

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2022**

**WITH**

**INDEPENDENT AUDITOR'S REPORTS**



**Certified Public Accountants, LLP**

audit | tax | advisory | wealth management | cfo

**Douglas County School District No.77  
Glendale, Oregon  
June 30, 2022**

**BOARD OF EDUCATION AS OF JUNE 30, 2022**

Caroline Lydon	Chair
Cynthia Chanez	Vice-Chair
Janice Austin (resigned in April 2022)	Member
Ryan Owens	Member
Tom Chanez	Member
Justin Callahan	Member

All board members receive mail at the address listed below:

PO Box E  
10598 Azalea-Glen Rd  
Glendale, OR 97442

**ADMINISTRATIVE STAFF**

David Hanson <i>10598 Azalea Glen Road, Glendale, OR 97442</i>	Superintendent
Racheal Aiken <i>1409 NE Diamond Lake Blvd, Suite 110, Roseburg, OR 97470</i>	Business Manager

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Glendale, Oregon**  
**Year Ended June 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Douglas County School District No.77  
Glendale, Oregon

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County School District No. 77 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund and Major Special Revenue Fund budgetary comparison information, certain other postemployment benefit schedules, and certain pension schedules 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 Management's Discussion and Analysis, certain other postemployment benefit schedules, and certain pension schedules, as listed in the Table of Contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund and major special revenue funds budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund and major special revenue funds budgetary comparison information is fairly stated in all material respects, in relation to the financial statements as a whole.

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the Table of Contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The other supplementary information, other financial information, and the Schedule of Expenditures of Federal Awards are 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. The 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 other supplementary information, other financial schedules, and the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

### ***Other Reporting Required by Oregon State Regulation***

In accordance with Oregon State Regulation, we have also issued our report dated December 20, 2022 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Jeny L. Grupe, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 20, 2022

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

As management of the Douglas County School District #77 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status reflects an increase in government-wide net position for the 2022 fiscal year. Overall net position increased by \$1.2 million or approximately 71% from the previous year.
- General revenues accounted for \$4.82 million in revenue, or 73% of all fiscal year revenues. Program specific revenues in the form of charges for services, grants and donations accounted for \$1.76 million or 27% of total fiscal 2022 revenues.
- The District had \$5.35 million in expenses related to governmental activities; of which \$1.76 million were expenses offset by program specific charges for services, grants and donations. General revenues of \$4.82 million were more than adequate to provide for the remaining costs of these programs and services which accounts for the increase in net assets.
- The General Fund had \$4.64 million in fiscal year 2022 revenues, which primarily consisted of state school support and property taxes. Expenditures totaled \$3.95 million. The General Fund's fund balance, before interfund transfers, increased \$685 thousand from the previous year.
- The Special Revenue Fund had \$1.75 million in fiscal year 2022 revenues and \$1.83 million in expenditures before interfund transfers.
- The Debt Service Fund had \$126 thousand in fiscal year 2022 revenues and \$110 thousand in expenditures before interfund transfers.
- The District added a Capital Projects Fund in fiscal year 2021 for budgeted projects related to the 2021 General Obligation bonds. The Capital Projects Fund had \$38 thousand in fiscal year 2022 revenues and \$348 thousand in expenditures.
- The District's total long-term debt decreased by \$46,866 during the current fiscal year.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements comprise 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 includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.



DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

The two government-wide financial statements report the District's *net position* and how it has changed. Net position, the difference between the District's assets and deferred outflows, and the District's deferred inflows and liabilities, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula, and the condition of school buildings and other facilities.

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 compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by intergovernmental revenues (*State School Support*) and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant facilities and services, student transportation, and non-instructional support services. The government-wide financial statements can be found on pages 1-2 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Governmental funds are used essentially to account for the ongoing activities of government that are financed with general government revenues in the form of taxes, license fees, grants and entitlements. They are also used to record the acquisition of general governmental assets. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's short-term financial requirements. Statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 4 and 6, respectively.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Charter School Fund, Capital Projects Fund and Debt Service Fund, which are all considered major funds. The basic governmental fund financial statements can be found on pages 3 and 6 of this report.

*Proprietary funds.* Proprietary Funds are used to accumulate and allocate costs internally among the District's various functions. The District also uses its internal service fund for self-insurance purposes, primarily for employees' unemployment benefits and deductibles on insurance.

*Fiduciary funds.* Fiduciary funds are used to account for assets held by the District as trustee or agent. Each trust fund is treated for accounting measurement purposes in a manner similar to either a governmental fund or a proprietary fund. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds and pension trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations.

### **Notes to the Financial Statements**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. This information is essential to a full understanding of the data provided in this report. The notes to the financial statements can be found on pages 12 - 41 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the financial statements. This includes the General Fund and major Special Revenue Fund budgetary comparison information, certain other post-employment benefit schedules, and certain pension schedules. The required supplementary information can be found on pages 42 - 45 of this report.

Additionally, the Capital Projects Fund, Debt Service Fund, Internal Service Fund and Fiduciary Fund budgetary comparison information are not required to be presented but are included for further clarity and understanding. These fund schedules can be found on pages 46 - 49 of this report.

### **Government-Wide Financial Analysis**

The District's combined net position reflects an increase of approximately 71.5% as of June 30, 2022. This increase is primarily due to increased revenues and decreased expenses for support services, community services related to the total general revenues and activities.

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2022 and June 30, 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current Assets	\$ 5,560,547	\$ 5,237,467
Capital Assets- Net	2,764,891	2,132,934
Total Assets	<u>8,325,438</u>	<u>7,370,401</u>
Deferred Outflows Related to Pensions	1,588,222	1,717,778
Total Assets and Deferred Outflows	<u>\$ 9,913,660</u>	<u>\$ 9,088,179</u>
Current Liabilities	\$ 64,665	\$ 42,199
Long Term Liabilities	4,851,090	7,144,114
Total Liabilities	<u>4,915,755</u>	<u>7,186,313</u>
Deferred Inflows Related to Pensions	2,072,826	195,829
Total Liabilities and Deferred Inflows	<u>\$ 6,988,581</u>	<u>\$ 7,382,142</u>
Net Position		
Net Investment in Capital Assets	\$ 2,182,784	\$ 1,827,272
Restricted	2,012,424	2,169,732
Unrestricted	<u>(1,270,129)</u>	<u>(2,290,967)</u>
Total Net Position	<u>\$ 2,925,079</u>	<u>\$ 1,706,037</u>

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

The District's total revenues for the fiscal year ended June 30, 2022, were \$6.57 million. The total cost of programs and services was \$5.35 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Revenues		
Program Revenues		
Charges for Services	\$ 45,990	\$ 1,626
Operating Grants & Contributions	1,660,366	1,098,388
Capital Grants & Contributions	50,000	-
General Revenues		
Property Taxes	1,154,335	1,092,611
Earnings on Investments	27,266	37,800
State School Support	3,283,223	3,038,182
Common School Fund	32,449	27,268
Federal Forest Fees	31,292	27,995
Gain (Loss) on Sale of Fixed Assets	-	7,895
Miscellaneous Other Sources	287,901	160,064
Total Revenues	<u>\$ 6,572,822</u>	<u>\$ 5,491,829</u>
Expenses		
Instruction	\$ 2,591,446	\$ 3,167,062
Support Services	2,412,583	2,002,602
Community Services	286,867	320,833
Facilities Acquisition & Construction	-	84,932
Interest on Long Term Debt	62,884	51,624
Total Expenses	<u>\$ 5,353,780</u>	<u>\$ 5,627,053</u>
Change in Net Position	<u>\$ 1,219,042</u>	<u>\$ (135,224)</u>

Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues in the amount of \$1.7 million. The resulting net cost of governmental activities of \$3.6 million was financed by general revenues, which are primarily made up of state school support funds, property taxes, federal forest fees, and the utilization of reserves.

**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 short-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 measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$5,394,681, an increase of \$316,837 from the prior year. The fund balance constitutes unassigned, assigned, committed, restricted and non-spendable amounts. Of the current fund balance, \$2,130,176 is unassigned and available for spending at the District's discretion, \$2,684,632 is restricted for debt service, capital projects, and education grants, \$12,968 is non-spendable and reserved for inventory, \$180,340 is assigned, \$268,553 is committed

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Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

for the payment of pension obligations, \$75,567 is committed for curriculum replacement and \$42,445 is committed for food service programs.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$643,928, mainly a result of decreasing expenses. The combined fund balances of all other funds decreased by \$327,091 during the fiscal year. The Capital Projects Fund accounts for a majority of the decrease.

### **Budgetary Highlights**

General Fund revenues were budgeted and anticipated to be collected in the amount of \$4.3 million during the fiscal year. State funding is expected to decrease. Enrollment continued to remain relatively stable within the District. Even with the increase in funding from the State, the uncertainty of State funding going forward prompted the District to continue to be conservative on its revenue and expenditure budgeting. The District received \$4.64 million in general fund revenue during the fiscal year. Revenues for the year exceeded spending, leading to an increase in the General Fund ending balance of \$643,928.

### **Capital Assets**

As of June 30, 2022, the District had invested approximately \$9.50 million in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a net increase, prior to depreciation, of \$780,932 from last year. Total depreciation expense for the year was \$168,291. Additional information on the District's capital assets can be found in Note 1 and Note 5 on pages 16 and 24, respectively, of this report.

### **Leases**

During the year ended June 30, 2022, the District implemented GASB 87, the new accounting standard for leases. The implementation of this pronouncement had no effect on Net Assets. There was an initial Lease Liability and Right-of-Use Asset recorded in the amount of \$19,316. Additional information on the District's leases can be found in Note 1, Note 5 and Note 8 on pages 19, 24 and 26, respectively, of this report.

