

**ALSEA SCHOOL DISTRICT**  
**BENTON COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

2022-23

FINANCIAL REPORT

\*\*\*\*\*

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

BOARD OF EDUCATION

TERM EXPIRES

Risteen Follett, Chair

June 30, 2025

Debra Lindberg

June 30, 2025

Jamie Olsen

June 30, 2027

Soren Rounds

June 30, 2027

Russ Ceperich

June 30, 2027

All Board members receive mail at address below.

ADMINISTRATION

Krista Nieraeth, Acting Superintendent (Registered Agent)  
Don Staehely, Business Manager

Alsea School District  
301 South 3<sup>rd</sup> Street  
Alsea, OR 97324

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	i
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Management's Discussion and Analysis	v
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenue, Expenditures and Changes In Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Notes to Basic Financial Statements	7
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Schedule of the Proportionate Share of the Net Pension Liability (PERS)	32
Schedule of the Contributions (PERS)	32
Schedule of the Proportionate Share of the Net Pension Liability (RHIA)	33
Schedule of the Contributions (RHIA)	33
Schedules of Revenue, Expenditures, and Changes in Fund Balance – Actual and Budget:	
General Fund	34
Special Revenue Fund	35
Federal Lunch Program Fund	36
Student Body Fund	37
<b><u>SUPPLEMENTARY INFORMATION:</u></b>	
Debt Service Fund	38
Capital Projects Fund	39
Bus Replacement Fund	40
Schedule of Property Tax Transactions and Balances of Taxes Uncollected:	
General Fund	41
Debt Service Fund	42

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

TABLE OF CONTENTS

PAGE  
NUMBER

**OTHER INFORMATION:**

Schedule of Expenditure of Federal Awards	43
Supplemental Information – As Required by the Oregon Department of Education	44

**REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS**

Independent Auditors' Report Required by Oregon State Regulations	49
-------------------------------------------------------------------	----



PAULY, ROGERS AND CO., P.C.  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

December 7, 2023

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Alsea School District 7J  
Benton County, Oregon

### **Qualified and Unmodified Opinions**

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Alsea School District, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

#### Qualified Opinion on the Governmental Activities

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

#### Unmodified Opinion on Each Major Fund

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Alsea School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Qualified and Unmodified Opinions**

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

#### Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has not obtained an actuarial valuation of the post-employment benefit obligation related to the implicit healthcare subsidy in accordance with GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Accounting principles generally accepted in the United States of America require that actuarially determined annual required contributions related to postemployment benefits, other than retirement benefits, attributable to employee services already rendered be recorded as expenses as employees earn the benefits, which, if not funded, would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

## Matter Giving Rise to the Qualified Opinion on the Governmental Activities (Continued)

Management has not implemented GASB Statement Number 96, Subscription Based Information Technology Arrangements (SBITAs). Accounting principles generally accepted in the United States of America require recognition of right-to-use assets and related liabilities for subscriptions. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use asset. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 basic 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 basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic 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 Alsea School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alsea School District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, except for the budgetary statements listed as required supplementary information in the table of contents.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

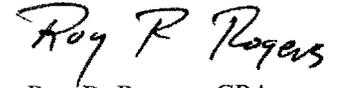
## **Other Information**

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

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

## Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 7, 2023, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" at the beginning.

Roy R. Rogers, CPA  
PAULY, ROGERS AND CO.

# ALSEA SCHOOL DISTRICT

## Benton County, Oregon

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### INTRODUCTION

As management of Alsea School District, Benton County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- At June 30, 2023, total net position of Alsea School District amounted to \$5,138,838 (pg.1).
- Of this amount, \$1,545,640 was invested in capital assets. The remaining balance included \$1,894,922 restricted for Special Revenues, Student Activities, Debt Service, Capital Projects, and \$1,698,276 of unrestricted net position.
- At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$6,309,524. (pg. 3)

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

##### Government-Wide Financial Statements

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

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages 1 through 2 of this report.

##### Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All the funds of Alsea School District are governmental funds.

**ALSEA SCHOOL DISTRICT**  
**Benton County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

▪ **Governmental Funds**

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Funds, Federal Lunch Program Fund, Student Body Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major governmental funds.

Alsea School District adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets but are not a required part of the basic financial statements.

The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 7 through 31 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, which includes the schedules of the District's proportionate share of the net pension liability/asset – PERS and OPEB RHIA and District contributions. This other information can be found on pages 32 through 33 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2023, the District's assets exceeded liabilities by \$5,138,838. (pg.1)

**ALSEA SCHOOL DISTRICT**  
**Benton County, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, buses and equipment). The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending.

**District's Net Position**

The net position of the District increased by \$3,665,968 (pg.2) during the current fiscal year. This increase is primarily due to an increase in state school fund revenues. Condensed statement of net position information is shown below.

**Condensed Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b><u>Assets</u></b>		
Current and other assets	\$ 6,624,130	\$ 3,547,862
Restricted assets	207,176	343,472
Net OPEB Asset (RHIA)	58,521	66,063
Net capital assets	2,414,533	2,314,586
<b>Total assets</b>	<b>9,304,360</b>	<b>6,271,983</b>
Deferred outflows of resources	3,911,912	2,645,420
<b><u>Liabilities</u></b>		
Current liabilities	780,225	1,200,175
Noncurrent liabilities	6,394,798	4,530,450
<b>Total liabilities</b>	<b>7,175,023</b>	<b>5,730,625</b>
Deferred inflows of resources	902,411	1,713,908
<b><u>Net position</u></b>		
Net investment in capital assets	1,545,640	1,562,363
Restricted for:		
Student activities	-	32,575
Debt Service	23,162	29,259
Bond Projects	1,813,239	2,001,957
Net OPEB Asset - RHIA	58,521	66,063
Unrestricted	1,698,276	(2,219,347)
<b>Total net position</b>	<b>\$ 5,138,838</b>	<b>\$ 1,472,870</b>

**ALSEA SCHOOL DISTRICT**  
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

**District's Changes in Net Position**

The condensed statement of activities information shown below explains changes in net position.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Changes in Net Position</b>		
<b>Program revenues</b>		
Charges for services	\$ 288,835	\$ 64,341
Operating grants and contributions	1,471,749	992,620
Capital grants and contributions	-	-
<b>Total program revenues</b>	<b>1,760,584</b>	<b>1,056,961</b>
<b>General revenues</b>		
Property taxes - General	485,463	467,188
Property taxes - Debt Service	85,835	112,913
State school fund – general support	12,012,364	10,794,094
Unrestricted intermediate and local sources	141,991	168,923
Unrestricted federal sources	143,649	112,683
Investment earnings	140,554	26,578
<b>Total general revenues</b>	<b>13,009,856</b>	<b>11,682,379</b>
<b>Total revenues</b>	<b>14,770,440</b>	<b>12,739,340</b>
<b>Program expenses</b>		
Instruction	5,820,840	6,707,748
Support services	4,953,462	5,314,448
Food services/ Enterprise and community	252,255	285,548
Interest on long-term debt	77,915	101,143
<b>Total program expenses</b>	<b>11,104,472</b>	<b>12,408,887</b>
<b>Change in net position</b>	3,665,968	330,453
<b>Net position - beginning of year</b>	1,472,870	1,142,417
<b>Net position - end of year</b>	5,138,838	1,472,870

**Revenues**

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide almost 86% of the funding required for governmental programs. Property taxes and state school funding combined for 97% of general revenues and 85% of total revenues.

**ALSEA SCHOOL DISTRICT**  
**Benton County, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Charges for services make up 1% of total revenues and are composed of the following, for which it is appropriate that the District charge tuition or fees:

Regular programs	\$ 285,557
Community Services	3,278
<b>Total Charges For Services</b>	<u><u>\$ 288,835</u></u>

Operating grants and contributions represent fewer than 10% of total revenues. Included in this category \$1,102,191 for regular programs, \$365,153 of federal and state reimbursements for special education programs, and \$4,405 for grants and contributions to support various other educational activities.

