

**EAGLE POINT
SCHOOL DISTRICT NO. 9
Eagle Point, Oregon**

**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

**EAGLE POINT SCHOOL DISTRICT NO. 9
Eagle Point, Oregon
June 30, 2022**

BOARD OF DIRECTORS AS OF JUNE 30, 2022

Emily McIntire	Board Chair
Randy Wolf	Board Vice Chair
Matt Stone	Member
Josh Graves	Member
Chery Stritenberg	Member

All board members and administrative staff receive mail at the address listed below:

**Administrative Office
11 North Royal
Eagle Point, Oregon 97524**

ADMINISTRATIVE STAFF AS OF JUNE 30, 2022

Andrew Kovach	Superintendent
Nick Hogan, CPA	Business Manager

EAGLE POINT SCHOOL DISTRICT NO. 9
Eagle Point, Oregon
Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Eagle Point School District No. 9
Eagle Point, Oregon

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the fiduciary fund of Eagle Point School District No. 9 (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, each major fund and the fiduciary fund of the District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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, certain pension schedules, certain other post-employment benefit schedules, and the general and major special revenue governmental funds budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, pension schedules, and other post-employment benefit schedules 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 management's discussion and analysis, pension schedules, and other post-employment benefit schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The general and special revenue major governmental 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general and major special revenue governmental funds budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the Table of Contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 February 2, 2023 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 the State of Oregon

In accordance with Oregon State Regulations, we have also issued our report dated February 2, 2023 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
February 2, 2023

EAGLE POINT SCHOOL DISTRICT NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

As management of Eagle Point School District No. 9 (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. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the accompanying notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- In the **government-wide statements**, the assets of the District exceeded its liabilities at June 30, 2022 by \$20.90 million. Of this amount, \$44.74 million is invested in capital assets, \$65 thousand is restricted for debt service, \$1.81 million is restricted for food service, \$227 thousand is restricted for education grants, and the negative balance of \$24.65 million, is unrestricted. The majority of this unrestricted negative amount is associated with the District's pension and OPEB liability of \$30.49 million.
- In the **government-wide statements**, net position increased by \$6.10 million at June 30, 2022.
- In the **government-wide statements**, capital assets decreased by \$874 thousand during the 2022 fiscal year. This decrease is mainly attributed to annual depreciation expense.
- At the end of the fiscal year, fund balance for all **governmental funds** was \$12.80 million, an increase of \$2.97 million (30.24%) in comparison to the prior year. Approximately \$7.27 million of this overall fund balance is unassigned fund balance, available for spending at the District's discretion.
- At the end of the fiscal year, fund balance for the **General Fund** was \$7.51 million, down from \$8.11 million in the prior year, a decrease of 7.35%. Fund balance in the General Fund represents about 15.10% of total General Fund revenues, down from 17.56% in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

Statement of Activities. The *statement of activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through Oregon's State School Fund, property taxes, and other intergovernmental revenues.

The government-wide financial statements can be found as listed in the Table of Contents.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental 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 government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental *funds* and governmental *activities*.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds. The basic fiduciary fund financial statements can be found as listed in the Table of Contents of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the Table of Contents of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This Management's Discussion and Analysis, General Fund and major Special Revenue Fund budgetary comparison information, certain other post employment benefit schedules, and certain pension schedules are considered required supplementary information. The required supplementary information can be found as listed in the Table of Contents of this report.

Other supplementary information is presented on the basic financial statements are not required to be presented but are included for further clarity and understanding. The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplementary Information as listed in the Table of Contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$20.9 million at June 30, 2022.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 69.77% of total assets. The remaining assets consist mainly of investments, cash, prepaid expenses, and grants, property taxes receivable and OPEB asset.

The District's liabilities include the PERS pension liability and other actuarially determined post-employment benefits of \$30.49 million. Outside of these actuarial disclosure amounts, the largest liability is for the payment of long-term obligations representing 1.87% of the District's total liabilities. Other liabilities consist almost entirely of payables on accounts.