### **Economic Factors, Next Year's Budget, and Rates**

The Glendale School District has been conservative in spending for quite a few years and will continue to remain conservative with the release of the 2023-2025 biennium governor's budget. However, the District has been approved for a Seismic Retrofit Grant through the state and will begin those upgrades beginning in May 2023.

Salaries, state-run health and retirement costs, utilities, and fuel costs continue to rise. The District's budget must encompass the increase in expenses in all aspects of the operation of the District. Enrollment remained steady in 2021-2022 with expectations to maintain and increase to capacity. High school is starting to offer more selections of elective classes, in order to increase the interest of students to remain at the District and to attract new students as well.

The District's Board is aware of the economic factors that influence personnel, programs, and the educational level of the students, as they face financial decisions in the year ahead. With the anticipation of updating/upgrading facilities, curriculum updates, and ever-increasing food services cost, The District has budgeted a \$320,000 transfer from General Funds in 2022-2023 into funds related to these changes.

### **Contacting the District's Financial Management**

This financial report is designed to provide our constituents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of its resources. If you have any

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
Management's Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2022

questions about this report or need additional information, contact the Business Office, Douglas County School District No. 77, 10598 Azalea Glen Road, Glendale, Oregon 97442.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS:</b>	
<b>ASSETS:</b>	
Cash and investments	\$ 5,112,183
Receivables	316,393
Inventory	12,968
Assets held in trust (sinking fund)	85,781
Other post employment benefit (RHIA)	33,222
Capital assets, net:	
Land	70,514
Construction in Progress	234,217
Land improvements	243,309
Buildings and improvements	1,830,988
Machinery and equipment	372,787
Right of use assets	13,076
<b>TOTAL ASSETS</b>	<b>8,325,438</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred outflows related to pension	1,565,108
Deferred outflows related to other post employment benefits (RHIA)	23,114
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,588,222</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 9,913,660</b>
<b>LIABILITIES AND DEFERRED INFLOWS:</b>	
<b>LIABILITIES:</b>	
Accounts payable	\$ 53,206
Accrued payroll liabilities	1,952
Accrued compensated absences payable	9,507
Net pension liability (OPERS) (due in more than one year)	2,495,626
Lease payable:	
Due within one year	6,359
Due in more than one year	6,787
Debt payable, net of amortized discount/premium:	
Due within one year	51,866
Due in more than one year	2,290,452
<b>TOTAL LIABILITIES</b>	<b>4,915,755</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows related to pension	2,057,794
Deferred inflows related to other post employment benefits (RHIA)	15,032
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,072,826</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>6,988,581</b>
<b>NET POSITION:</b>	
Net investment in capital assets	2,182,784
Restricted for capital expenditures	1,773,357
Restricted for debt service	119,383
Restricted for education grants	119,684
Unrestricted	(1,270,129)
<b>TOTAL NET POSITION</b>	<b>\$ 2,925,079</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,591,446	\$ 12,521	\$ 961,206	\$ 14,475	\$ (1,603,244)
Supporting services	2,412,903	29,431	349,097	30,250	(2,004,125)
Community services	286,547	4,038	350,063	5,275	72,829
Interest on long-term debt	62,884	-	-	-	(62,884)
<b>Total government activities</b>	<b>\$ 5,353,780</b>	<b>\$ 45,990</b>	<b>\$ 1,660,366</b>	<b>\$ 50,000</b>	<b>(3,597,424)</b>
General revenues:					
Property taxes levied for general purposes					1,057,733
Property taxes levied for debt service					96,602
State school fund - general support					3,283,223
Common school fund					32,449
Federal forest fees					31,292
County timber receipts					162,984
Intermediate sources					45,459
Earnings on investments					27,266
Contributions					4,220
Interest subsidy					14,781
Miscellaneous					60,457
<b>Total general revenues</b>					<b>4,816,466</b>
<b>CHANGE IN NET POSITION</b>					<b>1,219,042</b>
<b>NET POSITION - July 1, 2021</b>					<b>1,706,037</b>
<b>NET POSITION - June 30, 2022</b>					<b>\$ 2,925,079</b>

**FUND FINANCIAL STATEMENTS**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS:</b>					
Cash and investments	\$ 1,982,573	\$ 1,308,760	\$ 32,985	\$ 1,774,097	\$ 5,098,415
Assets held in trust (sinking fund)	-	-	85,781	-	85,781
Receivables	207,447	77,503	6,443	25,000	316,393
Inventory	-	12,968	-	-	12,968
<b>TOTAL ASSETS</b>	<b>\$ 2,190,020</b>	<b>\$ 1,399,231</b>	<b>\$ 125,209</b>	<b>\$ 1,799,097</b>	<b>\$ 5,513,557</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 27,466	\$ -	\$ 25,740	\$ 53,206
Accrued payroll liabilities	1,952	-	-	-	1,952
<b>TOTAL LIABILITIES</b>	<b>1,952</b>	<b>27,466</b>	<b>-</b>	<b>25,740</b>	<b>55,158</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	57,892	-	5,826	-	63,718
<b>TOTAL DEFERRED INFLOWS</b>	<b>57,892</b>	<b>-</b>	<b>5,826</b>	<b>-</b>	<b>63,718</b>
<b>FUND BALANCES:</b>					
Nonspendable					
Inventory	-	12,968	-	-	12,968
Restricted					
Education grants	-	119,684	-	-	119,684
Debt service	-	-	119,383	-	119,383
Committed					
Food service programs	-	42,445	-	-	42,445
Curriculum replacement	-	75,567	-	-	75,567
Capital projects	-	672,208	-	1,773,357	2,445,565
PERS	-	268,553	-	-	268,553
Assigned	-	180,340	-	-	180,340
Unassigned	2,130,176	-	-	-	2,130,176
<b>TOTAL FUND BALANCES</b>	<b>2,130,176</b>	<b>1,371,765</b>	<b>119,383</b>	<b>1,773,357</b>	<b>5,394,681</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,190,020</b>	<b>\$ 1,399,231</b>	<b>\$ 125,209</b>	<b>\$ 1,799,097</b>	<b>\$ 5,513,557</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2022**

<b>TOTAL FUND BALANCES</b>		\$ 5,394,681
<p>Capital assets are not financial resources and therefore are not reported in the governmental funds:</p>		
Cost	\$ 9,495,812	
Accumulated depreciation	<u>(6,730,921)</u>	2,764,891
<p>The net deferred outflow/(inflow) associated with the District's pension (OPERS) and other post employment benefits (OPEB) is not recorded in the governmental funds as it is not available nor payable currently.</p>		
		(484,604)
<p>A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.</p>		
		63,718
<p>Internal service funds are used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.</p>		
		13,768
<p>The asset (liability) associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not available nor payable currently.</p>		
		(2,495,626)
<p>The other post employment benefit asset (RHIA) is not reported with the governmental funds.</p>		
		33,222
<p>Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:</p>		
Compensated absences payable	\$ (9,507)	
Leases payable	(13,146)	
Bonds payable, net	<u>(2,342,318)</u>	<u>(2,364,971)</u>
<b>TOTAL NET POSITION</b>		<u>\$ 2,925,079</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>REVENUES</b>					
Property taxes and other taxes	\$ 1,063,342	\$ -	\$ 96,953	\$ -	\$ 1,160,295
Intergovernmental	3,513,357	1,723,904	18,292	25,000	5,280,553
Charges for services	3,085	19,137	-	-	22,222
Local grants and contributions	-	4,220	-	-	4,220
Investment earnings	9,200	5,395	109	12,562	27,266
Miscellaneous	49,741	44	10,672	-	60,457
<b>TOTAL REVENUES</b>	<u>4,638,725</u>	<u>1,752,700</u>	<u>126,026</u>	<u>37,562</u>	<u>6,555,013</u>
<b>EXPENDITURES</b>					
Current					
Instruction	1,874,278	763,896	-	-	2,638,174
Support services	2,079,519	774,813	-	347,727	3,202,059
Enterprise and community services	-	288,193	-	-	288,193
Debt service	-	-	109,750	-	109,750
<b>TOTAL EXPENDITURES</b>	<u>3,953,797</u>	<u>1,826,902</u>	<u>109,750</u>	<u>347,727</u>	<u>6,238,176</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>684,928</u>	<u>(74,202)</u>	<u>16,276</u>	<u>(310,165)</u>	<u>316,837</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in/(out)	<u>(41,000)</u>	<u>-</u>	<u>41,000</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(41,000)</u>	<u>-</u>	<u>41,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	643,928	(74,202)	57,276	(310,165)	316,837
<b>FUND BALANCE, July 1, 2021</b>	<u>1,486,248</u>	<u>1,445,967</u>	<u>62,107</u>	<u>2,083,522</u>	<u>5,077,844</u>
<b>FUND BALANCE, June 30, 2022</b>	<u>\$ 2,130,176</u>	<u>\$ 1,371,765</u>	<u>\$ 119,383</u>	<u>\$ 1,773,357</u>	<u>\$ 5,394,681</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ 316,837</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Expenditures for capital assets	\$ 780,932	
Less current year depreciation	<u>(168,291)</u>	612,641
<p>Governmental funds report the effect of premiums, deferred charges and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:</p>		
Amortization of premium (discount)		16,866
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		(5,960)
<p>Add the change in net position from the activity in the internal service funds, as they are not included in the governmental fund financial statements, but are included in the government-wide Statement of Activities as the District has control of the funds.</p>		
		13,768
<p>Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position</p>		
Principal paid on leases	\$ 6,170	
Debt principal repaid	<u>30,000</u>	36,170
<p>Governmental funds report pension contributions as expenditures. In the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as either pension expense or income. This is the net change in pension related items (including deferred outflows and inflows).</p>		
		230,337
<p>The change in the net post employment benefit obligation (OPEB) RHIA is not recognized in the governmental funds (including deferred outflows and inflows).</p>		
		(853)
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.</p>		
		<u>(764)</u>
<b>CHANGE IN NET POSITION</b>		<b><u>\$ 1,219,042</u></b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2022**