**Expenses**

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 52% of the total expenses of \$11,104,472.

In addition, approximately 64% of the costs in supporting services relate to students, instructional staff, and school administration.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$6,309,524. Of this amount, \$42,366 was restricted for student activities; \$7,061 was restricted in Special Revenues; \$23,162 was restricted for Debt Service; and \$1,813,239 was restricted for capital projects.

The remaining balance of \$4,423,696 constitutes the total fund balance of the General Fund, which is available to spend at the District's discretion.

**BUDGETARY HIGHLIGHTS**

Budget amounts shown in the financial statements reflect the original budget amounts and two approved appropriation changes.

**ALSEA SCHOOL DISTRICT**  
**Benton County, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's investment in capital assets for its governmental activities as of June 30, 2023 amounted to \$2,414,533, net of accumulated depreciation. This investment in capital assets includes buildings and improvements, equipment, and vehicles. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$235,845. Additional information on the District's capital assets can be found on page 16 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the District had total debt outstanding of \$2,514,244, excluding a bond premium. This amount consists of seven bus leases/loans, GO Bond Series 2021, and a house loan. The District's total long-term debt decreased by \$58,354 during the year due to principal payments made. Additional information on the District's long-term debt can be found on pages 28 and 29 of this report.

**KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE**

At the time these financial statements were prepared and audited, The District's enrollment continues to decline due to the decrease in enrollment in the dedicated online school. State funding is based on the higher of the prior year's or current year's average daily membership, weighted (ADMw). The ADMw for 2022-23 was 1,120 compared to 661 projected for 2023-24, which equates to an estimated loss of approximately \$4 million in state funding.

The 2023-24 budget was developed based on the decrease enrollment. In addition, expenditures were reduced during the 2022-23 fiscal year to reserve funds to ensure quality programs and services for students were maintained in 2023-24 and future years. The General Fund unassigned fund balance of \$4,423,696 will be available for program and services in the 2023-2024.

All of these factors were considered in preparing the District's budget for the 2023-2024 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Business Manager at the following address: P.O. Box B, Alsea, Oregon 97324.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 6,497,994
Taxes receivable	11,929
Accounts receivable	114,207
Grants receivable	207,176
Net OPEB Asset - RHIA	58,521
Capital assets, net of depreciation	2,414,533
Total Assets	9,304,360
<b>Deferred Outflows of Resources</b>	
OPEB Related Deferrals - RHIA	4,675
Pension Related Deferrals - PERS	3,907,237
Total Assets and Deferred Outflows of Resources	13,216,272
<b>Liabilities</b>	
Accounts payable	31,831
Deferred Revenue	835
Payroll liabilities	480,073
Accrued Interest	12,244
Accrued compensated absences	3,200
Current Portion, Long-term Obligations:	
Due within one year	252,042
Long-term Obligations:	
Due in more than one year	2,262,202
Premium on Bond	173,687
Proportionate Share of Net Pension Liability- PERS	3,958,909
Total liabilities	7,175,023
<b>Deferred Inflows of Resources</b>	
OPEB Related Deferrals - RHIA	9,795
Pension Related Deferrals - PERS	892,616
Total Liabilities and Deferred Inflows of Resources	8,077,434
<b>Net Position</b>	
Net Investment in Capital Assets	1,545,640
Restricted for:	
Debt Service	23,162
Capital Projects	1,813,239
Net OPEB Asset - RHIA	58,521
Unrestricted	1,698,276
Total Net Position	\$ 5,138,838

See accompanying notes to basic financial statements.

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenditures</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 5,820,840	\$ 285,557	\$ 1,102,191	\$ (4,433,092)
Support Services	4,953,462	-	365,153	(4,588,309)
Community Services	252,255	3,278	4,405	(244,572)
Interest on long-term debt	77,915	-	-	(77,915)
 Total governmental activities	 <u>\$ 11,104,472</u>	 <u>\$ 288,835</u>	 <u>\$ 1,471,749</u>	 <u>\$ (9,343,888)</u>
 General Revenues				
				485,463
				85,835
				12,012,364
				141,991
				143,649
				140,554
Total general revenues				<u>13,009,856</u>
Change in Net Position				3,665,968
Net Position Beginning				<u>1,472,870</u>
Net Position end of year				<u>\$ 5,138,838</u>

See accompanying notes to basic financial statements.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	FEDERAL LUNCH PROGRAM FUND	STUDENT BODY FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
<b>ASSETS</b>							
Cash and Investments	\$ 4,613,257	\$ -	\$ -	\$ 42,865	\$ 22,834	\$ 1,819,038	\$ 6,497,994
Receivables:							
Accounts	106,169	-	8,038	-	-	-	114,207
Grants	-	207,176	-	-	-	-	207,176
Property Taxes	9,633	-	-	-	2,296	-	11,929
Due From Other Funds	201,069	-	-	-	-	-	201,069
Total Assets	<u>\$ 4,930,128</u>	<u>\$ 207,176</u>	<u>\$ 8,038</u>	<u>\$ 42,865</u>	<u>\$ 25,130</u>	<u>\$ 1,819,038</u>	<u>\$ 7,032,375</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	19,284	25	6,224	499	-	5,799	31,831
Payroll Liabilities	480,073	-	-	-	-	-	480,073
Deferred Revenue	-	835	-	-	-	-	835
Due To Other Funds	-	199,255	1,814	-	-	-	201,069
Total Liabilities	<u>499,357</u>	<u>200,115</u>	<u>8,038</u>	<u>499</u>	<u>-</u>	<u>5,799</u>	<u>713,808</u>
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes	7,075	-	-	-	1,968	-	9,043
Fund Balance							
Restricted	-	-	-	-	23,162	1,813,239	1,836,401
Unassigned	4,423,696	7,061	-	42,366	-	-	4,473,123
Total Fund Balance	<u>4,423,696</u>	<u>7,061</u>	<u>-</u>	<u>42,366</u>	<u>23,162</u>	<u>1,813,239</u>	<u>6,309,524</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,930,128</u>	<u>\$ 207,176</u>	<u>\$ 8,038</u>	<u>\$ 42,865</u>	<u>\$ 25,130</u>	<u>\$ 1,819,038</u>	<u>\$ 7,032,375</u>

See accompanying notes to basic financial statements.

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Position**

**June 30, 2023**

Total Fund Balances \$ 6,309,524

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, net of depreciation 2,414,533

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

9,043

Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Deferred Outflows - PERS	\$	3,907,237	
Deferred Outflows - RHIA		4,675	
Deferred Inflows - PERS		(892,616)	
Deferred Inflows - RHIA		(9,795)	
			3,009,501

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

Long-Term Obligations		(2,514,244)	
Bond Premium		(173,687)	
Accrued Interest Payable		(12,244)	
Accrued compensated absences		(3,200)	
			(2,703,375)

The Net PERS Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.

(3,958,909)

The actuarially determined value of the OPEB Liabilities is not recognized in the governmental funds.

OPEB Asset (Liability) - RHIA			58,521
			58,521

Total Net Position			\$ 5,138,838
			5,138,838

See accompanying notes to basic financial statements.

