts	6,347	-	1,751	-	-
2200 Restricted Revenue	-	6,836	-	-	-
2800 Revenue in Lieu of Taxes	720	-	35	-	-
Total Revenue from Intermediate Sources	\$ 56,150	\$ 6,836	\$ 1,786	\$ -	\$ -

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
3101 State School Fund - General Support	\$ 3,267,864	\$ -	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match	-	2,916	-	-	-
3103 Common School Fund	84,059	-	-	-	-
3104 State Managed County Timber	104,533	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	96,760	-	-	-
3299 Other Restricted Grants-In-Aid	5,970	1,129,888	-	4,000,000	-
Total Revenue from State Sources	\$ 3,462,426	\$ 1,229,564	\$ -	\$ 4,000,000	\$ -

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
4300 Restricted Revenue From the Federal Government	\$ -	\$ 4,108	\$ -	\$ -	\$ -
4500 Restricted Revenue From the Federal Government Through the State	\$ -	\$ 1,291,476	\$ -	\$ -	\$ -
4900 Revenue for/on Behalf of the District	-	30,958	-	-	-
Total Revenue from Federal Sources	\$ -	\$ 1,326,542	\$ -	\$ -	\$ -

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
5200 Interfund Transfers	\$ 241,710	\$ 112,634	\$ 65,000	\$ -	\$ -
5400 Resources - Beginning Fund Balance	2,153,373	843,637	4,092	10,534,699	53,329
Total Revenue from Other Sources	\$ 2,395,083	\$ 956,271	\$ 69,092	\$ 10,534,699	\$ 53,329
Grand Total	\$ 11,358,732	\$ 4,150,793	\$ 765,645	\$ 14,632,624	\$ 53,389

CLATSKANIE SCHOOL DISTRICT NO. 6J
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2023

FUND: General Fund #100

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
1111 Elementary, K-5 or K-6	\$ 1,936,113	\$ 1,059,728	\$ 648,692	\$ 21,743	\$ 205,805	\$ 145
1121 Middle/Junior High Programs	611,655	387,901	201,323	4,477	17,955	-
1122 Middle/Junior High School Extracurricular	12,568	9,577	2,931	-	-	60
1131 High School Programs	1,359,475	852,413	458,575	14,781	32,611	1,095
1132 High School Extracurricular	219,389	84,100	20,967	90,161	12,179	11,981
1220 Restrictive Programs for Students with Disabilities	682,440	381,559	207,850	92,629	402	-
1250 Less Restrictive Programs for Students with Disabilities	912,918	533,119	365,549	3,585	1,428	9,237
1272 Title I	34,338	26,010	8,328	-	-	-
1280 Alternative Education	170,400	-	-	170,400	-	-
1291 English Second Language Programs	6,593	3,110	1,015	1,500	968	-
1299 Other Programs	4,642	2,141	1,807	693	-	-
Total Instruction Expenditures	\$ 5,950,532	\$ 3,339,659	\$ 1,917,039	\$ 399,968	\$ 271,348	\$ 22,519

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
2120 Guidance Services	\$ 119,316	\$ 74,006	\$ 45,310	\$ -	\$ -	\$ -
2130 Health Services	66,318	36,387	23,221	2,868	3,842	-
2150 Speech Pathology and Audiology Services	159,079	-	-	158,633	445	-
2190 Service Direction, Student Support Services	130,266	77,897	50,277	1,994	99	-
2220 Educational Media Services	119,823	73,579	44,650	794	801	-
2240 Instructional Staff Development	36,067	13,028	17,789	5,250	-	-
2310 Board of Education Services	201,600	-	-	69,970	227	131,403
2320 Executive Administration Services	425,169	264,484	140,214	17,730	2,631	110
2410 Office of the Principal Services	694,659	435,386	241,378	10,363	4,119	3,414
2520 Fiscal Services	427,030	215,006	133,553	55,774	16,147	6,551
2540 Operation and Maintenance of Plant Services	846,301	291,524	168,347	316,990	54,164	290
2550 Student Transportation Services	1,153,466	604,573	350,672	18,248	149,171	30,801
2640 Staff Services	18,609	-	7,510	10,555	5	540
2660 Technology Services	131,468	56,664	44,625	2,342	27,686	150
2690 Other Support Services - Central	137	-	-	-	137	-
2700 Supplemental Retirement Program	14,361	13,200	1,161	-	-	-
Total Support Services Expenditures	\$ 4,543,669	\$ 2,155,733	\$ 1,268,706	\$ 671,510	\$ 259,474	\$ 173,259

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
5200 Transfers of Funds	\$ 177,634	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 177,634	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 10,671,835	\$ 5,495,392	\$ 3,185,745	\$ 1,071,478	\$ 530,821	\$ 195,778

CLATSKANIE SCHOOL DISTRICT NO. 6J
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2023