	<u>Unemployment Fund</u>
<b>ASSETS</b>	
Equity in pooled cash and investments	<u>\$ 13,768</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 13,768</u></u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 13,768</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 13,768</u></u>



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Unemployment Fund</u>
<b>OPERATING REVENUES</b>	
Miscellaneous	\$ 23,768
<b>TOTAL OPERATING REVENUES</b>	<u>23,768</u>
<b>OPERATING EXPENSES</b>	
Current:	
Support services	<u>10,000</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>10,000</u>
<b>OPERATING INCOME / (LOSS)</b>	<u>13,768</u>
<b>CHANGE IN NET ASSETS</b>	13,768
<b>NET POSITION, July 1, 2021</b>	<u>-</u>
<b>NET POSITION, June 30, 2022</b>	<u><u>\$ 13,768</u></u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FISCAL YEAR ENDED JUNE 30, 2022**

	Unemployment Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash from interfund services provided	\$ 23,768
Cash paid for services	<u>(10,000)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>13,768</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	13,768
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 13,768</u></u>
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME</b>	
Operating income (loss)	<u>\$ 13,768</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 13,768</u></u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
 STATEMENT OF NET POSITION  
 FIDUCIARY FUND  
 YEAR ENDED JUNE 30, 2022**

	<b>Trust and Agency Scholarship Fund</b>
	<u>                    </u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ <u>53,490</u>
<b>TOTAL ASSETS</b>	<u><u>53,490</u></u>
<b>NET POSITION</b>	
Restricted	<u>53,490</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 53,490</u></u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Trust and Agency Scholarship Fund</u>
<b>ADDITIONS:</b>	
Donations	\$ 1,000
Investment earnings	<u>272</u>
<b>TOTAL ADDITIONS</b>	<u>1,272</u>
<b>CHANGE IN NET POSITION</b>	1,272
<b>NET POSITION, June 30, 2021</b>	<u>52,218</u>
<b>NET POSITION, June 30, 2022</b>	<u><u>\$ 53,490</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Reporting Entity**

Douglas County School District No. 77 (the District), Glendale, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected six-member Board of Education (the Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District does not have a component unit which requires inclusion in the combined financial statements.

It has been determined the Glendale Community Charter School (the Charter School) will be included in the Glendale School District statements for the following reasons:

- Glendale School District is not a separate legal entity from the Charter School
- Glendale School District is financially accountable for the Charter School
- Glendale School District and the Charter School share the same members of their governing body
- Glendale School District is able to impose its will on the Charter School
- There is potential for the Charter School to provide specific financial benefits to, or impose specific financial burdens on Glendale School District
- Glendale School District can legally access the Charter School's resources
- Glendale School District is legally obligated for the debt of the Charter School
- Glendale School District is legally obligated to provide financial support to the organization

There are various other governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

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

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation**

The financial statements of Douglas County School District No. 77 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 is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Government-wide Financial Statements**

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported as restricted when constraints placed on assets used are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

**Fund Financial Statements**

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

*Special Revenue Fund* - This fund accounts for revenue sources that are restricted or committed to expenditure for specific purposes. This fund accounts for the revenues and expenditures related to Federal and State grants, as well as those related to student body activities.

*Charter School Fund* – This fund accounts for and reports all revenue sources and expenditures incurred in operating the Charter School, including the cost of instructors, administrators, instructional aides and building maintenance and operation of the school. There was no activity in this fund during the year ended June 30, 2022, as the activity was recorded in the General Fund.

*Debt Service Fund* - This fund accounts for servicing of general long-term debt not being financed by the General Fund. For the District, this includes the General Obligation Bond and Full Faith and Credit Obligation. The principal sources of revenues are property taxes, earnings on investments, and federal interest subsidies.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Financial Statements (continued)**

*Capital Projects Fund* - This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds, interest earnings and transfers from other funds.

Additionally, the District reports the following fund types:

*Fiduciary Fund* - This fund accounts for and reports the resources received and held in a fiduciary capacity for student scholarships.

*Internal Service Fund* - These funds are used to report activities that provide supplies and services on a cost reimbursement basis for the District's other programs and activities. The District currently has one internal service fund - the Unemployment Fund. Internal activity is eliminated on the government-wide financial statements.

For internal budget purposes the District includes the Charter School Fund as a fiduciary fund. For external financial reporting the District includes the Charter School Fund as a major special revenue fund. Substantially all revenue and expense related to the Charter School Fund are eliminated in the Government-wide Statement of Activities.

**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. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty 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, which are recognized as expenditures to the extent they have matured, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources are recorded when paid. 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.

**Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits, secured market deposit accounts, and short-term investments with original maturities of three months or less. Short-term investments are stated at cost which approximates fair value.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash, Cash Equivalents and Investments (continued)**

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

The District's investments, authorized under state statute, consist of U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). U.S. Government Agency securities are stated at amortized cost which approximates fair value. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

**Assets Held by Trustee (Sinking Fund)**

On July 1, 2010, the District entered into a Financing Agreement with Bank of New York Mellon to finance HVAC upgrades. The District entered into an irrevocable election that the 2010A obligations are treated as a Qualified School Construction Bonds (QSCB). In addition to semi-annual interest payments, the District is to deposit annual payments of \$38,000 into a principal subaccount (sinking fund) every June 1, starting in 2011 and ending 2025, with various principal payments due throughout the life of the bond. The last principal payment of \$155,000 was made on June 30, 2020, with the final principal payment due on June 30, 2025. Interest earnings for the sinking fund are not to exceed 4.3% annually. As of June 30, 2022, the principal and interest balance of the sinking fund for the Series 2010A Obligations was \$85,781.

**Investment Earnings**

Investment earnings is composed of interest and net changes in the fair value of applicable investments. Investment earnings is included in local revenue in the fund financial statements, and is allocated monthly to all funds based on the fund's average cash balance.

**Property Taxes Receivable**

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accounts and Other Receivables**

Accounts and other receivables are comprised primarily of state school support, claims for reimbursement of costs under various federal and state grants, individuals or organizations. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectibles has been made.

**Grants**

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

**Inventory**

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

**Interfund Transactions**

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances are considered “available spendable resources”.

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

**Capital Assets**

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

Buildings and building improvements -	20 to 50 years
Land improvements -	15 to 25 years
Vehicles -	5 to 15 years
Equipment -	5 to 10 years
Right of Use Assets	Depends on life of the lease

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. 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.

**Compensated Absences**

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The current and long-term liabilities for vested or accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave or resignation.

No liability is recorded for sick pay benefits.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position (government-wide financials) and the balance sheet (governmental funds) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of deferred outflows, which arise only under the full accrual of accounting (i.e. government-wide financials) that qualify for reporting in this category. Accordingly, the items, a deferred amount related to pensions and a deferred amount related to other post-employment benefit (OPEB) obligation, is reported only in the government-wide statement of net position.

The governmental funds report expense related to pension contributions. These amounts are deferred and recognized as an outflow of resources in the period that is actuarially determined.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of deferred inflows. One arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The District has two types of deferred inflows which arise only under the full accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, deferred amounts related to pensions and deferred amounts related to other post-employment benefit (OPEB) obligations, are reported in the government-wide statement of net position.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Long-term Debt**

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

In the fund financial statements bond premiums and discounts are recognized when incurred and not deferred. The face amount of the debt issued, issuance costs, premiums received on debt issuances, and discounts, are reported as other financing sources and uses.

**Net Position and Fund Balances**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

*Net investment in capital assets* – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

*Restricted net position* – Consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.

*Unrestricted net position* – All other remaining net position that does not meet the definition of “restricted” and is available for general use by the District.

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental fund equity is classified in the following categories:

*Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.

*Restricted* – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.

*Committed* – Includes items committed by the District’s Board of Education, by formal board action.

*Assigned* – Includes items assigned for specific purposes, authorized by the District’s Board of Education or through the District’s Board of Education delegating this responsibility to selected staff members or through the budgetary process.

*Unassigned* – This is the residual classification used for those balances not included in another category.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position and Fund Balances (continued)**

The District 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 lastly unassigned fund balance.

**Use of Estimates**

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

**Leases**

Leases are recognized in accordance with GASB Statement No. 87, *Leases*.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments, and is adjusted over time by interest and payments. Future lease payments include fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement, and is subsequently amortized over the life of the lease.

**Adoption of New GASB Pronouncements**

During the fiscal year ended June 30, 2022, the District implemented the following GASB Pronouncement:

GASB Statement No. 87, *Leases*. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this pronouncement had no effect on Net Assets. There was an initial Lease Liability and Right-of-Use Asset recorded in the amount of \$19,316.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this statement did not have an impact on the District's financial statements for the year ended June 30, 2022.

GASB Statement No 92, *Omnibus 2020*. Issued January 2020, this statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. Implementation of this statement did not have an impact on the District's financial statements for the year ended June 30, 2022.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2022:

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the District for fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This statement will be effective for the District for fiscal year ending June 30, 2023.

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the School for the fiscal year ending June 30, 2025.