A significant portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally State School Fund and property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in Net Position Governmental Activities

	June 30, 2022	June 30, 2021	Increase/(Decrease)
Current assets	\$ 18,883,188	\$ 14,857,738	\$ 4,025,450
Net OPEB asset	498,957	657,465	(158,508)
Net capital assets	44,740,389	45,614,181	(873,792)
Total assets	64,122,534	61,129,384	2,993,150
Deferred outflow of resources	17,693,071	18,371,094	(678,023)
Current liabilities	5,902,159	5,273,027	629,132
Net pension liability & OPEB	30,487,385	53,330,845	(22,843,460)
Long-term obligations	694,263	1,101,513	(407,250)
Total liabilities	37,083,807	59,705,385	(22,621,578)
Deferred inflow of resources	23,827,934	4,994,170	18,833,764
Net position:			
Net investment in capital assets	43,442,353	43,848,031	(405,678)
Restricted for education grants	227,604	-	227,604
Restricted for debt service	65,678	169,879	(104,201)
Restricted for food service	1,815,840	1,029,232	786,608
Unrestricted	(24,647,611)	(30,246,219)	5,598,608
Total Net Position	\$ 20,903,864	\$ 14,800,923	\$ 6,102,941

Statement of Activities. As previously stated, all District activities are governmental in nature. During the 2021-22 fiscal year, the District's net position increased by about \$6.10 million, which is an annual increase of approximately \$5.89 million more than the prior year.

Changes in Statement of Activities
Governmental Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/(Decrease)</u>
Program Revenues			
Charges for services	\$ 669,623	\$ 245,239	\$ 424,384
Operating grants and contributions	13,682,022	7,873,385	5,808,637
Capital grants and contributions	1,344,521	-	1,344,521
General Revenues			
Property taxes	12,088,760	14,718,899	(2,630,139)
State school fund	34,581,938	32,344,443	2,237,495
Other state, local, and federal sources	1,114,655	1,361,271	(246,616)
Earnings on investments	79,299	108,235	(28,936)
Contributions and Miscellaneous	857,841	243,455	614,386
Total Revenues	<u>64,418,659</u>	<u>56,894,927</u>	<u>7,523,732</u>
Expenses			
Instruction	33,523,770	33,232,612	291,158
Support services	22,620,456	21,308,798	1,311,658
Community services	2,030,720	1,833,955	196,765
Facilities acquisition	113,860	6,242	-
Interest on long-term debt	26,912	189,383	(162,471)
Total Expenses	<u>58,315,718</u>	<u>56,570,990</u>	<u>1,637,110</u>
Change in Net Position	<u>\$ 6,102,941</u>	<u>\$ 323,937</u>	<u>\$ 5,886,622</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS MD&A

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

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

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$12.80 million, an increase of about \$2.97 million in comparison with the prior year. About \$7.26 million (56.71%) of the ending fund balance constitutes *unassigned ending fund balance*, which is available for spending at the District's discretion. \$65 thousand is restricted for debt service obligations.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2022, total fund balance was \$7.5 million, down from \$8.11 million in the prior year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 15.64% of total General Fund expenditures. The General Fund made transfers during the year of \$20.26 thousand to the Food Services Fund to supplement operations and \$2.4 million to address some of the District's deferred building maintenance needs and capital projects. The District has managed its general operations over the current and prior years to bring expenditure levels more closely in line with projected on-going state and federal resources in an attempt to avoid large fluctuations in fund balance.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of \$2.8 million, all of which is designated for the specific purposes of the various federal and state grants and other programs accounted for in this fund.

Debt Service Fund: The Debt Service Fund has a total fund balance of \$81 thousand, all of which is restricted for debt service. The net decrease in fund balance during the current fiscal year was \$19 thousand. This fund incurs no expenditures other than debt service payments.

Capital Projects Fund: The Capital Projects Fund has a total fund balance of \$2.4 million, all of which is committed for capital projects. The net increase in fund balance during the current fiscal year was \$2.4 million.

BUDGETARY ACTIVITY

During the fiscal year ended June 30, 2022, adopted, final, budgetary activity amounts are as follows:

	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund				
Instruction	\$ 32,266,634	\$ 32,266,634	\$ 29,173,548	\$ 3,093,086
Support Services	17,848,366	17,848,366	18,419,736	(571,370)
Enterprise and community services	-	-	1,545	(1,545)
Facilities Acquisition	-	50,000	125,803	(75,803)
Transfers	100,000	(2,350,000)	(2,420,263)	70,263
Contingency	2,500,000	-	-	-
Total	\$ 52,715,000	\$ 47,815,000	\$ 45,300,369	\$ 2,514,631

Additional information on the District's budget can be found in the notes to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and right-of-use assets. As of June 30, 2022, the District had invested about \$44.74 million in capital assets, net of depreciation.