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	FEDERAL LUNCH PROGRAM	STUDENT BODY FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
<b>REVENUES:</b>							
From Local Sources	\$ 933,998	\$ 15,114	\$ 1,746	\$ 26,986	\$ 81,491	\$ 45,854	\$ 1,105,189
From Intermediate Sources	7,543	29,613	-	-	-	-	37,156
From State Sources	11,998,268	1,133,686	14,096	-	-	-	13,146,050
From Federal Sources	-	338,063	143,649	-	-	-	481,712
<b>Total Revenues</b>	<b>12,939,809</b>	<b>1,516,476</b>	<b>159,491</b>	<b>26,986</b>	<b>81,491</b>	<b>45,854</b>	<b>14,770,107</b>
<b>EXPENDITURES:</b>							
Instruction	4,639,843	1,028,266	-	20,202	-	-	5,688,311
Support Services	4,502,341	340,662	-	-	-	-	4,843,003
Enterprise and Community Service	-	18,071	228,439	-	-	-	246,510
Facilities Acquisitions & Construction	-	2,277	-	-	-	234,572	236,849
Debt Service	315,743	-	-	-	87,588	-	403,331
<b>Total Expenditures</b>	<b>9,457,927</b>	<b>1,389,276</b>	<b>228,439</b>	<b>20,202</b>	<b>87,588</b>	<b>234,572</b>	<b>11,418,004</b>
Excess of Revenues Over, (Under) Expenditures	3,481,882	127,200	(68,948)	6,784	(6,097)	(188,718)	3,352,103
<b>Other Financing Sources (Uses)</b>							
Transfers In	136,000	75,672	161,387	3,007	-	-	376,066
Transfers Out	(376,066)	-	-	-	-	-	(376,066)
<b>Total Other Financing Sources (Uses)</b>	<b>(240,066)</b>	<b>75,672</b>	<b>161,387</b>	<b>3,007</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>3,241,816</b>	<b>202,872</b>	<b>92,439</b>	<b>9,791</b>	<b>(6,097)</b>	<b>(188,718)</b>	<b>3,352,103</b>
<b>Beginning Fund Balance</b>	<b>1,181,880</b>	<b>(195,811)</b>	<b>(92,439)</b>	<b>32,575</b>	<b>29,259</b>	<b>2,001,957</b>	<b>2,957,421</b>
<b>Ending Fund Balance</b>	<b>\$ 4,423,696</b>	<b>\$ 7,061</b>	<b>\$ -</b>	<b>\$ 42,366</b>	<b>\$ 23,162</b>	<b>\$ 1,813,239</b>	<b>\$ 6,309,524</b>

See accompanying notes to basic financial statements.

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**

**For The Year Ended June 30, 2023**

Net Change in Fund Balance \$ 3,352,103

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Asset Additions	\$	334,792	
Depreciation Expense		(234,845)	99,947

The PERS Pension income (expense) represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. 74,025

The OPEB - RHIA income (expense) represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. 10,872

Repayment of long term & short term obligations is an expenditure in the governmental funds, but the repayment reduces debt obligations in the government-wide statements.

Amortization of Bond Premium		7,895	
Change in Accrued Compensated Absences		62,613	
Change in Interest Payable		(174)	
Issuance of New Financed Purchases		(267,236)	
Payments made on long term obligations		325,590	128,688

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities. 333

Change in Net Position \$ 3,665,968

See accompanying notes to basic financial statements.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 accounting policies are described below.

REPORTING ENTITY

The Alsea School District No. 7J is a municipal corporation governed by an elected board, organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. Accounting principles generally accepted in the United States of America require that these financial statements present the District (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships with the District. There are no component units.

BASIS OF PRESENTATION - FUND ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statements of Activities display information about the District as a whole.

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

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

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

FUND FINANCIAL STATEMENTS

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days.

GOVERNMENTAL FUND TYPES

Expenditures are recorded when the liability is incurred, except for un-matured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources. Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following major governmental funds are reported:

GENERAL FUND

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

SPECIAL REVENUE FUNDS

This fund consists of all special revenue funds established to account for revenues and expenditures related to grants, student activities and other special revenues. Primary revenue sources are federal and state grants.

FEDERAL LUNCH PROGRAM FUND

This fund accounts for program revenues and expenditures related to the District’s lunch program. The primary source of revenue is from federal grants and charges for services.

STUDENT BODY FUND

This fund accounts for programs revenues and expenditures related to the District’s student body activities and memorial funds. The primary source of revenue is fundraising.

DEBT SERVICE FUND

This fund accounts for the accumulation of resources for, and the repayment of, general long-term debt, principal and interest. The principal revenue source is property taxes.

CAPITAL PROJECTS FUND

This fund accounts for the acquisition of temporary or permanent structures to be used to educate students. The primary source of revenue is transfer from the General Fund and Bond Proceeds.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the Bus Replacement fund which is presented in the General fund for financial statement reporting purposes in accordance with GASB Statement No. 54. A budget and actual statement is presented for this fund for purposes of additional analysis.

Bus Replacement Fund

This fund accounts for resources to be used to purchase school buses. The primary source of revenue is transfer from the General Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting with the modification of using encumbrance accounting. Under this method, revenues are recognized when measurable and available. All revenues reported in the governmental funds are considered to be available if they are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, pension and OPEB costs, and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, capital assets are expensed when purchased, inventory is expensed when purchased, long term debt is expensed when paid. Other post-employment benefits are expensed when paid rather than when incurred, and depreciation expense is not reported.

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2023, with the exception of Special Revenue Fund – Instruction, which was over expended by \$14,107 and Bus Replacement Fund – Debt Service, which was over expended by \$215,577.

CASH AND CASH EQUIVALENTS

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

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES RECEIVABLE

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

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

GRANTS

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

SUPPLY INVENTORIES

Supply inventories purchased are valued at cost (first-in, first-out method). Any donated inventories are valued at their estimated fair market value. Inventories purchased have been charged as expenditures when purchased. Inventories are offset by a fund balance reserve and are not available expendable resources. Supply inventories were considered by management to be immaterial at year end and have not been recorded in the basic financial statements.

CAPITAL ASSETS

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: Buildings and Improvements 10 to 50 years, Equipment 5 to 30 years and Vehicles – 10 years.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements 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 future periods and so will *not* be recognized as an outflow of resources. At June 30, 2023 there were deferred outflows representing PERS pension and OPEB - RHIA related deferrals reported in the Statement of Net Position.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the basic financial statements 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. At June 30, 2023 there were deferred inflows reported in the governmental funds balance sheet representing unavailable revenue from property tax. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2023, there were also deferred inflows reported in the Statement of Net Position representing PERS pension and OPEB - RHIA related deferrals.

USE OF ESTIMATES

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

LONG-TERM OBLIGATIONS

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

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

As of June 30, 2023, the District had long-term debt obligations from a 2021 General Obligation Bond, a note payable for the purchase of a home and the purchase of school buses.

RETIREMENT PLAN

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION

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

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

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

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

FUND EQUITY

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

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

There were no nonspendable, committed, or assigned fund balances at year end.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy of six percent of expenditures.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements is \$1,105,204, \$250,000 of which was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Cash and Investments at June 30, 2023 (recorded at fair value) consisted of:

Deposits with Financial Institutions:

Demand Deposits	\$ 1,060,426
Investments	<u>5,437,568</u>
Total	<u>\$ 6,497,994</u>

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023, the fair value of the position in the ***LGIP is 99.63%*** of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

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

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

Investment Type	Investment Maturities (in months)			
	Fair Value	Less than 3	3 - 18	18 - 59
State Treasurer's Investment Pool	\$ 5,437,568	\$ 5,437,568	\$ -	\$ -
Total	\$ 5,437,568	\$ 5,437,568	\$ -	\$ -

Interest Rate Risk - Investments

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

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. As of June 30, 2023, none of the bank balances were exposed to custodial credit risk.

Credit Risk – Investments

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

Concentration of Credit Risk

At June 30, 2023, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2023, investments appeared to be in compliance with all percentage restrictions.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered to be collectible.