The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

**NOTE 2 – APPROPRIATION AND BUDGETARY CONTROLS**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except capital outlay expenditures, including items below the District's capitalization level, and debt service, which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

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

During the fiscal year ended June 30, 2022, the District was in substantial compliance with Local Budget Law.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments are comprised of the following as of June 30, 2022:

Petty cash		\$ 690
Carrying amount of cash and demand deposits		1,470,538
Carrying amount of investments		<u>3,780,226</u>
Total		<u><u>\$ 5,251,454</u></u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position:		
Cash and Investments		\$ 5,112,183
Assets held in trust (sinking fund)		<u>85,781</u>
		5,197,964
Statement of Net Position Fiduciary Fund:		
Cash and Investments		<u>53,490</u>
Total cash and investments		<u><u>\$ 5,251,454</u></u>

**Deposits.** The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2022. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2022, the carrying amounts of the District deposits in various financial institutions were \$1,470,538 and the bank balances were \$1,812,886. All deposits are held in the name of the District. Of the bank balance, \$1,562,866 is not covered by FDIC insurance. However, the balance is covered by the State of Oregon shared liability structure for participating bank depositories in Oregon, as identified by the State's Treasurer.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

**Custodial Credit Risk.** Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 3 – CASH AND INVESTMENTS (continued)**

**Investments.** The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2022. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the District's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. As of June 30, 2022, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

**Credit Risk.** State Statutes authorize the District to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

**Concentration of Credit Risk.** The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

**Interest Rate Risk.** The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

**Disclosures about Fair Value of Assets.** Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 3 – CASH AND INVESTMENTS (continued)**

Level 1 - Unadjusted inputs using quoted prices in active markets for identical investments.

Level 2 - Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.

Level 3 - Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

Investments Measured at Fair Value:	Totals as of 6/30/2022	Level One	Level Two	Level Three	Amortized Cost Not Measured at Fair Value
Local Government					
Investment Pool	\$ 3,694,445	\$ -	\$ -	\$ -	\$ 3,694,445
Cash held for investment	85,781	85,781	-	-	-
	<u>\$ 3,780,226</u>	<u>\$ 85,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,694,445</u>

**NOTE 4 – RECEIVABLES**

Receivables are comprised of the following as of June 30, 2022:

	Property Taxes	Grants	Other	Total
General Fund	\$ 67,521	\$ -	\$ 139,926	\$ 207,447
Special Revenue Fund	-	77,503	-	77,503
Debt Service Fund	6,443	-	-	6,443
Capital Projects Fund	-	25,000	-	25,000
Total Receivables	<u>\$ 73,964</u>	<u>\$ 102,503</u>	<u>\$ 139,926</u>	<u>\$ 316,393</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 5 – CAPITAL ASSETS**

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

	Balance July 1, 2021 as restated	Additions	Disposals/ Transfers	Balance June 30, 2022
Capital assets not being depreciated or amortized:				
Land	\$ 70,514	\$ -	\$ -	\$ 70,514
Construction in progress	-	234,217	-	234,217
Total assets not being depreciated or amortized	<u>70,514</u>	<u>234,217</u>	<u>-</u>	<u>304,731</u>
Capital assets being depreciated or amortized:				
Land improvements	179,312	225,302	-	404,614
Building & building improvements	7,205,057	286,224	-	7,491,281
Machinery & equipment	1,240,681	35,189	-	1,275,870
Right of use	19,316	-	-	19,316
Total assets being depreciated or amortized	<u>8,644,366</u>	<u>546,715</u>	<u>-</u>	<u>9,191,081</u>
Total capital assets	<u>8,714,880</u>	<u>780,932</u>	<u>-</u>	<u>9,495,812</u>
Less accumulated depreciation or amortization for:				
Land improvements	(141,533)	(19,772)	-	(161,305)
Building & building improvements	(5,583,062)	(77,231)	-	(5,660,293)
Machinery & equipment	(838,035)	(65,048)	-	(903,083)
Right of use	-	(6,240)	-	(6,240)
Total accumulated depreciation or amortization	<u>(6,562,630)</u>	<u>(168,291)</u>	<u>-</u>	<u>(6,730,921)</u>
Total capital assets, net	<u>\$ 2,152,250</u>	<u>\$ 612,641</u>	<u>\$ -</u>	<u>\$ 2,764,891</u>

Depreciation and amortization expense for the year ended June 30, 2022, was charged to the following programs:

<b>Program</b>	
Instructional Services	\$ 82,463
Support Services	77,414
Community Services	8,414
Total	<u>\$ 168,291</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 5 – CAPITAL ASSETS (continued)**

**Right-of-Use assets**

A lease is defined as a contract that conveys control of the right of use of another entity’s nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The School is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. This recognition is new for the current fiscal year due to the implementation of GASB 87. You can find further information on these transactions in Note 5.

Lease right-of-use assets at June 30, 2022 consisted of the following:

	Balance July 1, 2021 as restated	Additions	Deletions / Transfers	Balance June 30, 2022
Leased assets being amortized:				
Machinery/equipment/vehicles	\$ 19,316	\$ -	\$ -	\$ 19,316
Total leased assets	19,316	-	-	19,316
Less accumulated amortization for:				
Machinery/equipment/vehicles	-	(6,240)	-	(6,240)
Total accumulated amortization	-	(6,240)	-	(6,240)
Total leased assets, net:				
Machinery/equipment/vehicles	19,316	(6,240)	-	13,076
Total leased assets, net	\$ 19,316	\$ (6,240)	\$ -	\$ 13,076

**NOTE 6 – DEFERRED INFLOWS/UNEARNED REVENUES**

Governmental funds, under the modified accrual basis of accounting, accrue deferred revenue for revenue amounts unearned or unavailable. Government-wide reporting use full accrual accounting and report only unearned revenue. Unavailable revenue (deferred inflows) result in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenue result in connection with resources that have been received, but not yet earned. At the end of the current fiscal year there was no unearned revenue, and unavailable revenue (deferred inflow) in the governmental funds consisted of the following:

	Unavailable	Unearned	Total
General Fund			
Property Taxes	\$ 57,892	\$ -	\$ 57,892
Debt Service Fund			
Property Taxes	5,826	-	5,826
Total	\$ 63,718	\$ -	\$ 63,718

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 7 – INTERFUND TRANSACTIONS**

Interfund transfers during the year ended June 30, 2022, were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 41,000
Debt Service Fund	41,000	-
Total Transfers for governmental funds	\$ 41,000	\$ 41,000

The District made transfers from the General Fund to the Debt Service Fund to pay debt service on various debt issuances.

**NOTE 8 – LEASES PAYABLE**

The District is the lessee under two lease agreements related to copiers. Of these, all are qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring on June 30, 2025. Interest rate is 3%. Annual payments for the current year range from \$3,304 to \$3,348.

The District is the lessee under three lease agreements related to a radio and 2 branding sets. Of these, none are qualified as leases under GASB Statement No. 87 due to the short term nature of the leases. Annual payments for the current year range from \$397 to \$3,450.

During the year ended June 30, 2022, lease principal and interest payments of \$6,170 and \$478 were made, respectively. Lease payable at June 30, 2022 consisted of the following:

Fiscal Year ending June 30,	Principal	Interest	Total
2023	\$ 6,359	\$ 289	\$ 6,648
2024	3,484	144	3,628
2025	3,303	46	3,349
Total	\$ 13,146	\$ 479	\$ 13,625

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 9 – LONG-TERM DEBT**

**Full Faith and Credit Obligation, Series 2010A Note (QSCB)**

On July 1, 2010, the District entered into a Financing Agreement for \$540,000 at 5.2043% interest to finance HVAC system upgrades. The District entered into an irrevocable election that the 2010A obligations are treated as Qualified School Construction Bonds (QSCB). The QSCBs are eligible to receive subsidy payments from the United States Treasury. The District plans to apply any subsidy payments received to offset the interest component of the financing, but those subsidy payments are not pledged for this purpose. The agreement contains a provision that in an event of default, the Escrow Agent shall proceed to take whatever action at law or in equity may appear necessary or desirable to enforce the Financing Agreement; however, the payments are not subject to acceleration. Per the agreement, the principal and interest payments of the Bonds are guaranteed by the full faith and credit of the State of Oregon under the provisions of the Oregon School Bond Guaranty Act. Interest is payable semi-annually each December 30 and June 30, commencing June 30, 2013. Final maturity is June 30, 2025 (Balloon Principal Payment). For the year ending June 30, 2022, interest expense was \$10,450.

In addition to the interest payments, the District is to deposit amounts into a principal subaccount of the payment account (Sinking Fund Deposits) every June 1, starting in 2013 and ending in 2025. Interest earnings for the sinking fund are not to exceed 4.3% annually. The sinking fund payment is held at Bank of New York Mellon and is restricted for payments of debt services on the Series 2010A Note. The current value of the sinking fund as of June 30, 2022, is \$85,781.

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service	Sinking Fund Deposit
2023	\$ -	\$ 10,450	\$ 10,450	\$ 38,000
2024	-	10,450	10,450	38,000
2025	190,000	10,450	200,450	38,000
Total	<u>\$ 190,000</u>	<u>\$ 31,350</u>	<u>\$ 221,350</u>	<u>\$ 114,000</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 9 – LONG-TERM DEBT (continued)**

**General Obligation Bonds Series 2020**

On August 18, 2020, the District issued Series 2020 General Obligation Bonds, in the amount of \$1,880,000 bearing an interest rate of 4.00%. The Bonds were issued to finance capital costs for the District and to pay the costs of issuance of the Bonds. Interest payments began on December 15, 2020, and are required semi-annually thereafter on June 15 and December 15, with the principal payments due June 15 of each year until 2042. The debt service on these bonds is paid by the Debt Service Fund. The Bonds are general obligations of the District. The full faith and credit and taxing powers of the District are pledged to the successive owner of each of the Bonds.

The Bonds were issued at a premium of \$371,050.

The Bonds maturing in years 2021 through 2030, inclusive, are not subject to optional redemption prior to maturity. The District reserves the right to redeem all or any portion of the Bonds maturing on June 15, 2036 and June 15, 2042 at the option of the District on June 15, 2030 and on any date thereafter in whole or in part, in any order of maturity with maturities selected by the District, at a price of par, plus accrued interest to the date of redemption. For the year ended June 30, 2022, \$69,300 and \$16,866 of interest and amortization, respectively, were charged to expense.