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term debt. District has long-term debt in the amounts due of \$1.30 million.

Additional information on the District's long-term debt can be found in the notes to the financial statements.

Leases Payable. 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.

Additional information on the District's leases payable can be found in the notes to the basic financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factors for the District are student enrollment and the State of Oregon's State School Fund. State School Fund amounts are based primarily on total budgeted State funds and the District's student enrollment. The State School Fund includes a General Purpose Grant, a Transportation Grant, offsets for certain local revenues, and additional funding for certain categories of students including students on IEP's, students in ESL programs, and students in poverty. For the year ended June 30, 2022, the State School Fund provided approximately 70% of the District's total General Fund revenue.

The District will continue to monitor expected revenues and expenditure projections to match expenditure levels to on-going revenues. Cost cutting and savings measures are considered, when necessary, to maintain this commitment. The budgeting process for 2022-23 and future years takes projected funding levels into account when establishing and maintaining staffing levels, programs, and activities for the District. The District believes it is well positioned to operate under the funding scenarios currently being considered.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Business Manager at 11 North Royal Avenue, PO Box 548, Eagle Point, Oregon 97524.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**EAGLE POINT SCHOOL DISTRICT NO. 9
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
ASSETS:	
Cash and investments	\$ 11,342,493
Receivables	7,301,300
Prepaid expenses	239,395
Other post employment benefit (RHIA)	498,957
Capital assets, net	
Land	1,921,184
Construction in progress	795,329
Buildings and improvements	37,885,897
Machinery, equipment and vehicles	3,948,600
Right-of-use asset	189,379
TOTAL ASSETS	<u>64,122,534</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pension (OPERS)	17,252,636
Deferred outflows related to other post employment benefits (medical subsidy)	209,086
Deferred outflows related to other post employment benefits (RHIA)	231,349
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>17,693,071</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>81,815,605</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
LIABILITIES:	
Accounts payable	1,224,270
Accrued payroll liabilities	3,040,995
Accrued interest payable	16,967
Unearned revenue	984,942
Accrued compensated absences payable	31,212
Other post employment benefit obligation (medical subsidy) (due in more than one year)	3,752,907
Early retirement stipend pension plan obligation (due in more than one year)	11,615
Net pension liability (OPERS) (due in more than one year)	26,722,863
Leases payable	
Due within one year	54,632
Due in more than one year	136,650
Loans payable	
Due within one year	549,141
Due in more than one year	557,613
TOTAL LIABILITIES	<u>37,083,807</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pension (OPERS)	22,421,269
Deferred inflows related to other post employment benefits (medical subsidy)	1,199,157
Deferred inflows related to other post employment benefits (RHIA)	207,508
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>23,827,934</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>60,911,741</u>
NET POSITION:	
Net investment in capital assets	43,442,353
Restricted for education grants	227,604
Restricted for debt service	65,678
Restricted for food service	1,815,840
Unrestricted	(24,647,611)
TOTAL NET POSITION	<u>\$ 20,903,864</u>

**EAGLE POINT SCHOOL DISTRICT NO. 9
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	
Governmental Activities:				
Instruction	\$ 33,523,770	\$ 386,636	\$ 5,874,887	\$ -
Supporting services	22,620,456	259,428	5,584,910	-
Community services	2,030,720	23,559	2,222,225	-
Facilities acquisition	113,860	-	-	1,344,521
Interest expense	26,912	-	-	-
				(26,912)
Total government activities	\$ 58,315,718	\$ 669,623	\$ 13,682,022	\$ 1,344,521
				\$(42,619,552)
General revenues:				
Property taxes levied				12,088,760
State school fund - general support				34,581,938
Common school fund				460,270
Federal forest fees				51,473
Unrestricted state and local sources				602,912
Earnings on investments				79,299
Contributions and donations				10,016
Miscellaneous				417,826
Gain (loss) on sale of assets				429,999
				<u>48,722,493</u>
CHANGE IN NET POSITION				6,102,941
NET POSITION - JULY 1, 2021				<u>14,800,923</u>
NET POSITION - JUNE 30, 2022				<u><u>\$ 20,903,864</u></u>