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2023 are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Non-Depreciable Capital Assets</b>				
Land and Land Improvements	\$ 82,678	\$ -	\$ -	\$ 82,678
Construction in Process	616,821	-	-	616,821
Total Non-Depreciable	<u>699,499</u>	-	-	<u>699,499</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	1,287,213	14,697	-	1,301,910
Equipment	371,783	52,859	-	424,642
Vehicles	1,351,445	267,236	-	1,618,681
Total Capital Assets	<u>3,010,441</u>	<u>334,792</u>	-	<u>3,345,233</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	835,350	30,504	-	865,854
Furniture & Equipment	136,858	42,427	-	179,285
Vehicles	423,146	161,914	-	585,060
Total Accumulated Depreciation	<u>1,395,354</u>	<u>234,845</u>	-	<u>1,630,199</u>
Total Net Capital Assets	<u>\$ 2,314,586</u>			<u>\$ 2,414,533</u>

Depreciation expense for the year ended June 30, 2023 was allocated to the functions as follows:

Instruction	\$ 121,281
Support Services	108,308
Community Services	<u>5,256</u>
Total	<u>\$ 234,845</u>

As of August 25, 2023 the District no longer maintains ownership of Kings Valley Charter School's buses. The buses were purchased from the District for a total of \$168,417. See Note 7 and 12 for more details.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

5. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.  
A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$1,232,919, excluding amounts to fund employer specific liabilities. In addition approximately \$292,173 in employee contributions were paid or picked up by the District in fiscal 2023.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Asset or Liability** – At June 30, 2023, the District reported a net pension liability of \$3,958,909 for its proportionate share of the net pension liability. The pension liability 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 dated December 31, 2020. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the District’s proportion was 0.026 percent and 0.016 percent, respectively. Pension income for the year ended June 30, 2023 was \$74,025.

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 192,173	\$ 24,688
Changes in assumptions	621,174	5,675
Net difference between projected and actual earnings on pension plan investments	-	707,776
Net changes in proportionate share	1,444,175	153,693
Differences between District contributions and proportionate share of contributions	416,796	784
Subtotal - Amortized Deferrals (below)	2,674,318	892,616
District contributions subsequent to measuring date	1,232,919	-
Deferred outflow (inflow) of resources	\$ 3,907,237	\$ 892,616

Subtotal amounts related to pension as deferred outflows of resources \$2,674,318, or deferred inflows or resources, (\$892,616), net to \$1,781,702 and will be recognized in pension income as follows:

Year ending June 30,	Amount
2024	\$ 443,738
2025	329,769
2026	141,424
2027	704,420
2028	162,351
Thereafter	-
Total	\$ 1,781,702

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

**Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

*(Source: June 30, 2022 PERS ACFR; p. 104)*

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

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

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

*(Source: June 30, 2022 PERS ACFR; p. 74)*

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 7,020,782	\$ 3,958,909	\$ 1,396,262

**Changes Subsequent to the Measurement Date**

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

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**Deferred Compensation Plan**

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

*Plan Description:*

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

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

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

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

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

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

**Plan Description:**

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

**Funding Policy:**

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS amounts and equaled the required contribution each year.

At June 30, 2023, the District reported a net OPEB asset of \$58,521 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB 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 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 and 2021, the District's proportion was 0.016 percent and 0.019 percent, respectively. OPEB income for the year ended June 30, 2023 was \$10,872.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (8,762)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(1,706)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	<u>-</u>
Employer's Total OPEB Expense/(Income)	<u>\$ (10,468)</u>

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 1,586
Changes in assumptions	458	1,951
Net difference between projected and actual earnings on pension plan investments	-	4,463
Net changes in proportionate share	4,217	1,795
Differences between District contributions and proportionate share of contributions	<u>-</u>	<u>-</u>
Subtotal - Amortized deferrals (below)	4,675	9,795
District contributions subsequent to measurement date	<u>-</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 4,675</u>	<u>\$ 9,795</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$4,675, and deferred inflows of resources, (\$9,795), net to (\$5,120) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	\$ (2,420)
2025	(1,312)
2026	(2,816)
2027	1,428
2028	-
Thereafter	-
Total	<u>\$ (5,120)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	(8,762)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		(1,706)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	\$	(10,468)

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 1,586
Changes in assumptions	458	1,951
Net difference between projected and actual earnings on pension plan investments	-	4,463
Net changes in proportionate share	4,217	1,795
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	4,675	9,795
District contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	\$ 4,675	\$ 9,795

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$4,675, and deferred inflows of resources, (\$9,795), net to (\$5,120) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	\$ (2,420)
2025	(1,312)
2026	(2,816)
2027	1,428
2028	-
Thereafter	-
Total	\$ (5,120)

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

*(Source: June 30, 2022 PERS ACFR; p. 74)*

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (52,744)	\$ (58,521)	\$ (63,473)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

7. LONG TERM DEBT OBLIGATIONS

Go Bond Obligation

General Obligation bonds were issued to provide funds for the purpose of funding various construction projects within the District. On April 13, 2021, the District issued \$2,100,000 of Series 2021 General Obligation bonds to finance various construction projects. The bond issued a related premium in the amount of \$189,477. This interest rate is fixed at 3.00% and is due semiannually on June 15 and December 15. A new Debt Service fund has been established to be used to liquidate the related debt.

Citizen Bank Loan

The Citizens Bank loan was issued on September 12, 2018 in the amount of \$83,000. The interest rate is fixed at 6.49%. The loan was obtained to finance the purchase a house which is pledged as collateral. In the event of default on the bank loan, the obligation contains a remedy clause. If the District is unable to make payments, the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

Santander – 2019 Bus Loans

The District purchased two 2019 Blue Bird Buses on February 10, 2019 in the amount of \$109,951 and \$111,995, respectively. Interest rates are 3.80% fixed and are pledged as collateral. In the event of default on the bank loan, the obligation contains a remedy clause. If the District is unable to make payments, the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

Santander – 2020 Bus Loan

The District purchased one 2020 Blue Bird Bus on April 1, 2019 in the amount of \$111,530. Interest rates are 3.80% fixed and are pledged as collateral. In the event of default on the bank loan, the obligation contains a remedy clause. If the District is unable to make payments, the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

Santander – 2021 Bus Loans

The District purchased two 2021 Blue Bird Buses on February 15, 2021 in the amount of \$116,800 each. Interest rates are 2.25% fixed and are pledged as collateral. In the event of default on the bank loan, the obligation contains a remedy clause. If the District is unable to make payments, the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

Santander – 2023 Bus Loans

The District purchased two 2023 Blue Bird Buses on April 29, 2022 in the amount of \$119,629 each and applied a down payment to each purchase in the amount of \$35,888. The District financed \$83,741 for each bus. Interest rates are 2.25% fixed and are pledged as collateral. In the event of default on the bank loan, the obligation contains a remedy clause. If the District is unable to make payments, the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**7. LONG TERM DEBT OBLIGATIONS (CONTINUED)**

Santander – 2023 Bus Loan

The District purchased one 2023 Blue Bird Buses on April 29, 2022 in the amount of \$119,629 each and applied a down payment to each purchase in the amount of \$35,888. The District financed \$83,741 for each bus. Interest rates are 2.25% fixed and are pledged as collateral. In the event of default on the bank loan the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

Santander – 2023 Bus Loan

The District purchased one 2023 Blue Bird Bus on September 5, 2022 in the amount of \$147,945 and applied a down payment to the purchase in the amount of \$44,282. The District financed \$109,470 for the bus. Interest rate is 2.97% fixed and are pledged as collateral. In the event of default on the bank loan the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The General Fund has traditionally been used to liquidate the related debt.

The following table shows changes in general obligation bonds and other long-term obligations for the fiscal year ended June 30, 2023.