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total Debt Service
2023	\$ 35,000	\$ 68,400	\$ 16,866	\$ 103,400
2024	40,000	67,350	16,866	107,350
2025	45,000	66,150	16,866	111,150
2026	50,000	64,800	16,866	114,800
2027	55,000	63,300	16,866	118,300
2028-2032	350,000	288,000	84,330	638,000
2033-2037	515,000	209,800	84,330	724,800
2038-2042	725,000	91,000	84,328	816,000
Total	<u>\$ 1,815,000</u>	<u>\$ 918,800</u>	<u>\$ 337,318</u>	<u>\$ 2,733,800</u>

The changes in long-term obligations for year ended June 30, 2022, are as follows:

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Due in 1 Year
QSCB, Series 2010A (direct placement)	\$ 190,000	\$ -	\$ -	\$ 190,000	\$ -
General Obligation Bond, Series 2020	1,845,000	-	(30,000)	1,815,000	35,000
Total Long Term Debt before Premium/(Discount)	2,035,000	-	(30,000)	2,005,000	35,000
Unamortized Premium/(Discount)	354,184	-	(16,866)	337,318	16,866
Total Long Term Debt	<u>\$ 2,389,184</u>	<u>\$ -</u>	<u>\$ (46,866)</u>	<u>\$ 2,342,318</u>	<u>\$ 51,866</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 10 – COMPENSATED ABSENCES**

During the fiscal year ended June 30, 2022, the following changes occurred in compensated absences reported in the Statement of Net Position:

	Balance 6/30/2021	Earned	Used	Balance 6/30/2022	Due Within One Year
Compensated absences	\$ 8,743	\$ 18,096	\$ 17,332	\$ 9,507	\$ 9,507

It is the District's opinion that the liability is current in nature as it has capped amounts which can be earned to encourage employees to take their vacation annually. The Special Revenue Fund and General Fund are typically used to liquidate this liability.

**NOTE 11 – DEFINED PENSION BENEFIT PLAN**

**Oregon Public Employees Retirement Plan**

**Plan Description** - Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, PERS active Tier One or Tier Two members became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

**Plan Benefits** – All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 238 and 238A.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

***Tier One/Tier Two Retirement Benefit (Chapter 238) –***

***Pension Benefits*** - The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation in later years.

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. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003.

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

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

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

***Benefit Changes After Retirement*** - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of 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.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

**OPSRP Pension Program (Chapter 238A) –**

***Pension Benefits*** - The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation each year.

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.

***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 or other person 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 70 ½ years.

***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.

***Benefit Changes After Retirement*** - Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

***Contributions*** - OPERS funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set by statute. The rates established for member and employer contributions were approved based on the recommendation of the OPERS third-party actuary.

***Employer Contributions*** - OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans.

Employer contributions during the period July 1, 2021 through June 30, 2023, were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. For the period July 1, 2021 through June 30, 2022, net employer contribution rates were 26.83% for Tier 1/Tier 2 employees and 23.72% for OPSRP General Employees and 28.08% for OPSRP Police and Fire Employees. Employer contributions for the year ended June 30, 2022 were \$534,211.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

***Pension Plan Annual Comprehensive Financial Report (ACFR) -***

OPERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in Governmental Accounting Standards Board (GASB) pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

***Actuarial Valuation*** - The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability -***

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience study	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return <sup>1</sup>	6.9 percent
Discount rate	6.9 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b><i>Healthy retirees and beneficiaries:</i></b>  Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Active members:</i></b>  Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Disabled retirees:</i></b>  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.</p>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability (continued) -***

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

***Discount Rate*** - The discount rate used to measure the total pension liability was 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 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.

***Assumed Asset Allocation -***

Asset Class	Target Allocation
Cash	0.00%
Debt Securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Alternative equity	15.00%
Opportunity portfolio	2.50%
Total	100.00%

***Investment Rate of Return*** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June, 2021 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

***Investment Rate of Return (continued) –***

The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The OIC’s description of each asset was used to map the target allocation to the asset classes shown below:

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
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%
Total	100.00%	
Assumed inflation - mean		2.40%

\*Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

**Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –**

At June 30, 2022, the District reported a liability of \$2,495,626 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, (measurement date), the District’s proportion was approximately 0.02085514 percent.

For the year ended June 30, 2022, the District recognized a reduction in pension expense of \$230,337. The \$230,337 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 56%, 39% and 5%, respectively.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 233,607	\$ -
Changes in assumptions	624,730	6,568
Net difference between projected and actual earnings on investments	-	1,847,493
Changes in proportionate share	52,502	185,810
Difference in proportion and contribution differences	120,058	17,923
District's contributions subsequent to the measurement date	534,211	-
Total	\$ 1,565,108	\$ 2,057,794

The \$534,211 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2023	\$ (179,848)
2024	(177,709)
2025	(264,936)
2026	(456,225)
2027	51,821
Thereafter	-
Total	\$ (1,026,897)

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

**Sensitivity for the District’s Proportionate Share of the Net Pension Liability to Changes in 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:

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension	\$ (4,900,813)	\$ (2,495,626)	\$ (483,358)

**Changes in Assumptions and Methods –**

A summary of key changes implemented since the December 31, 2019 valuation are noted below. Additional detail and list of changes can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

- Reduce the long-term inflation assumption from the current 2.50% to 2.40% or lower
- Reduce the system payroll growth assumption from the current 3.50% to 3.40% or lower, paralleling the change in inflation
- The current investment return assumption of 7.20% per year should be lowered at 0.20%, based on PERS’ current target allocation
- Update the assumption for future administrative expenses and use a combined assumption amount for the Tier 1/Tier 2 and OPSRP programs
- Update the RHIPA health cost trend assumption
- Adjust the base mortality table assumption and make a routine update to the mortality improvement scale for all groups
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience
- Increase the merit component of the individual member salary increase assumption for all member categories
- Update pre-retirement termination of employment assumptions for one member category
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability incidence
- Increase the Tier 1 unused vacation cash out assumption for three member categories
- Increase the Tier 1/Tier 2 unused sick leave assumption for all member categories
- Decrease the healthy and disabled likelihood of program participation assumptions for the RHIA retiree healthcare program
- Decrease the RHIPA likelihood of program participation assumption for most service bands
- Revise the parameters of the rate collar methodology to only restrict changes in the Unfunded Actuarial Liability (UAL) Rate contribution rate component and to narrow the width of allowable changes
- Introduce a methodology for UAL Rate amortization in the RHIA or RHIPA programs when one or both are in an actuarial surplus position (over 100% funded)
- Update the assumed system-average level of member redirect contributions to Tier 1/Tier 2 and OPSRP reflecting the projected effects of HB 2906, which passed in June 2021.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 11 – DEFINED PENSION BENEFIT PLAN (continued)**

**OPERS Plan (continued)**

**Defined Contribution Plan – Individual Account Program (IAP) –**

***Pension Benefits*** - Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

***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.

***Member Contributions*** - Beginning January 1, 2004, all the member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index (All Urban Consumers, West Region).

During 2022, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2022 were \$112,587, of which \$98,597 was deposited into the individual members' accounts.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Retirement Health Insurance Account (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 post-employment 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 was closed to new entrants hired on or after August 29, 2003.

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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions** - Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2022 for the OPEB program were: Tier1/Tier 2 – 0.05%, and OPSRP general service – 0.00%. The District contributed \$326 for the year ended June 30, 2022.

***Pension Plan Annual Comprehensive Financial Report (AFCR) –***

Oregon PERS produces an independently audited AFRC which can be found at:

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

**Actuarial Valuation-** The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 11 - Defined Pension Benefit Plan*. (excluding the healthcare cost trend rate and a retiree healthcare participation assumption of 32% for healthy retirees and 20% for disabled retirees has been used). The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Retirement Health Insurance Account (RHIA)**

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

At June 30, 2022, the District reported \$33,222 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, (measurement date), the District's proportion was approximately 0.0096745 percent.

For the year ended June 30, 2022, the District recognized an OPEB expense related to RHIA of \$853. The \$853 was treated as a payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 56%, 39% and 5%, respectively.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ 924
Changes in assumptions	654	494
Net difference between projected and actual earnings on investments	-	7,895
Changes in proportionate share	22,134	5,719
District's contributions subsequent to the measurement date	326	-
Total	\$ 23,114	\$ 15,032

The \$326 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30,	Net Deferred Outflow/Inflow of Resources
2023	\$ 4,530
2024	7,521
2025	(1,803)
2026	(2,492)
2027	-
Thereafter	-
Total	\$ 7,756

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

***Sensitivity for the District’s Proportionate Share of the Net OPEB Asset to Changes in Discount Rate***

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

District’s Net OPEB Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	\$ 29,380	\$ 33,222	\$ 36,504

The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

***Changes in Assumptions***

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in in *Note 11 - Defined Pension Benefit Plan*.

**NOTE 13 – CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**NOTE 14 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The District’s operations are concentrated within Douglas County. In addition, substantially all the District’s revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 15 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Worker’s compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years ending June 30, 2022.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

**NOTE 16 – TAX ABATEMENTS**

As of June 30, 2022, Douglas County provides tax abatements through two programs: Non-Profit Low Income Rental Housing and Enterprise Zone.

For the fiscal year ended June 30, 2022, the District did not have any taxes abated under these programs.

**NOTE 17 – SUBSEQUENT EVENTS**

Management of the District has evaluated events and transactions occurring after June 30, 2022, through December 20, 2022, the date of the financial statements was available for issuance, for recognition and/or disclosure in the financial statements. There were no additional events and/or transactions that required recognition and disclosure in the financial statements, except as noted below.