FUND FINANCIAL STATEMENTS

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS:					
Cash and investments	\$ 8,876,815	\$ -	\$ 65,678	\$ 2,400,000	\$ 11,342,493
Receivables	1,628,121	5,673,179	-	-	7,301,300
Prepays	239,395	-	-	-	239,395
Interfund receivable	164,342	-	-	-	164,342
TOTAL ASSETS	\$ 10,908,673	\$ 5,673,179	\$ 65,678	\$ 2,400,000	\$ 19,047,530
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 584,725	\$ 639,545	\$ -	\$ -	\$ 1,224,270
Interfund payable	-	164,342	-	-	164,342
Accrued payroll liabilities	2,369,501	671,494	-	-	3,040,995
Unearned revenue	-	984,942	-	-	984,942
TOTAL LIABILITIES	2,954,226	2,460,323	-	-	5,414,549
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	436,639	-	-	-	436,639
Unavailable revenue - grant receivable	-	395,922	-	-	395,922
TOTAL LIABILITIES AND DEFERRED INFLOWS	436,639	395,922	-	-	832,561
Fund Balances:					
Nonspendable					
Prepaid expense	239,395	-	-	-	239,395
Restricted					
Education grants	-	227,604	-	-	227,604
Debt service	-	-	65,678	-	65,678
Food service	-	1,815,840	-	-	1,815,840
Committed					
Capital projects	-	-	-	2,400,000	2,400,000
Assigned					
Technology	-	376,152	-	-	376,152
Energy conservation-SB 1149	-	285,384	-	-	285,384
Student body	-	47,766	-	-	47,766
Other student programs	-	64,188	-	-	64,188
Unassigned	7,278,413	-	-	-	7,278,413
TOTAL FUND BALANCES	7,517,808	2,816,934	65,678	2,400,000	12,800,420
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 10,908,673	\$ 5,673,179	\$ 65,678	\$ 2,400,000	\$ 19,047,530

**EAGLE POINT SCHOOL DISTRICT NO. 9
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2022**

TOTAL FUND BALANCES		\$ 12,800,420
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 78,063,844	
Accumulated depreciation	<u>(33,323,455)</u>	44,740,389
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Property taxes	\$ 436,639	
Grant receivable - non-current portion	<u>395,922</u>	832,561
The other post employment benefit asset (RHIA) is not reported with the governmental funds as it is not available nor payable currently.		498,957
The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available payable currently.		(6,134,863)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	\$ (16,967)	
Leases payable	(191,282)	
Loans payable	(1,106,754)	
Pension liability (Stipend)	(11,615)	
Pension liability (OPERS)	(26,722,863)	
Other post employment obligation benefits (medical subsidy)	(3,752,907)	
Compensated absences payable	<u>(31,212)</u>	<u>(31,833,600)</u>
TOTAL NET POSITION		<u>\$ 20,903,864</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES					
Property taxes and other taxes	\$ 12,125,549	\$ -	\$ -	\$ -	\$ 12,125,549
Intergovernmental	36,258,481	14,027,979	-	-	50,286,460
Charges for services	875,214	139,020	-	-	1,014,234
Local grants and contributions	8,458	42,312	-	-	50,770
Investment earnings	79,010	289	-	-	79,299
Miscellaneous	198,177	234,741	-	-	432,918
TOTAL REVENUES	49,544,889	14,444,341	-	-	63,989,230
EXPENDITURES					
Current:					
Instruction	29,173,548	5,235,557	-	-	34,409,105
Support services	18,647,768	5,752,146	-	-	24,399,914
Enterprise and community services	1,545	2,122,859	-	-	2,124,404
Facilities acquisition	125,803	50,000	-	-	175,803
Debt service	-	566,296	-	-	566,296
TOTAL EXPENDITURES	47,948,664	13,726,858	-	-	61,675,522
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,596,225	717,483	-	-	2,313,708
OTHER FINANCING SOURCES (USES)					
Sale of assets	-	429,999	-	-	429,999
Lease financing	228,032	-	-	-	228,032
Transfers in	-	36,763	-	2,400,000	2,436,763
Transfer out	(2,420,263)	(16,500)	-	-	(2,436,763)
TOTAL OTHER FINANCING SOURCES (USES)	(2,192,231)	450,262	-	2,400,000	658,031
NET CHANGE IN FUND BALANCE	(596,006)	1,167,745	-	2,400,000	2,971,739
FUND BALANCE, JULY 1, 2021	8,113,814	1,649,189	65,678	-	9,828,681
FUND BALANCE, JUNE 30, 2022	\$ 7,517,808	\$ 2,816,934	\$ 65,678	\$ 2,400,000	\$ 12,800,420

**EAGLE POINT SCHOOL DISTRICT NO. 9
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**

NET CHANGE IN FUND BALANCE \$ 2,971,739

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

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 capital outlay exceeded depreciation in the current period:

Expenditures for capital assets	\$ 1,326,783	
Less current year depreciation	<u>(2,200,575)</u>	(873,792)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount of repayments:

Lease principal repaid	\$ 36,750	
Loans principal repaid	561,055	
Issuance of lease payable	<u>(228,032)</u>	369,773

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due. This is the amount by which the interest paid exceeded the interest expense.