Issue Date	Interest Rates	Outstanding July 1, 2022	Additions	Matured and Redeemed	Outstanding June 30, 2023	Due Within One Year
<b>Bonds payable:</b>						
GO Bonds Series 2021	3.00%	\$ 2,090,000	-	\$ 25,000	\$ 2,065,000	\$ 30,000
<b>Direct Borrowing</b>						
Citizen Bank	6.49%	36,354	-	17,616	18,738	18,738
Santander - 2019 Bus #4	3.80%	46,982	-	22,322	24,660	24,660
Santander - 2019 Bus #76	3.80%	45,533	-	22,322	23,211	23,211
Santander - 2020 Bus #5	3.80%	45,891	-	22,519	23,372	23,372
Santander - 2021 Bus #55	2.25%	70,178	-	22,874	47,304	23,389
Santander - 2021 Bus #58	2.25%	70,178	-	22,874	47,304	23,389
Santander - 2023 Bus #66	2.97%	83,741	-	20,781	62,960	20,376
Santander - 2023 Bus #7	2.97%	83,741	-	20,781	62,960	20,376
Santander - 2023 Bus #60	3.58%	-	119,629	57,105	62,524	20,112
Santander - 2023 Bus #18	3.98%	-	147,607	71,396	76,211	24,419
		2,572,598	267,236	325,590	2,514,244	252,042
<b>Premium Related to Bond</b>						
2021 Original Issue Premium		181,582	-	7,895	173,687	-
<b>Total Long-Term Obligations</b>		<u>\$ 2,754,180</u>	<u>\$ 267,236</u>	<u>\$ 333,485</u>	<u>\$ 2,687,931</u>	<u>\$ 252,042</u>

Future maturities of the general obligation bonds and loans currently outstanding are as follows:

Fiscal Year Ending June 30,	GO Bond		Bus Loans		Citizen Bank Loan	
	Total Principal	Total Interest	Total Principal	Total Interest	Total Principal	Total Interest
2024	\$ 30,000	\$ 61,950	\$ 203,304	\$ 12,766	\$ 18,738	\$ -
2025	35,000	61,050	136,015	6,019	-	-
2026	40,000	60,000	91,188	3,106	-	-
2027	45,000	58,800	-	-	-	-
2028	50,000	57,450	-	-	-	-
2029-2033	325,000	261,750	-	-	-	-
2034-2038	490,000	203,850	-	-	-	-
2039-2043	700,000	118,500	-	-	-	-
2044-2046	350,000	15,900	-	-	-	-
	<u>\$ 2,065,000</u>	<u>\$ 899,250</u>	<u>\$ 430,507</u>	<u>\$ 21,891</u>	<u>\$ 18,738</u>	<u>\$ -</u>

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG TERM DEBT OBLIGATIONS (CONTINUED)

As of August 25, 2023, Kings Valley Charter School assumed all of their own financed purchase obligations from Santander leasing. See Note 12 for more details.

8. INTERFUND TRANSFERS

Interfund transfers are comprised of the following at June 30, 2023:

Fund	Transfers Out	Transfers In	Due From	Due To
General	\$ 376,066	\$ 136,000	\$ 201,069	\$ -
Special Revenue	-	75,672	-	199,255
Federal Lunch Program	-	161,387	-	1,814
Student Body	-	3,007	-	-
	\$ 376,066	\$ 376,066	\$ 201,069	\$201,069

Transfers were made to fund operations. Interfund receivables and payables are used as a pooling of cash between funds.

9. PROPERTY TAX LIMITATIONS

The State of Oregon voters imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State of Oregon voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

10. TAX ABATEMENTS

As of June 30, 2023, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2023 for any program covered under GASB 77.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

11. COMMITMENTS AND CONTINGENCIES

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

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representative. The deferral audits for these programs for the year ended June 30, 2023 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts, if any, are expected by management to be immaterial.

12. SUBSEQUENT EVENTS

As of June 30, 2023, Kings Valley Charter School (the School) will no longer be sponsored by the District. As agreed upon in August 2023, the School will end any shared programs, personnel, and assets of their student transportation services. As part of this agreement, the School will pay a final invoice for services provided through June 30, 2023, purchase its buses from the District no later than August 25, 2023, and will assume all financed purchase obligations from Santander leasing effective August 25, 2023. The final invoice payable to the District totals \$399,309.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

ALSEA SCHOOL DISTRICT  
BENTON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2023

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.026 %	\$ 3,958,909	\$ 5,173,658	76.5 %	84.5 %
2022	0.016	1,973,359	3,254,560	60.6	87.6
2021	0.015	3,305,596	1,527,017	216.5	75.8
2020	0.018	3,042,927	1,336,643	227.7	80.2
2019	0.017	2,623,509	1,805,222	145.3	82.1
2018	0.015	2,030,385	1,194,310	170.0	83.1
2017	0.015	2,294,970	1,057,538	217.0	80.5
2016	0.019	1,067,974	966,773	110.5	91.9
2015	0.019	(425,289)	893,771	(47.6)	103.6
2014	0.019	957,471	913,672	104.8	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 1,232,919	\$ 1,232,919	\$ -	\$ 4,928,426	25.0 %
2022	1,290,962	1,290,962	-	5,173,658	25.0
2021	1,116,947	1,116,947	-	3,254,560	34.3
2020	529,762	529,762	-	1,527,017	34.7
2019	374,710	374,710	-	1,336,643	28.0
2018	367,844	367,844	-	1,805,222	20.4
2017	289,838	289,838	-	1,194,310	24.3
2016	203,154	203,154	-	1,057,538	19.2
2015	192,355	192,355	-	966,773	19.9
2014	235,696	235,696	-	893,771	26.4

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2023

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA

Year Ended June 30,	(a) District's Proportion of the net OPEB asset/(liability) (NOA/(L))	(b) District's proportionate share of the net OPEB asset/(liability)(NOA/(L))	(c) District's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.01640 %	\$ 58,521	\$ 5,173,658	1.13 %	194.6 %
2022	0.01920	66,063	3,254,560	2.03	183.9
2021	0.01570	31,958	1,527,017	2.09	150.1
2020	0.01170	22,582	1,336,643	1.69	144.4
2019	0.01078	12,035	1,508,222	0.80	124.0
2018	0.01092	4,557	1,194,310	0.38	108.9
2017	0.01060	(2,888)	1,057,538	(0.27)	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

Amounts for covered payroll ( c ) use the prior year's data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2023	N/A	\$ N/A	\$ N/A	\$ 4,928,426	N/A %
2022	N/A	N/A	N/A	5,173,658	N/A
2021	N/A	N/A	N/A	3,254,560	N/A
2020	N/A	N/A	N/A	1,527,017	N/A
2019	N/A	N/A	N/A	1,336,643	N/A
2018	N/A	N/A	N/A	1,508,222	N/A
2017	N/A	N/A	N/A	1,194,310	N/A

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date of 6/30 for each year presented.

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

All statutorily required contributions were made and are included within PERS contributions (See p. 32)

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For The Year Ended June 30, 2023**

<u>GENERAL FUND</u>				VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Local Sources	\$ 532,500	\$ 532,500	\$ 928,060	\$ 395,560
Intermediate Sources	7,500	7,500	7,543	43
State Sources	10,562,799	10,562,799	11,846,620	1,283,821
<b>Total Revenues</b>	<u>11,102,799</u>	<u>11,102,799</u>	<u>12,782,223</u>	<u>1,679,424</u>
<b>EXPENDITURES:</b>				
Instruction	5,715,113	5,715,113 (1)	4,639,843	1,075,270
Support Services	5,180,957	5,180,957 (1)	4,502,341	678,616
Debt Service	19,995	19,995 (1)	19,995	-
Contingency	120,000	120,000 (1)	-	120,000
<b>Total Expenditures</b>	<u>11,036,065</u>	<u>11,036,065</u>	<u>9,162,179</u>	<u>1,873,886</u>
Excess of Revenues Over (Under) Expenditures	66,734	66,734	3,620,044	3,553,310
<b>Other Financing Sources (Uses)</b>				
Sale of or compensation for loss of fix	5,000	5,000	-	5,000
Transfers Out	(530,000)	(530,000) (1)	(376,066)	153,934
<b>Total Other Financing Sources (Uses)</b>	<u>(525,000)</u>	<u>(525,000)</u>	<u>(376,066)</u>	<u>153,934</u>
<b>Net Change in Fund Balance</b>	<u>(458,266)</u>	<u>(458,266)</u>	<u>3,243,978</u>	<u>3,702,244</u>
Beginning Fund Balance	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,146,493</u>	<u>(653,507)</u>
<b>Ending Fund Balance</b>	<u>\$ 1,341,734</u>	<u>\$ 1,341,734</u>	<u>\$ 4,390,471</u>	<u>\$ 3,048,737</u>
Reconciliation to governmental fund balance as required by GASB No. 54				
Ending fund balance:				
		Bus Replacement Fund	<u>33,225</u>	
		Total	<u>\$ 4,423,696</u>	