Subsequent to June 30, 2022, the District received a Seismic Rehabilitation Grant through the State of Oregon, in the amount of \$2,499,915. This grant contract is made by the State of Oregon, acting by and through its Oregon Infrastructure Finance Authority of the Oregon Business Development Department, and the District for financing of the District's High School gym to bring the building to the basic performance objective for existing risk category IV buildings, including all structural and non-structural deficiencies. There were no other events and/or transactions that required recognition and disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 1,015,000	\$ 1,015,000	\$ 1,063,342	\$ 48,342
Charges for services	-	-	3,085	3,085
Donations	10,000	10,000	-	(10,000)
Interest on investments	25,000	25,000	9,200	(15,800)
Miscellaneous	25,000	25,000	49,741	24,741
Intermediate sources:				
Intergovernmental	44,000	44,000	45,323	1,323
State sources:				
Taxes				
Basic school support	3,074,471	3,074,471	3,275,833	201,362
Intergovernmental	150,000	150,000	160,909	10,909
Federal sources:				
Intergovernmental	-	-	31,292	31,292
<b>TOTAL REVENUES</b>	<u>4,343,471</u>	<u>4,343,471</u>	<u>4,638,725</u>	<u>295,254</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,392,324	2,392,324	1,874,278	518,046
Support services	2,181,147	2,181,147	2,079,519	101,628
Contingency	578,900	578,900	-	578,900
<b>TOTAL EXPENDITURES</b>	<u>5,152,371</u>	<u>5,152,371</u>	<u>3,953,797</u>	<u>1,198,574</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(808,900)</u>	<u>(808,900)</u>	<u>684,928</u>	<u>1,493,828</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(516,100)</u>	<u>(516,100)</u>	<u>(41,000)</u>	<u>475,100</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(516,100)</u>	<u>(516,100)</u>	<u>(41,000)</u>	<u>475,100</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,325,000)</u>	<u>(1,325,000)</u>	<u>643,928</u>	<u>1,968,928</u>
<b>FUND BALANCE, July 1, 2021</b>	<u>2,825,000</u>	<u>2,825,000</u>	<u>1,486,248</u>	<u>(1,338,752)</u>
<b>FUND BALANCE, June 30, 2022</b>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,130,176</u>	<u>\$ 630,176</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 31,000	\$ 31,000	\$ 19,137	\$ (11,863)
Donations	10,000	10,000	4,220	(5,780)
Interest on investments	6,000	6,000	5,395	(605)
Miscellaneous	200	200	44	(156)
State sources:				
Basic school support	43,306	43,306	39,839	(3,467)
Intergovernmental	509,665	509,665	540,876	31,211
Federal sources:				
Intergovernmental	1,401,142	1,401,142	1,143,189	(257,953)
<b>TOTAL REVENUES</b>	<b>2,001,313</b>	<b>2,001,313</b>	<b>1,752,700</b>	<b>(248,613)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,273,781	1,173,781	763,896	409,885
Support services	941,576	941,576	774,813	166,763
Enterprise and community services	328,000	428,000	288,193	139,807
Facilities acquisition and construction	100,000	100,000	-	100,000
<b>TOTAL EXPENDITURES</b>	<b>2,643,357</b>	<b>2,643,357</b>	<b>1,826,902</b>	<b>816,455</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(642,044)</b>	<b>(642,044)</b>	<b>(74,202)</b>	<b>567,842</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	475,000	475,000	-	(475,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>475,000</b>	<b>475,000</b>	<b>-</b>	<b>(475,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(167,044)</b>	<b>(167,044)</b>	<b>(74,202)</b>	<b>92,842</b>
<b>FUND BALANCE, July 1, 2021</b>	<b>1,315,354</b>	<b>1,315,354</b>	<b>1,445,967</b>	<b>130,613</b>
<b>FUND BALANCE, June 30, 2022</b>	<b>\$ 1,148,310</b>	<b>\$ 1,148,310</b>	<b>\$ 1,371,765</b>	<b>\$ 223,455</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION**  
**ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Proportionate Share of Net Pension Asset/(Liability)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension asset/(liability)	0.02085514%	0.02178820%	0.02138554%	0.02317784%	0.02317784%	0.02430314%	0.03175364%	0.03767910%
District's proportion of the net pension asset/(liability)	\$ (2,495,626)	\$ (4,754,930)	\$ (3,699,186)	\$ (3,190,460)	\$ (3,124,382)	\$ (3,648,466)	\$ (1,823,124)	\$ 854,078
District's covered-employee payroll	\$ 2,080,459	\$ 2,084,864	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331	\$ 1,616,123	\$ 1,621,512	\$ 1,612,423
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-119.96%	-228.07%	-212.30%	179.12%	190.01%	225.75%	112.43%	-52.97%
Plan fiduciary net position as a percentage of the total pension liability	87.57%	75.79%	80.20%	82.10%	83.10%	80.50%	91.90%	103.60%

**Pension Contributions**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contributions	\$ 534,211	\$ 539,559	\$ 484,868	\$ 401,741	\$ 374,409	\$ 298,463	\$ 292,381	\$ 304,563
Contribution in relation to the contractually required	\$ (534,211)	\$ (539,559)	\$ (484,868)	\$ (401,741)	\$ (374,409)	\$ (298,463)	\$ (292,381)	\$ (304,563)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 2,427,291	\$ 2,080,459	\$ 2,084,864	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331	\$ 1,616,123	\$ 1,621,512
Contributions as a percentage of covered-employee payroll	-22.01%	-25.93%	-23.26%	-23.06%	-21.02%	-18.15%	-18.09%	-18.78%

**Note 1 - Changes of Benefit Terms and Assumptions**

A summary of assumption changes implemented since the December 31, 2019 valuation are outlined briefly in Note 11.

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2015, as a result, only eight years of information is presented.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB (RHIA)  
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Douglas County School District No. 77 Proportionate Share of Net OPEB Asset/(Liability)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB RHIA asset/(liability)	0.00967450%	0.02772325%	0.01588015%	0.01588073%	0.01485147%	0.01542811%
District's proportion of the net OPEB RHIA asset/(liability)	\$ 33,222	\$ 56,489	\$ 30,686	\$ 17,727	\$ 6,198	\$ (4,190)
District's covered-employee payroll	\$ 2,080,459	\$ 2,084,864	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331	\$ 1,632,786
District's proportionate share of the net OPEB RHIA (asset)/liability as a percentage of its covered-employee payroll	-1.60%	-2.71%	-1.76%	-1.00%	-0.38%	-0.26%
Plan fiduciary net position as a percentage of the total pension liability	183.9%	150.1%	144.4%	124.0%	108.9%	94.2%

**Douglas County School District No. 77 Contributions**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 326	\$ 6,542	\$ 1,980	\$ 7,871	\$ 7,690	\$ 7,468
Contribution in relation to the contractually required	\$ (326)	\$ (6,542)	\$ (1,980)	\$ (7,871)	\$ (7,690)	\$ (7,468)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 2,427,291	\$ 2,080,459	\$ 2,084,864	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331
Contributions as a percentage of covered-employee payroll	0.01%	0.31%	0.09%	0.45%	0.43%	0.45%

**Note 1 - Changes of Benefit Terms and Assumptions -**

A summary of assumption changes implemented since the December 31, 2019 valuation are outlined briefly in Note 12.

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 for RHIA during fiscal 2017, as a result, only six years of information is presented.



**OTHER SUPPLEMENTARY INFORMATION**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 102,045	\$ 102,045	\$ 96,953	\$ (5,092)
Interest on investments	-	-	109	109
Miscellaneous	7,500	7,500	10,672	3,172
State sources				
Intergovernmental	-	-	3,511	3,511
Federal sources:				
Intergovernmental	-	-	14,781	14,781
<b>TOTAL REVENUES</b>	<b>109,545</b>	<b>109,545</b>	<b>126,026</b>	<b>16,481</b>
<b>EXPENDITURES</b>				
Debt service	147,900	147,900	109,750	38,150
<b>TOTAL EXPENDITURES</b>	<b>147,900</b>	<b>147,900</b>	<b>109,750</b>	<b>38,150</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(38,355)</b>	<b>(38,355)</b>	<b>16,276</b>	<b>54,631</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	41,100	41,100	41,000	(100)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>41,100</b>	<b>41,100</b>	<b>41,000</b>	<b>(100)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,745</b>	<b>2,745</b>	<b>57,276</b>	<b>54,531</b>
<b>FUND BALANCE, July 1, 2021</b>	<b>20,000</b>	<b>20,000</b>	<b>62,107</b>	<b>42,107</b>
<b>FUND BALANCE, June 30, 2022</b>	<b>\$ 22,745</b>	<b>\$ 22,745</b>	<b>\$ 119,383</b>	<b>\$ 96,638</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Interest on investments	\$ -	\$ -	\$ 12,562	\$ 12,562
State sources:				
Intergovernmental	-	-	25,000	25,000
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>37,562</b>	<b>37,562</b>
<b>EXPENDITURES</b>				
Current:				
Support services	1,930,000	1,930,000	347,727	1,582,273
<b>TOTAL EXPENDITURES</b>	<b>1,930,000</b>	<b>1,930,000</b>	<b>347,727</b>	<b>1,582,273</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,930,000)</b>	<b>(1,930,000)</b>	<b>(310,165)</b>	<b>1,619,835</b>
<b>FUND BALANCE, July 1, 2021</b>	<b>1,930,000</b>	<b>1,930,000</b>	<b>2,083,522</b>	<b>153,522</b>
<b>FUND BALANCE, June 30, 2022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,773,357</b>	<b>\$ 1,773,357</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
UNEMPLOYMENT FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Self-insurance revenues	\$ 25,000	\$ 25,000	\$ 23,768	\$ (1,232)
<b>TOTAL REVENUES</b>	<u>25,000</u>	<u>25,000</u>	<u>23,768</u>	<u>(1,232)</u>
<b>EXPENDITURES</b>				
Current				
Support services	10,000	10,000	10,000	-
<b>TOTAL EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,000	15,000	13,768	(1,232)
<b>FUND BALANCE, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2022</b>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 13,768</u>	<u>\$ (1,232)</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
TRUST AND AGENCY SCHOLARSHIP FUND  
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Donations	\$ -	\$ -	\$ 1,000	\$ 1,000
Interest on investments	150	150	272	122
<b>TOTAL REVENUES</b>	<u>150</u>	<u>150</u>	<u>1,272</u>	<u>1,122</u>
<b>EXPENDITURES</b>				
Current:				
Support services	2,300	2,300	-	2,300
<b>TOTAL EXPENDITURES</b>	<u>2,300</u>	<u>2,300</u>	<u>-</u>	<u>2,300</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,150)</u>	<u>(2,150)</u>	<u>1,272</u>	<u>3,422</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>52,150</u>	<u>52,150</u>	<u>52,218</u>	<u>68</u>
<b>FUND BALANCE, June 30, 2022</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 53,490</u>	<u>\$ 3,490</u>