Interest paid	\$ 17,265	
Less: Interest expense	<u>(26,912)</u>	(9,647)

Governmental funds report proceeds from the sale of capital assets as revenue. However, only the net gain (loss) on the sale is reported in the Statement of Activities.

Cost basis of assets sold	\$ (1,497,895)	
Accumulated depreciation	<u>1,497,895</u>	-

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Property taxes	\$ (36,789)	
Grant receivable - non-current portion	<u>395,922</u>	359,133

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. 14,229

The change in the net post employment benefit obligation (OPEB) RHIA is not recognized in the governmental funds 33,281

The change in the net post employment benefit obligation (OPEB) (medical subsidy) is not recognized in the governmental funds. 183,960

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. (OPERS and stipend) 2,955,924

CHANGE IN NET POSITION \$ 6,004,600

**EAGLE POINT SCHOOL DISTRICT NO. 9
 STATEMENT OF NET POSITION
 FIDUCIARY FUND
 YEAR ENDED JUNE 30, 2022**

	Private Purpose Trust Fund
	<u> </u>
ASSETS:	
Cash and investments	\$ 210,645
Receivables	500
	<u> </u>
TOTAL ASSETS	<u> 211,145</u>
 NET POSITION:	
Held in trust for:	
Scholarships	211,145
	<u> </u>
TOTAL NET POSITION	<u><u> \$ 211,145</u></u>

**EAGLE POINT SCHOOL DISTRICT NO. 9
 STATEMENT OF CHANGE IN NET POSITION
 FIDUCIARY FUND
 FISCAL YEAR ENDED JUNE 30, 2022**

	Private Purpose Trust Fund
ADDITIONS:	
Donations	\$ 169,024
Miscellaneous	<u>212</u>
TOTAL ADDITIONS	<u>169,236</u>
DEDUCTIONS:	
Community services	<u>115,033</u>
TOTAL DEDUCTIONS	<u>115,033</u>
CHANGE IN NET POSITION	54,203
NET POSITION, JULY 1, 2021	<u>156,942</u>
NET POSITION, JUNE 30, 2022	<u><u>\$ 211,145</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

Eagle Point School District No. 9 (the District), Eagle Point, 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 five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by accounting principles generally accepted in the United States of America (GAAP), 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. There are various 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.

Basis of Presentation

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. Program revenues include: (1) charges to students or others for tuition, fees, rentals, materials, 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.

Separate financial statements are provided for governmental funds and fiduciary funds.

Net position is reported as restricted when constraints placed on net asset use 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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

There are stated minimum criteria for the determination of major funds: percentage of assets, liabilities, revenues or expenditures/expenses among others. 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 and includes the District's athletic activity and Student Body fundraising activities.

Special Revenue Fund – This fund accounts for revenues designated for specific purposes. This fund accounts for the revenues and expenditures related to specific purpose grants and other revenues when required by statute, charter provision, or the terms of the grant.

Debt Service Fund – This fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue source is property taxes.

Capital Project Fund - This fund accounts for the acquisition, construction and maintenance of improvements within the District. Principal revenue sources are grants and interfund transfers.

Additionally, the District reports the following fund type:

Fiduciary Fund – The private-purpose trust fund is used to account for fund-raising and scholarship resources held by the District in a fiduciary capacity. Disbursements from this fund are made in accordance with the trust and fund-raising agreements.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under leases are reported as other financing sources.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less.

The District's investments, authorized under state statute, consist of time certificates of deposit, money market accounts, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). 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. Changes in fair value of investments are recorded as investment earnings.

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).

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.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of charges for service, and claims for reimbursement of costs under various federal and state grants. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectible receivables 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.