(1) Appropriation level

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For The Year Ended June 30, 2023**

**SPECIAL REVENUE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Local Sources	\$ -	\$ -	\$ 15,114	\$ 15,114
Intermediate Sources	35,143	35,143	29,613	(5,530)
State Sources	959,695	959,695	1,133,686	173,991
Federal Sources	832,468	832,468	338,063	(494,405)
<b>Total Revenues</b>	<u>1,827,306</u>	<u>1,827,306</u>	<u>1,516,476</u>	<u>(310,830)</u>
<b>EXPENDITURES:</b>				
Instruction	1,014,159	1,014,159 (1)	1,028,266	(14,107)
Support Services	535,032	535,032 (1)	340,662	194,370
Enterprise and Community Services	56,063	56,063 (1)	18,071	37,992
Facilities Acquisitions & Construction	233,052	233,052 (1)	2,277	230,775
<b>Total Expenditures</b>	<u>1,838,306</u>	<u>1,838,306</u>	<u>1,389,276</u>	<u>449,030</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	75,672 (2)	75,672
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>75,672</u>	<u>662,901</u>
<b>Net Change in Fund Balance</b>	<u>(11,000)</u>	<u>(11,000)</u>	<u>202,872</u>	<u>213,872</u>
<b>Beginning Fund Balance</b>	<u>11,000</u>	<u>11,000</u>	<u>(195,811)</u>	<u>(206,811)</u>
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,061</u>	<u>\$ 7,061</u>

(1) Appropriation level

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For The Year Ended June 30, 2023**

**FEDERAL LUNCH PROGRAM FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Local Sources	\$ 1,500	\$ 1,500	\$ 1,746	\$ 246
State Sources	100,000	100,000	14,096	(85,904)
Federal Sources	130,000	130,000	143,649	13,649
<b>Total Revenues</b>	<b>231,500</b>	<b>231,500</b>	<b>159,491</b>	<b>(72,009)</b>
<b>EXPENDITURES:</b>				
Instruction	30,000	30,000 (1)	-	30,000
Support Services	70,000	70,000 (1)	-	70,000
Enterprise and Community Services	251,500	251,500 (1)	228,439	23,061
<b>Total Expenditures</b>	<b>351,500</b>	<b>351,500</b>	<b>228,439</b>	<b>123,061</b>
Excess of Revenues Over (Under) Expenditures	(120,000)	(120,000)	(68,948)	51,052
<b>Other Financing Sources (Uses)</b>				
Transfers In	120,000	120,000	161,387 (2)	41,387
<b>Total Other Financing Sources (Uses)</b>	<b>120,000</b>	<b>120,000</b>	<b>161,387</b>	<b>215,500</b>
Net Change in Fund Balance	-	-	92,439	92,439
Beginning Fund Balance	-	-	(92,439)	(92,439)
Ending Fund Balance	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) Appropriation Level

(2) Included in this transfer from the General Fund is the required state revenue match of \$1,126 the District must transfer to the Federal Lunch Program Fund for National School Lunch Support in order to meet the general cash assistance match.

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET**

**For The Year Ended June 30, 2023**

**STUDENT BODY FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 55,800	\$ 55,800	\$ 26,986	\$ (28,814)
Total Revenues	55,800	55,800	26,986	(28,814)
 EXPENDITURES:				
Instruction	112,950	112,950 (1)	20,202	92,748
Total Expenditures	112,950	112,950	20,202	92,748
Excess of Revenues Over (Under) Expenditures	(57,150)	(57,150)	6,784	63,934
 Other Financing Sources (Uses)				
Transfers In	-	-	3,007 (2)	3,007
Total Other Financing Sources (Uses)	-	-	3,007	159,689
Net Change in Fund Balance	(57,150)	(57,150)	9,791	66,941
Beginning Fund Balance	57,150	57,150	32,575	(24,575)
Ending Fund Balance	\$ -	\$ -	\$ 42,366	\$ 42,366

(1) Appropriation Level

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For The Year Ended June 30, 2023**

**DEBT SERVICE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 86,025	\$ 86,025	\$ 81,491	\$ (4,534)
Total Revenues	86,025	86,025	81,491	(4,534)
EXPENDITURES:				
Debt Service	87,700	87,700 (1)	87,588	112
Total Expenditures	87,700	87,700	87,588	112
Net Change in Fund Balance	(1,675)	(1,675)	(6,097)	(4,422)
Beginning Fund Balance	6,000	6,000	29,259	23,259
Ending Fund Balance	\$ 4,325	\$ 4,325	\$ 23,162	\$ 18,837

(1) Appropriation level

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For The Year Ended June 30, 2023**

**CAPITAL PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Local Sources	\$ -	\$ -	\$ 45,854	\$ 45,854
Total Revenues	-	-	45,854	45,854
<b>EXPENDITURES:</b>				
Facilities Acquisitions & Construction	3,996,875	3,996,875 (1)	234,572	3,762,303
Total Expenditures	3,996,875	3,996,875	234,572	3,762,303
Excess of Revenues Over (Under) Expenditures	(3,996,875)	(3,996,875)	(188,718)	3,808,157
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	1,740,000	1,740,000	-	1,740,000
Transfers In	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	1,940,000	1,940,000	-	1,540,000
Net Change in Fund Balance	(2,056,875)	(2,056,875)	(188,718)	1,868,157
Beginning Fund Balance	2,056,875	2,056,875	2,001,957	(54,918)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,813,239</u>	<u>\$ 1,813,239</u>

(1) Appropriation level

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET**

**For The Year Ended June 30, 2023**

**BUS REPLACEMENT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ -	\$ -	\$ 5,938	\$ 5,938
State Sources	-	-	151,648	151,648
Total Revenues	-	-	157,586	157,586
EXPENDITURES:				
Support Services	219,724	219,724 (1)	80,171	139,553
Debt Service	-	- (1)	215,577	(215,577)
Total Expenditures	219,724	219,724	295,748	139,553
Excess of Revenues Over (Under) Expenditures	(219,724)	(219,724)	(138,162)	81,562
Other Financing Sources (Uses)				
Transfers In	210,000	210,000	136,000	(74,000)
Total Other Financing Sources (Uses)	210,000	210,000	136,000	(68,462)
Net Change in Fund Balance	(9,724)	(9,724)	(2,162)	7,562
Beginning Fund Balance	9,724	9,724	35,387	25,663
Ending Fund Balance	\$ -	\$ -	\$ 33,225	\$ 33,225

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED - GENERAL FUND  
For The Year Ended June 30, 2023**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/22	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/23
Current:						
2022-23	\$ 500,240	13,600	(771)	132	480,055	\$ 5,946
Prior Years:						
2021-22	5,489	2	(328)	222	3,340	2,041
2020-21	1,450	2	(143)	94	523	876
2019-20	762	2	(126)	92	337	389
2018-19	294	1	(73)	59	169	110
Prior	305	1	(20)	19	32	271
Total Prior	8,300	8	(690)	486	4,401	3,687
Total General Fund	<u>\$ 508,540</u>	<u>\$ 13,608</u>	<u>\$ (1,461)</u>	<u>\$ 618</u>	<u>484,456</u>	<u>\$ 9,633</u>