**OTHER FINANCIAL SCHEDULES**

**2021-22 DISTRICT AUDIT ALL FUND REVENUE SUMMARY**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**

**Revenue from Local Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	1,063,342	-	96,953	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-
1200 Revenue from Local Gov't Units Other Than Districts	-	-	-	-	-	-	-
1310 Regular Day School Tuition	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1400 Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	9,200	5,395	109	12,562	-	-	272
1600 Food Service	-	945	-	-	-	-	-
1700 Extracurricular Activities	3,085	18,192	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	-	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	-	4,220	-	-	-	-	1,000
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	23,768	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-
1990 Miscellaneous	49,741	44	10,672	-	-	-	-
<b>Total Revenue from Local Sources</b>	<b>1,125,368</b>	<b>28,796</b>	<b>107,734</b>	<b>12,562</b>	<b>-</b>	<b>23,768</b>	<b>1,272</b>

**Revenue from Intermediate Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	3,516	-	-	-	-	-	-
2102 Education Service District Apportionment	40,408	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2199 Other Intermediate Sources	1,399	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>45,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from State Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3000 Miscellaneous	-	-	-	-	-	-	-
3100 Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3101 State School Fund - General Support	3,243,384	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	2,737	-	-	-	-	-
3103 Common School Fund	32,449	-	-	-	-	-	-
3104 State Managed County Timber	159,609	-	3,511	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3200 Restricted Grants-in-Aid	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	37,102	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	1,300	540,876	-	25,000	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>3,436,742</b>	<b>580,715</b>	<b>3,511</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Federal Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Gov't	-	-	-	-	-	-	-
4200 Unrest Rev From the Federal Gov't Through the State	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	14,949	-	-	-	-	-
4500 Restricted Rev From the Fed Gov't Through the State	-	1,110,654	-	-	-	-	-
4700 Grants-In-Aid From the Fed Gov't Through Intermediate	-	-	-	-	-	-	-
4800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4801 Federal Forest Fees	31,292	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	17,586	14,781	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>31,292</b>	<b>1,143,189</b>	<b>14,781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Other Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-
5200 Interfund Transfers	-	-	41,000	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	1,486,248	1,445,967	62,107	2,083,522	-	-	52,218
<b>Total Revenue from Other Sources</b>	<b>1,486,248</b>	<b>1,445,967</b>	<b>103,107</b>	<b>2,083,522</b>	<b>-</b>	<b>-</b>	<b>52,218</b>

**Grand Totals**

<b>6,124,973</b>	<b>3,198,667</b>	<b>229,133</b>	<b>2,121,084</b>	<b>-</b>	<b>23,768</b>	<b>53,490</b>
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**2021-22 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**  
**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**

Fund: 100 General Fund

Code Expenditure Description	100	200	300	400	500	600	700	
	Total	Salaries	P/R Costs	Purchased Services	Materials	Capital Outlay	Other Objects	Transfers & Balances
1111 Elementary, K-5 or K-6	680,784	390,064	244,880	19,591	26,249	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	168,962	97,992	64,155	2,066	4,749	-	-	-
1122 Middle/Junior High School Extracurricular	21,731	13,375	3,072	2,754	2,370	-	160	-
1131 High School Programs	484,394	275,630	163,390	23,149	21,125	-	1,100	-
1132 High School Extracurricular	93,372	48,547	9,489	15,055	16,112	-	4,169	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	395,428	217,938	111,510	65,060	920	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	2,932	2,067	865	-	-	-	-	-
1280 Alternative Education	26,675	12,266	14,409	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>	<b>1,874,278</b>	<b>1,057,879</b>	<b>611,770</b>	<b>127,675</b>	<b>71,525</b>	<b>-</b>	<b>5,429</b>	<b>-</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	28,781	-	-	26,140	2,641	-	-	-
2140 Psychological Services	33,950	-	-	33,950	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	22,961	-	(439)	23,400	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	3,727	-	-	-	3,727	-	-	-
2230 Assessment & Testing	8,400	-	-	8,400	-	-	-	-
2240 Instructional Staff Development	1,057	-	-	1,057	-	-	-	-
2310 Board of Education Services	54,890	-	-	45,264	1,573	-	8,053	-
2320 Executive Administration Services	214,958	111,140	90,457	3,983	8,783	-	595	-
2410 Office of the Principal Services	406,692	251,975	146,298	2,001	5,009	-	1,409	-
2490 Other Support Services - School Administration	6,855	-	-	-	-	-	6,855	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	65,253	-	5,388	57,000	-	-	2,865	-
2540 Operation and Maintenance of Plant Services	681,836	253,236	155,306	174,534	50,935	-	47,825	-
2550 Student Transportation Services	355,603	155,243	112,432	30,722	31,181	-	26,025	-
2570 Internal Services	3,304	-	-	3,304	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation	2,976	2,190	786	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	22,812	-	-	22,812	-	-	-	-
2660 Technology Services	165,464	51,000	28,819	54,555	30,940	-	150	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2680 Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	<b>2,079,519</b>	<b>824,784</b>	<b>539,047</b>	<b>487,122</b>	<b>134,789</b>	<b>-</b>	<b>93,777</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	41,000	-	-	-	-	-	-	41,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	<b>41,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,000</b>
<b>Grand Total</b>	<b>3,994,797</b>	<b>1,882,663</b>	<b>1,150,817</b>	<b>614,797</b>	<b>206,314</b>	<b>-</b>	<b>99,206</b>	<b>41,000</b>



**2021-22 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**  
**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**

**Fund: 200 Special Revenue Fund**

Code	Expenditure Description	100	200	300	400	500	600	700	
		Total	Salaries	P/R Costs	Purchased Services	Materials	Capital Outlay	Other Objects	Transfers & Balances
1111	Elementary, K-5 or K-6	119,450	63,289	18,892	-	37,269	-	-	
1113	Elementary Extracurricular	792	-	-	-	792	-	-	
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	
1122	Middle/Junior High School Extracurricular	987	-	-	-	987	-	-	
1131	High School Programs	180,180	38,861	11,757	216	100,696	28,650	-	
1132	High School Extracurricular	17,091	-	-	204	16,887	-	-	
1140	Pre-Kindergarten Programs	84,151	41,447	42,704	-	-	-	-	
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	
1250	Less Restrictive Programs for Students with Disabilities	48,365	22,713	25,652	-	-	-	-	
1260	Treatment and Habilitation	-	-	-	-	-	-	-	
1271	Remediation	-	-	-	-	-	-	-	
1272	Title I	212,897	121,072	91,597	-	228	-	-	
1280	Alternative Education	14,740	-	-	-	14,740	-	-	
1291	English Second Language Programs	-	-	-	-	-	-	-	
1292	Teen Parent Program	-	-	-	-	-	-	-	
1293	Migrant Education	-	-	-	-	-	-	-	
1294	Youth Corrections Education	-	-	-	-	-	-	-	
1299	Other Programs	-	-	-	-	-	-	-	
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	
1400	Summer School Programs	85,243	39,903	12,792	-	32,548	-	-	
<b>Total Instruction Expenditures</b>		<b>763,896</b>	<b>327,285</b>	<b>203,394</b>	<b>420</b>	<b>204,147</b>	<b>28,650</b>	<b>-</b>	
<b>Support Services Expenditures</b>									
2110	Attendance and Social Work Services	11,090	585	224	10,281	-	-	-	
2120	Guidance Services	104,938	52,322	39,707	12,000	909	-	-	
2130	Health Services	10,266	-	-	5,240	5,026	-	-	
2140	Psychological Services	-	-	-	-	-	-	-	
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	
2160	Other Student Treatment Services	-	-	-	-	-	-	-	
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	
2210	Improvement of Instruction Services	48,768	35,408	13,360	-	-	-	-	
2220	Educational Media Services	-	-	-	-	-	-	-	
2230	Assessment & Testing	-	-	-	-	-	-	-	
2240	Instructional Staff Development	3,501	-	-	3,501	-	-	-	
2310	Board of Education Services	-	-	-	-	-	-	-	
2320	Executive Administration Services	-	-	-	-	-	-	-	
2410	Office of the Principal Services	-	-	-	-	-	-	-	
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	
2510	Direction of Business Support Services	-	-	-	-	-	-	-	
2520	Fiscal Services	13,124	-	-	13,124	-	-	-	
2540	Operation and Maintenance of Plant Services	547,013	13,950	3,688	40,561	1,475	487,339	-	
2550	Student Transportation Services	13,725	10,107	3,618	-	-	-	-	
2570	Internal Services	-	-	-	-	-	-	-	
2610	Direction of Central Support Services	-	-	-	-	-	-	-	
2620	Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	
2630	Information Services	-	-	-	-	-	-	-	
2640	Staff Services	-	-	-	-	-	-	-	
2660	Technology Services	22,388	-	-	10,758	11,630	-	-	
2670	Records Management Services	-	-	-	-	-	-	-	
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	
2690	Other Support Services - Central	-	-	-	-	-	-	-	
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	
<b>Total Support Services Expenditures</b>		<b>774,813</b>	<b>112,372</b>	<b>60,597</b>	<b>95,465</b>	<b>19,040</b>	<b>487,339</b>	<b>-</b>	
<b>Enterprise and Community Services Expenditures</b>									
3100	Food Services	288,193	99,691	71,666	10,331	99,197	6,539	769	
3200	Other Enterprise Services	-	-	-	-	-	-	-	
3300	Community Services	-	-	-	-	-	-	-	
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	
<b>Total Enterprise and Community Services Expenditures</b>		<b>288,193</b>	<b>99,691</b>	<b>71,666</b>	<b>10,331</b>	<b>99,197</b>	<b>6,539</b>	<b>769</b>	
<b>Facilities Acquisition and Construction Expenditures</b>									
4110	Service Area Direction	-	-	-	-	-	-	-	
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	
4180	Other Capital Items	-	-	-	-	-	-	-	
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Uses Expenditures</b>									
5100	Debt Service	-	-	-	-	-	-	-	
5200	Transfers of Funds	-	-	-	-	-	-	-	
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	
<b>Total Other Uses Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total</b>		<b>1,826,902</b>	<b>539,348</b>	<b>335,657</b>	<b>106,216</b>	<b>322,384</b>	<b>522,528</b>	<b>769</b>	