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. The District has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the District will report inflows of cash for lessor leases and outflows of cash for lessee leases.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

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 Improvements	10 to 50 years
Machinery/Equipment/Vehicles	3 to 30 years
Right-of-use Assets	Depends on life of the lease

Retirement Plan

Substantially all regular District employees are participants in the State of Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged as expenditures/expenses as funded.

In addition, eligible licensed and confidential employees qualify for early retirement stipend benefits which are funded and charged to expenses/expenditures at actuarially determined amounts. Actual contributions are made on a current basis as required by the plan and are charged to the Funds as expenditures.

Post-Employment Health Care Benefits

The District's Other Post Employment Health Care Benefits (OPEB) includes a subsidy for group medical insurance premiums. The valuation includes both eligible active employees and retirees. With each valuation, the net OPEB obligation or asset is determined, as well as an annual OPEB cost, which the District records in the government-wide financial statements. Medical premiums are recorded as an expenditure in the Funds as premiums become due.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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.

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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

Additionally, the District has one type of deferred inflows which arises only under the modified accrual bases of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

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 either by (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 – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

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 Directors, by formal board action.

Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Business Manager.

Unassigned – This is the residual classification used for those balances not assigned to another category.

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.

Interfund Transactions

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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Budget

A budget is prepared and legally adopted for each governmental fund type and fiduciary fund type on the modified accrual basis of accounting. The budgetary basis of accounting is different than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary and GAAP basis of accounting are that capital outlay and other long-term assets, and debt principal and other long-term liabilities, are included as budgeted expenditures in the governmental fund types. The resolution authorizing appropriations for each fund sets the level at 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, contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers 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 compliance with Local Budget Law, except as follows:

The District exceeded its appropriation authority in the following categories:

General Fund:	
Support services	\$ 571,370
Enterprise and community services	1,545
Facilities acquisition and construction	75,803
	<hr/>
	\$ 648,718
	<hr/>

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.

Adoption of New GASB Pronouncement

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

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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Adoption of New GASB Pronouncement (continued)

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. There is no effect on the District's financial statements as a result of this statement.

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. There is no effect on the District's financial statements as a result of this statement.

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 the 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 the 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 District for the fiscal year ending June 30, 2025.

The District will implement new GASB pronouncements no later than the required effective date. 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 – Cash and Investments

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

Petty cash	\$ 688
Carrying amount of demand deposits	3,606,884
Carrying amount of investments	7,945,566
Total cash and investments	<u>\$ 11,553,138</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 2 – Cash and Investments (continued)

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

Statement of Net Position	
Cash and investments	\$ 11,342,493
Statement of Fiduciary Net Position	
Cash and investments	210,645
Total cash and investments	\$ 11,553,138

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 the fiscal year ended June 30, 2022, the carrying amounts of the District’s deposits in various financial institutions were \$3,606,884 and the bank balances were \$4,316,434. All deposits are held in the name of the District. Of the bank balance, \$250,000 is considered to be covered by federal depository insurance. The balance of \$4,066,434 is not covered by FDIC insurance but is considered to be collateralized by the State of Oregon shared liability structure for participating bank depositories in Oregon.

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.

Investments. Eagle Point School District No. 9 invests funds in the State Treasurer’s Oregon Short-term Fund Local Government Investment Pool. 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. The LGIP is not rated.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 2 – Cash and Investments (continued)

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:

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.

	Totals as of 06/30/22	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Investments Measured at Fair Value:					
Local Government Investment Pool	\$ 7,945,566	\$ -	\$ -	\$ -	\$ 7,945,566
	<u>\$ 7,945,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,945,566</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 3 – Receivables

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

	Property Taxes	Grants/Other	Total
General Fund	\$ 557,387	\$ 1,070,734	\$ 1,628,121
Special Revenue Fund	-	5,673,179	5,673,179
	\$ 557,387	\$ 6,743,913	\$ 7,301,300