RECONCILIATION TO REVENUE:	GENERAL FUND
Cash Collections by County Treasurers Above	\$ 484,456
Accrual of Receivables:	
June 30, 2022	(1,884)
June 30, 2023	2,558
Change in prior year unavailable revenue, see page 6	333
Total Revenue	<u>\$ 485,463</u>

**ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED - DEBT SERVICE FUND  
For The Year Ended June 30, 2023**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/22	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/23
Current:						
2022-23	\$ 88,089	2,394	(137)	23	84,535	\$ 1,046
Prior Years:						
2021-22	1,384	-	(82)	55	842	515
2020-21	641	-	(64)	42	224	395
2019-20	309	-	(52)	38	130	165
2018-19	133	-	(33)	27	78	49
Prior Years:	145	1	(11)	9	16	126
Total Prior	2,612	1	(242)	171	1,290	1,250
Total Debt Service Fund	\$ 90,701	\$ 2,395	\$ (379)	\$ 194	85,825	\$ 2,296

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurers Above	\$ 85,825
Accrual of Receivables:	
June 30, 2022	(318)
June 30, 2023	328
Total Revenue	\$ 85,835

ALSEA SCHOOL DISTRICT  
LANE COUNTY, OREGON

OTHER INFORMATION

ALSEA SCHOOL DISTRICT #73  
BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
As required by the Oregon Department of Education  
For the Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal AL Number	Pass Through Entity Number	Grant Period	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
Child Nutrition Cluster					
School Breakfast Program	Oregon Department of Education	10.553	N/A	2022-23	\$ 44,529
National School Lunch Program	Oregon Department of Education	10.555	N/A	2022-23	99,120
Child Nutrition Discretionary Grants	Oregon Department of Education	10.579	N/A	2022-23	16,500
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>					<u>160,149</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
Title IA of IASA					
Title IA/D- Grants to LEAs	Oregon Department of Education	84.010	66912	2021-22	3,505
Title IA/D- Grants to LEAs	Oregon Department of Education	84.010	67934	2021-23	9,116
Title IA/D- Grants to LEAs	Oregon Department of Education	84.010	72452	2022-23	21,862
Title II-A - Teacher Quality 22-23	Oregon Department of Education	84.367	72649	2022-23	5,670
Title IV-A - Student Support and Academic Enrichment 22-23	Oregon Department of Education	84.424	72846	2022-23	10,763
Total Title I Grants to Local Education Agencies					<u>50,916</u>
Special Education Cluster					
IDEA Part B Section 611 Pass-Thru	Oregon Department of Education	84.027	73958	2022-24	85,926
IDEA Part B, Section 611	Oregon Department of Education	84.027	75272	2022-23	4,874
Total IDEA					<u>90,800</u>
Elementary Secondary School Relief Fund					
COVID-19 LEA ESSER II Fund	Oregon Department of Education	84.425	64519	2020-23	2,277
COVID-19 ARP Elem&Secondary Sch Emerg Relief Fund	Oregon Department of Education	84.425	64824	2020-24	32,203
Total ESSER					<u>34,480</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>					<u>176,196</u>
<b>TOTAL FEDERAL EXPENDITURES</b>					<u>\$ 336,345</u>
Total expended under \$750,000. No Single Audit required.		<b>Reconciliation to Federal Revenue</b>			
		Total Federal Awards Expended			\$ 336,345
		Accrual/Deferrals			145,367
		Total Federal Revenue Recognized			<u>\$ 481,712</u>

OREGON DEPARTMENT OF EDUCATION  
REVENUE SUMMARY 2022-2023 - All Funds  
Alsea School District

Revenue from Local Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110	Ad Valorem Taxes Levied by District	\$ 564,207	\$ 484,319	\$ -	\$ 79,888	\$ -	\$ -	\$ -	\$ -
1190	Interest on Taxes	861	811	-	50	-	-	-	-
1400	Transportation Fees	13,185	-	13,186	-	-	-	-	-
1500	Earnings on Investments	140,554	93,326	-	1,374	45,854	-	-	-
1600	Food Service	1,746	-	1,746	-	-	-	-	-
1700	Extracurricular Activities	16,506	1,532	14,974	-	-	-	-	-
1920	Sources	17,879	1,000	16,879	-	-	-	-	-
1940	Agencies	285,557	285,557	-	-	-	-	-	-
1980	Fees Charged to Grants	5,576	5,576	-	-	-	-	-	-
1990	Miscellaneous	59,117	55,939	2,999	179	-	-	-	-
<b>Total Revenue from Local Sources</b>		<b>1,105,188</b>	<b>928,060</b>	<b>49,784</b>	<b>81,491</b>	<b>45,854</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue from Intermediate Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101	County School Funds	7,543	7,543	-	-	-	-	-	-
2102	Education Service District Apportionment	29,103	-	29,103	-	-	-	-	-
2199	Other Intermediate Sources	510	-	510	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>		<b>37,156</b>	<b>7,543</b>	<b>29,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue from State Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101	State School Fund - General Support	11,774,678	11,774,678	-	-	-	-	-	-
3103	Common School Fund	63,817	63,817	-	-	-	-	-	-
3199	Other Unrestricted Grants-in-Aid	996	-	996	-	-	-	-	-
3299	Other Restricted Grants-in-Aid	1,306,559	8,125	1,298,434	-	-	-	-	-
<b>Total Revenue from State Sources</b>		<b>13,146,050</b>	<b>11,846,620</b>	<b>1,299,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue from Federal Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4300	Restricted Revenue From the Federal Government	145,367	-	145,367	-	-	-	-	-
4500	Restricted Revenue From the Federal Government Through the State	324,074	-	324,074	-	-	-	-	-
4900	Commodities and Subsidies	12,271	-	12,271	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>		<b>481,712</b>	<b>-</b>	<b>481,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue from Other Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5200	Interfund Transfers	376,066	-	376,066	-	-	-	-	-
5400	Resources - Beginning Fund Balance	2,957,421	1,146,493	(220,288)	29,259	2,001,957	-	-	-
<b>Total Revenue from Other Sources</b>		<b>3,333,487</b>	<b>1,146,493</b>	<b>155,778</b>	<b>29,259</b>	<b>2,001,957</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>		<b>\$ 18,103,593</b>	<b>\$ 13,928,716</b>	<b>\$ 2,016,317</b>	<b>\$ 110,750</b>	<b>\$ 2,047,811</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

OREGON DEPARTMENT OF EDUCATION:  
EXPENDITURE SUMMARY 2022-2023  
Alsea School District

General Fund (JXX)