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 592,464	\$ 349,563	\$ 194,373	\$ 12,939	\$ 30,007	\$ 5,582	\$ -	\$ -
1113 Elementary Extracurricular	53,790	4,732	1,589	26,331	21,138	-	-	-
1121 Middle/Junior High Programs	137,428	70,416	35,298	7,657	24,057	-	-	-
1122 Middle/Junior High School Extracurricular	14,423	-	-	6,491	7,932	-	-	-
1131 High School Programs	413,251	178,639	104,200	6,830	97,008	26,573	-	-
1132 High School Extracurricular	123,765	-	-	44,924	60,860	17,619	363	-
1140 Pre-Kindergarten Programs	18,350	11,077	3,592	-	3,681	-	-	-
1220 Restrictive Programs for Students with Disabilities	262,055	147,784	112,737	-	1,534	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	109,727	33,773	27,745	45,000	3,208	-	-	-
1272 Title I	163,684	92,801	70,883	-	-	-	-	-
1280 Alternative Education	97,474	58,759	38,715	-	-	-	-	-
1299 Other Programs	4,108	2,028	2,080	-	-	-	-	-
1400 Summer School Programs	47,502	18,061	5,355	6,580	17,506	-	-	-
Total Instruction Expenditures	\$2,038,022	\$ 967,634	\$ 596,568	\$ 156,751	\$ 266,932	\$ 49,774	\$ 363	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2120 Guidance Services	\$ 1,997	\$ -	\$ -	\$ 1,997	\$ -	\$ -	\$ -	\$ -
2130 Health Services	26,400	-	-	26,400	-	-	-	-
2220 Educational Media Services	4,709	-	-	-	4,709	-	-	-
2240 Instructional Staff Development	107,761	19,212	13,350	74,119	840	-	239	-
2410 Office of the Principal Services	2,500	-	-	2,500	-	-	-	-
2520 Fiscal Services	13,182	-	-	-	-	-	13,182	-
2540 Operation and Maintenance of Plant Services	28,765	-	-	23,770	4,995	-	-	-
2550 Student Transportation Services	61,534	1,474	546	-	3,415	-	56,099	-
2640 Staff Services	87,645	59,400	19,045	1,798	7,402	-	-	-
Total Support Services Expenditures	\$ 334,493	\$ 80,086	\$ 32,941	\$ 130,585	\$ 21,361	\$ -	\$ 69,520	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 452,151	\$ 167,984	\$ 128,575	\$ -	\$ 152,576	\$ -	\$ 3,016	\$ -
3300 Community Services	1,632	-	-	-	1,632	-	-	-
Total Enterprise and Community Services Expenditures	\$ 453,783	\$ 167,984	\$ 128,575	\$ -	\$ 154,208	\$ -	\$ 3,016	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4150 Building Acquisition, Construction, and Improvement	\$ 1,239	\$ -	\$ -	\$ 1,239	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	51,804	-	-	-	-	51,804	-	-
Total Facilities Acquisition and Construction	\$ 53,043	\$ -	\$ -	\$ 1,239	\$ -	\$ 51,804	\$ -	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200 Transfers of Funds	\$ 241,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,710
Total Other Uses Expenditures	\$ 241,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,710
Grand Total	\$3,121,051	\$ 1,215,704	\$ 758,084	\$ 288,575	\$ 442,502	\$ 101,578	\$ 72,898	\$ 241,710

CLATSKANIE SCHOOL DISTRICT NO. 6J

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2023

FUND: Debt Service Fund #300

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 600
\$ 755,736	\$ 755,736
\$ 755,736	\$ 755,736
\$ 755,736	\$ 755,736

CLATSKANIE SCHOOL DISTRICT NO. 6J

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2023

FUND: Capital Projects Fund #400

Support Services Expenditures

2520 Fiscal Services
2540 Operation and Maintenance of Plant Services
2660 Technology Services

Total Support Services Expenditures

Totals	Object 300	Object 400	Object 500	Object 600
\$ 3,984	\$ -	\$ -	\$ -	\$ 3,984
4,854.00	4,854.00	-	-	-
1,248	-	1,248	-	-
\$ 10,086	\$ 4,854	\$ 1,248	\$ -	\$ 3,984

Facilities Acquisition and Construction Expenditures

4150 Building Acquisition, Construction, and Improvement Services
4190 Other Facilities Construction Services

Total Facilities Acquisition and Construction Expenditures

Grand Total

Totals	Object 300	Object 400	Object 500	Object 600
\$ 9,227,196	\$ 203,388	\$ 18,745	\$ 9,004,943	\$ 120
380	-	380	-	-
\$ 9,227,576	\$ 203,388	\$ 19,124	\$ 9,004,943	\$ 120
\$ 9,237,662	\$ 208,242	\$20,372	\$ 9,004,943	\$4,104

REPORT ON LEGAL AND OTHER REGULATORY
REQUIREMENTS

CLATSKANIE SCHOOL DISTRICT NO. 6J

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

As of June 30, 2023

To the Governing Body of the Clatskanie School District No. 6J
Clatskanie, Oregon

We have audited the basic financial statements of the Clatskanie School District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

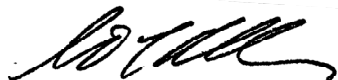
In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

- **Over expenditure of appropriations in two funds**

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the Board of Directors and management of Clatskanie 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.



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 27, 2023