Note 4 – Capital Assets

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

	Balance July 1, 2021	Additions	Transfers/ Deletions	Balance June 30, 2022
Capital assets not being depreciated or amortized:				
Land	\$ 1,921,184	\$ -	\$ -	\$ 1,921,184
Construction-in-Progress	74,564	720,765	-	795,329
Total capital assets not being depreciated or amortized	1,995,748	720,765	-	2,716,513
Capital assets being depreciated or amortized:				
Buildings and Improvements	66,378,333	35,092	-	66,413,425
Machinery/Equipment/Vehicles	9,860,875	342,894	(1,497,895)	8,705,874
Right-of-use	-	228,032	-	228,032
Total	76,239,208	606,018	(1,497,895)	75,347,331
Less accumulated depreciation or amortization for:				
Buildings and Improvements	(27,011,566)	(1,515,962)	-	(28,527,528)
Machinery/Equipment/Vehicles	(5,609,209)	(645,960)	1,497,895	(4,757,274)
Right-of-use	-	(38,653)	-	(38,653)
Total	(32,620,775)	(2,200,575)	1,497,895	(33,323,455)
Total capital assets, net:				
Land	1,921,184	-	-	1,921,184
Construction-in-Progress	74,564	720,765	-	795,329
Buildings and Improvements	39,366,767	(1,480,870)	-	37,885,897
Machinery/Equipment/Vehicles	4,251,666	(303,066)	-	3,948,600
Right-of-use	-	189,379	-	189,379
Total	\$ 45,614,181	\$ (873,792)	\$ -	\$ 44,740,389

Depreciation and amortization expense for the fiscal year was \$2,200,575 and is allocated to the various functions.

Instruction	\$ 1,243,325
Support Services	875,829
Community Services	81,421
	\$ 2,200,575

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 4 – 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 District 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 6.

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

	Balance July 1, 2021	Additions	Deletions / Transfers	Balance June 30, 2022
Leased assets being amortized:				
Machinery/equipment/vehicles	\$ -	\$ 228,032	\$ -	\$ 228,032
Total leased assets	-	228,032	-	228,032
Less accumulated amortization for:				
Machinery/equipment/vehicles	-	(38,653)	-	(38,653)
Total accumulated amortization	-	(38,653)	-	(38,653)
Total leased assets, net:				
Machinery/equipment/vehicles	-	189,379	-	189,379
Total leased assets, net	\$ -	\$ 189,379	\$ -	\$ 189,379

Note 5 – Deferred Inflow / Unearned Revenue

Governmental funds, under the modified accrual basis of accounting, accrue revenue for amounts unearned or unavailable. Government-wide reporting uses full accrual accounting and reports 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, the various components of unavailable (deferred inflow) and unearned revenue in the governmental funds consisted of the following:

<u>Fund Type</u>	<u>Property Tax Unavailable</u>	<u>Grants/Other Unearned</u>	<u>Grants/Other Unavailable</u>	<u>Total</u>
General Fund	\$ 436,639	\$ -	\$ -	\$ 436,639
Special Revenue fund	-	984,942	395,922	1,380,864
Total	\$ 436,639	\$ 984,942	\$ 395,922	\$ 1,817,503

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 6 – Long-Term Obligations

Loans Payable

Bus Loan Payable

On June 10, 2017, the District entered into a 5-year loan agreement to finance the purchase of five Blue Bird buses that matured as of June 2022. The annual lease payment includes an implied interest of 2.6%. A final payment of \$100,398 was made in September 2021. The cost of the buses were \$706,904, with accumulated depreciation of \$267,293, and a net book value of \$439,611 as of June 30, 2022. Interest expense in the current year was \$2,555.

iPad Loan Payable

On April 22, 2021, the District entered into a 3-year loan agreement to finance the purchase of Apple iPads. The annual payment is \$566,296, which includes interest at an implied rate of 1.55%. The amount capitalized for these Apple iPads were \$1,667,809, with accumulated depreciation of \$555,936, and a net book value of \$1,111,873 as of June 30, 2022. Interest expense in the current year was \$5,241.

The repayment schedule of principal and interest for the loan payable are as follows:

Year Ended	Principal	Interest	Total
2023	\$ 549,141	\$ 17,155	\$ 566,296
2024	557,613	8,683	566,296
	\$ 1,106,754	\$ 25,838	\$ 1,132,592

The changes in loans payable for the year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Iplads loan payable	\$ 1,667,809	\$ -	\$ 561,055	\$ 1,106,754	\$ 549,141
Buses loan payable	98,341	-	98,341	-	-
Total	\$ 1,766,150	\$ -	\$ 659,396	\$ 1,106,754	\$ 549,141

Leases Payable

The District has entered into several non-cancellable lease agreements for copiers and equipment. During the year ended June 30, 2022, lease principal and interest payments of \$40,978 and \$4,228 were made, respectively. Lease payable at June 30, 2022 consisted of the following:

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 6 – Long-Term Obligations (continued)

Leases Payable (continued)