2021-22 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77

Fund: 300 Debt Service Fund

Code	Expenditure Description	100	200	300	400	500	600	700
		Total	Salaries	P/R Costs	Purchased Services	Materials	Capital Outlay	Other Objects
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-
<b>Support Services Expenditures</b>								
2110	Attendance and Social Work Services	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>								
3100	Food Services	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>								
4110	Service Area Direction	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>								
5100	Debt Service	109,750	-	-	-	-	109,750	-
5200	Transfers of Funds	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>109,750</b>	-	-	-	-	<b>109,750</b>	-
<b>Grand Total</b>		<b>109,750</b>	-	-	-	-	<b>109,750</b>	-

2021-22 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY

DOUGLAS COUNTY SCHOOL DISTRICT NO. 77

Fund: 400 Capital Projects Fund

Code	Expenditure Description	100		200		300		400		500		600		700	
		Total	Salaries	P/R Costs	Purchased Services	Materials	Capital Outlay	Other Objects	Transfers & Balances						
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>															
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	347,727	-	-	129,253	-	-	218,474	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>347,727</b>	-	-	<b>129,253</b>	-	-	<b>218,474</b>	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>															
3100	Food Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>															
4110	Service Area Direction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>															
5100	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>347,727</b>	-	-	<b>129,253</b>	-	-	<b>218,474</b>	-	-	-	-	-	-	-

**2021-22 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**

**Fund: 600 Internal Service Funds**

Code	Expenditure Description	100		200		300		400		500		600		700	
		Total	Salaries	P/R Costs	Purchased Services	Materials	Capital Outlay	Other Objects	Transfers & Balances						
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>															
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2520	Fiscal Services	10,000	-	10,000	-	-	-	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>10,000</b>	-	<b>10,000</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>															
3100	Food Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>															
4110	Service Area Direction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>															
5100	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>10,000</b>	-	<b>10,000</b>	-	-	-	-	-	-	-	-	-	-	-

**2021-22 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77**

**Fund: 700 Charter and Fiduciary**

Code	Expenditure Description	100	200	300	400	500	600	700
		Total	Salaries	P/R Costs	Purchased Services	Materials	Capital Outlay	Other Objects
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-
<b>Support Services Expenditures</b>								
2110	Attendance and Social Work Services	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>								
3100	Food Services	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>								
4110	Service Area Direction	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>								
5100	Debt Service	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-

## SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.  
 Part A is needed for computing Oregon’s full allocation for ESSA, Title I & other Federal Funds for Education.

**A. Energy Bill for Heating - All Funds:**  
 Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	<b>Objects 325 &amp; 326 &amp; *327</b>
Function 2540	\$ 136,017.85
Function 2550	\$ 21,142.00

**B. Replacement of Equipment – General Fund:**  
 Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude these functions:

\$0
-----

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

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

**AUDIT COMMENTS AND DISCLOSURES**  
**REQUIRED BY STATE REGULATIONS**

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

Board of Education  
Douglas County School District No.77  
Glendale, Oregon

We have audited the basic financial statements of Douglas County School District No.77 (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 20, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the 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 but were not limited to the following:

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

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

### OAR 162-010-0230 Internal Control

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



## Restrictions on Use

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

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is written in a cursive, flowing style.

Jeny L. Grupe, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 20, 2022

**ITEMS REQUIRED BY UNIFORM GUIDANCE**  
**FOR FEDERAL AWARDS PROGRAMS**

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

Board of Education  
Douglas County School District No. 77  
Glendale, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County School District No. 77 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2022.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is written in a cursive, flowing style.

Jeny L. Grupe, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 20, 2022

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

Board of Education  
Douglas County School District No. 77  
Glendale, Oregon

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

We have audited Douglas County School District No. 77's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

#### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

#### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses. However as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 to be significant deficiencies.

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

Government Auditing Standards required the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the response.

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

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is written in a cursive, flowing style.

Jeny L. Grupe, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 20, 2022

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Education:</u>			
Direct Federal Award:			
Small, Rural School Achievement Program (SRSA)	84.358	S358A213521	\$ 14,949
Total AL 84.358			<u>14,949</u>
Passed Through Oregon Department of Education:			
Title I Grants to Local Educational Agencies	84.010	66976	116,663
ESSA Partnerships 20-21	84.010	65109	102,681
ESSA Partnerships 21-22	84.010	60386	6,517
Total AL 84.010			<u>225,861</u>
Special Education - Grants to States	84.027	60660	47,314
Special Education - Grants to States	84.027	68375	1,051
Total Special Education Cluster (IDEA)			<u>48,365</u>
Supporting Effective Instruction State Grant	84.367	67409	19,540
Total AL 84.367			<u>19,540</u>
Student Support and Academic Enrichment Grant	84.424	66765	10,000
Total AL 84.424			<u>10,000</u>
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425	64584	257,467
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief	84.425	64889	336,380
Total AL 84.425			<u>593,847</u>
<b>Total Department of Education</b>			<b><u>912,562</u></b>
<u>U.S. Department of Agriculture:</u>			
Passed Through Oregon Department of Education:			
National School Lunch (commodities)	10.555	N/A	14,441
Summer Food Service Program for children	10.559	N/A	3,145
National School Breakfast Program	10.553	N/A	63,126
National School Lunch Program	10.555	N/A	128,159
Summer Food Service Program for children	10.559	N/A	8,233
Total Child Nutrition Cluster			<u>217,104</u>
Child and Adult Care Food Program	10.558	N/A	12,909
Total AL 10.558			<u>12,909</u>
State Pandemic Electronic Benefit Transfer Administrative Cost Grant	10.649	N/A	614
Total AL 10.649			<u>614</u>
Passed through Douglas County:			
Schools and Roads - Grants to States	10.665	N/A	31,292
Total AL 10.665			<u>31,292</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>261,919</u></b>
<b>Total Federal Financial Assistance</b>			<b><u>\$ 1,174,481</u></b>



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

**Note A - Significant accounting policies**

The schedule of expenditures of federal awards includes the federal grant activity of the Douglas County School District No. 77 (the District) and is presented on the accrual basis of accounting.

**Note B - Food distribution**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling \$14,441.

**Note C - Interest Subsidy Payment Received**

During 2009-2010 fiscal year, the District received a Qualified School Construction Bond for \$540,000. During the fiscal year ending June 30, 2022, the District received \$14,781 in an interest subsidy related to the bond from the U.S. Treasury, which was paid directly to the Bank of New York Mellon Trust Company to be used to reduce future interest payments made by the District.

**Note D - Indirect Cost Rate**

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note E - Subrecipients**

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2022.

**Note F - Schools and Roads - Grants to States**

The District includes Schools and Roads - Grants to States in the schedule due to requirements of the Oregon Department of Education. These expenditures are not subject to the Uniform Guidance audit due to the treatment based on guidance provided by both Oregon Department of Education and the United States Department of Agriculture.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of the District.
2. No significant deficiencies or material weakness relating to the audit of the financial statements are reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

4. One significant deficiency (finding 2022-001) in internal control over major federal programs was disclosed during the audit is reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance for the major federal award program for the District expressed an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major program include:

US Department of Education

Education Stabilization Fund                      AL #84.425

8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The District did not qualify as a low-risk auditee under the criteria specified in the Uniform Guidance.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 77  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2022**

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2022-001 – Significant Deficiency – Special Tests and Provisions

*Federal Program Title:* Education Stabilization Fund - Assistance Listing No. 84.425;

*Federal Agency:* United States Department of Education

*Pass-through entity:* Oregon Department of Education

*Criteria:* In accordance with 2 CFR Part 176, Subpart C, nonfederal entities shall include in their construction contracts subject to the Wage Rate Requirements, a provision that the contractor or subcontractor comply with those requirements and DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payroll).

*Cause:* The District's internal controls to identify and collect required certified payroll reports from contractors and subcontractors on contracted work exceeding \$2,000 was not effective for the year ended June 30, 2022.

*Context:* We selected two construction projects that exceeded \$2,000 approved by ODE and spent with ESSER funds. For one of the two projects selected for testing, certified payroll reports were not collected by the District.

*Effect or Potential Effect:* The nonfederal entity does not notify contractors and subcontractors of the requirements to comply with Wage Rate Requirements and obtain copies of certified payrolls and the District is not in compliance with the Department of Labor regulations.

*Recommendation:* We recommend the District review their internal controls to strengthen the processes and improve procedures. We recommend the District notify all contractors and subcontractors of required submission of certified payroll reports prior to the start of any contracted work spent with federal assistance funds exceeding \$2,000.

*Views of Responsible Officials:* The District agrees with the finding and recommendation and plans to implement a system of reviewing a copy of the payroll and a statement of compliance (certified payroll), as necessary.