		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction</b>									
1111	Primary, K-3	\$ 1,429,568	\$ 873,803	\$ 501,286	\$ 4,332	\$ 49,525	\$ -	\$ 872	\$ -
1122	Elementary Extracurricular	1,816	-	-	-	1,190	-	776	-
1123	Middle/Junior High Programs	667,862	411,684	246,887	1,855	14,286	-	-	-
1122	Middle/Junior High School Extracurricular	25,714	14,083	8,452	4,357	1,419	-	-	-
1131	High School Programs	557,520	328,352	191,215	10,798	27,347	-	280	-
1132	High School Extracurricular	131,079	65,920	28,181	15,362	15,864	-	5,809	-
1140	Pre-Kindergarten Programs	812	-	93	719	-	-	-	-
1210	Programs for the Talented and Gifted	63,577	43,370	19,573	640	-	-	-	-
1250	Low Incidence Programs for Students with Disabilities	1,024,039	647,263	357,191	13,946	5,640	-	-	-
1280	Alternative Education	846,529	-	799	5,350	640,180	-	-	-
1291	English Second Language Programs	93,293	54,788	35,710	2,496	310	-	-	-
<b>Total Instruction Expenditures</b>		<b>4,639,843</b>	<b>2,439,159</b>	<b>1,377,622</b>	<b>59,475</b>	<b>753,620</b>	<b>-</b>	<b>7,967</b>	<b>-</b>
<b>Support Services</b>									
2110	Attendance and Social Work Services	296,854	168,809	92,536	43,509	-	-	-	-
2130	Health Services	11,225	-	-	11,225	-	-	-	-
2340	Psychological Services	24,776	-	-	24,776	-	-	-	-
2150	Speech Pathology	151,867	70,345	25,873	55,822	592	-	-	-
2160	Other Student Treatment Services	34,848	-	-	34,824	324	-	-	-
2190	Service Director, Student Support Services	121,213	72,922	46,843	893	-	-	645	-
2220	Educational Media Services	24	-	-	-	74	-	-	-
2280	Assessment & Testing	10,397	6,872	3,078	451	-	-	-	-
2340	Instructional Staff Development	2,370	-	2,370	-	-	-	-	-
2310	Board of Education Services	150,081	-	56,024	84,771	5,670	-	4,666	-
2320	Executive Administration Services	342,081	203,783	101,080	23,719	7,004	-	1,595	-
2410	Office of the Principal Services	892,434	452,711	243,628	179,154	5,656	-	1,290	-
2520	Visual Services	424,455	145,025	76,763	184,087	16,952	-	3,086	-
2340	Operation and Maintenance of Plant Services	572,693	200,542	111,815	126,932	53,411	14,697	66,186	-
2750	Student Transportation Services	1,342,953	670,080	392,618	45,389	167,965	-	77,921	-
2660	Technology Services	145,904	16,839	14,920	72,943	16,541	72,049	-	-
2900	Supplemental Retirement Program	10,716	-	10,716	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>4,362,341</b>	<b>2,019,624</b>	<b>1,178,277</b>	<b>890,325</b>	<b>272,637</b>	<b>36,715</b>	<b>103,379</b>	<b>-</b>
<b>Other Uses</b>									
5190	ISM Service	19,295	-	-	-	-	-	19,295	-
5200	Transfer of Funds	376,066	-	-	-	-	-	-	376,066
<b>Total Other Uses Expenditures</b>		<b>396,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,295</b>	<b>376,066</b>
<b>Grand Total</b>		<b>\$ 9,538,245</b>	<b>\$ 4,458,783</b>	<b>\$ 2,555,899</b>	<b>\$ 949,800</b>	<b>\$ 1,027,657</b>	<b>\$ 36,745</b>	<b>\$ 133,291</b>	<b>\$ 376,066</b>

**OREGON DEPARTMENT OF EDUCATION:  
EXPENDITURE SUMMARY 2022-2023  
Alsen School District**

**Special Revenue Funds (XKN)**

		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction</b>									
1111	Primary, K-3	\$ 558,902	\$ 313,954	\$ 208,365	\$ 170	\$ 36,413	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	3,817	-	-	893	2,924	-	-	-
1121	Middle/Junior High Programs	46,195	11,639	7,429	8,126	18,501	-	500	-
1131	High School Programs	198,734	72,636	42,868	1,597	81,211	-	500	-
1132	High School Extracurricular	16,385	-	-	5,753	9,204	-	528	-
1220	Restrictive Programs for Students with Disabilities	5,552	4,628	1,524	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	50,799	46,337	39,478	-	4,584	-	-	-
1272	Early Intervention	41,799	28,120	12,679	-	-	-	-	-
1280	Alternative Education	8,406	-	-	7,746	750	-	-	-
1400	Summer School Programs	77,729	42,813	16,633	3,038	16,177	-	5,076	-
	<b>Total Instruction Expenditures</b>	<b>1,448,469</b>	<b>528,529</b>	<b>328,968</b>	<b>27,303</b>	<b>164,754</b>	<b>-</b>	<b>6,914</b>	<b>-</b>
<b>Support Services</b>									
2110	Attendance and Social Work Services	68,771	39,428	26,290	1,424	1,629	-	90	-
2120	Guidance Services	77,625	44,348	31,300	2,928	-	-	-	-
2210	Improvement of Instruction Services	80,222	59,041	21,181	-	-	-	-	-
2240	Instructional Staff Development	1,883	-	-	1,572	-	-	258	-
2310	Board of Education Services	24,977	-	-	24,977	-	-	-	-
2340	Operation and Maintenance of Plant Services	449	-	-	-	449	-	-	-
2350	Student Transportation Services	21,148	15,058	5,386	704	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	35,811	15,836	19,975	-	-	-	-	-
2660	Technology Services	29,775	-	-	7,638	22,137	-	-	-
	<b>Total Support Services Expenditures</b>	<b>340,662</b>	<b>173,751</b>	<b>103,051</b>	<b>39,298</b>	<b>24,215</b>	<b>-</b>	<b>248</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>									
3100	Fuel Services	246,510	47,375	39,469	2,069	126,786	39,811	-	-
	<b>Total Enterprise and Community Services Expenditures</b>	<b>246,510</b>	<b>47,375</b>	<b>39,469</b>	<b>2,069</b>	<b>126,786</b>	<b>39,811</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>									
4150	Building Acquisition, Construction, and Improvement Services	2,277	-	-	-	-	2,277	-	-
	<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>2,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,277</b>	<b>-</b>	<b>-</b>
<b>Other Uses</b>									
5100	Debt Service	215,477	-	-	-	-	-	215,477	-
5110	Long-Term Service Debt	30,170	-	-	-	-	-	30,170	-
	<b>Total Other Uses Expenditures</b>	<b>295,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295,747</b>	<b>-</b>
<b>Grand Total</b>		<b>\$ 1,933,663</b>	<b>\$ 751,655</b>	<b>\$ 471,488</b>	<b>\$ 68,670</b>	<b>\$ 315,755</b>	<b>\$ 32,088</b>	<b>\$ 303,099</b>	<b>\$ -</b>

OREGON DEPARTMENT OF EDUCATION:  
EXPENDITURE SUMMARY 2022-2023  
Alsea School District

Debt Service Fund (XXX)

Other Uses		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	87,588	-	-	-	-	-	87,588	-
Total Other Uses Expenditures		87,588	-	-	-	-	-	87,588	-
Grand Total		\$ 87,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,588	\$ -

OREGON DEPARTMENT OF EDUCATION:  
EXPENDITURE SUMMARY 2022-2023  
Alsea School District

Capital Project Funds (XNX)

Facilities Acquisition and Construction Expenditures

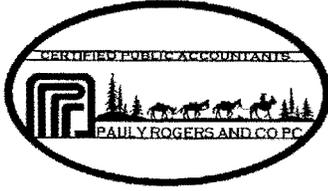
	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4100 Facilities Acquisition and Construction	234,572	-	-	76,533	-	158,039	-	-
Total Facilities Acquisition and Construction Expenditures	234,572	-	-	76,533	-	158,039	-	-

Grand Total

\$	234,572	\$	-	\$	76,533	\$	-	\$	158,039	\$	-	\$	-
----	---------	----	---	----	--------	----	---	----	---------	----	---	----	---

ALSEA SCHOOL DISTRICT  
BENTON COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY  
OREGON STATE REGULATIONS



PAULY, ROGERS AND CO., P.C.  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcogas.com

December 7, 2023

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

We have audited the basic financial statements of Alsea School District 7J (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 7, 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 Alsea School District's the basic financial statements are free of material misstatement, we performed tests of 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 basic 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 investments 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 Alsea School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as noted below:

- Expenditures of all the various funds were within authorized appropriations, except as noted on page 10 of the report

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

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

We noted a matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in our management letter dated December 7, 2023.

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



Roy R. Rogers, CPA  
PAULY, ROGERS AND CO., P.C.