Lease payable at June 30, 2022 consisted of the following:

Year Ended	Principal	Interest	Total
2023	\$ 54,632	\$ 4,746	\$ 59,378
2024	56,260	3,118	59,378
2025	58,622	1,452	60,074
2026	21,768	112	21,880
	\$ 191,282	\$ 9,428	\$ 200,710

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Leases payable \$	-	\$ 228,032	\$ 36,750	\$ 191,282	\$ 54,632

Note 7 – Compensated Absences

	Balance June 30, 2021	Earned	Used	Balance June 30, 2022	Due Within One Year
Compensated absences \$	45,441	\$ 167,973	\$ 182,202	\$ 31,212	\$ 31,212

Compensated absences consist of up to forty hours earned but unused vacation pay.

Note 8 – Interfund Transactions

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

	Transfers	
	In	Out
General Fund	\$ -	\$ 2,420,263
Special Revenue Fund	20,363	
Capital Projects Fund	2,400,000	-
	\$ 2,420,363	\$ 2,420,263

The District made a transfer from the General Fund of \$20,263 to the Food Service Program to supplement current operations. The District made a transfer from the General Fund of \$2,400,000 to the Capital Projects Fund to address some of the District's deferred building maintenance needs and capital projects.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 9 – Postemployment Benefits Other Than Pensions (OPEB)

The District has two separate other post-employment benefits (OPEB) plans. The District provides a single employer defined benefit health care plan to staff that were hired before July 1, 2003 and the District contributes to the State of Oregon’s PERS cost-sharing multiple employer defined benefit plan.

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy)

Plan Description – The District maintains a single-employer defined benefit OPEB plan that provides explicit and implicit post-employment healthcare benefits to eligible retirees and their spouses and dependents.

For implicit medical benefits, the District’s post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Their requirement to make available to retirees (at the retirees’ own cost) access in to the healthcare plan has an implicit cost to the District.

Generally, for explicit medical benefits, the program covers licensed employees who meet Oregon PERS retirement eligibility by receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service. The program covers Licensed staff that have been employed prior to July 1, 1994. Additionally, eligible Licensed staff must have at least 15 years of experience, Qualified spouses, domestic partners, and children may qualify for coverage. The coverage is provided until age 65, or up to ten years of payments, or until Medicare eligibility, whichever comes first. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

For fiscal year ended June 30, 2022, District contributions for Licensed retirees are limited to \$940 per month.

Funding Policy – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The amount paid by the District for the benefit for the year ended June 30, 2022 was \$320,865.

Employees Covered by Benefit Terms – The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees entering employment subsequent to June 30, 2005. As a result, the total plan members receiving the explicit benefit will decrease over time. At June 30, 2022, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit	30
Active plan members	481
	<u>511</u>

Total OPEB Liability –The districts total OPEB liability of \$3,752,907 was measured as of June 30, 2022, and was determined by an actuarial valuation date as of July 1, 2020.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 9 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Input</u>	<u>Assumption</u>
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 4.57% and 6.5% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Participation	100% are assumed to remain enrolled at retirement if eligible for District paid health benefits, and 85% if not eligible for District-paid health benefits
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

Changes in the Total OPEB Liability –

OPEB Liability at June 30, 2021	\$4,033,772
Changes for the year:	
Service cost	225,064
Interest	92,223
Differences between expected and actual experience	-
Assumptions or other input	(278,121)
Benefit payments	(320,031)
OPEB Liability at June 30, 2022	<u>\$3,752,907</u>

Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2022, the District recognized a reduction in OPEB expense of \$183,960 and reported the following deferred outflows of resources and deferred inflows of resources related to the single employer defined benefit health care plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 712,177
Changes of assumptions or other input	209,086	486,980
Total	<u>\$ 209,086</u>	<u>\$ 1,199,157</u>

The \$183,960 was treated as a reduction of payroll related expense in the Statement of Activities and allocated in Instruction, Supporting Services, and Community Services using allocation percentages of 56%, 40%, and 4% respectively.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 9 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Outflow/(Inflow) of Resources	
2023	\$	(181,216)
2024		(181,216)
2025		(181,216)
2026		(181,216)
2027		(94,308)
Thereafter		(170,899)
Total	\$	(990,071)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate –The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

District's OPEB Asset/(Liability)	1% Decrease (2.50%)	Current Discount (3.50%)	1% Increase (4.50%)
Single Employer Defined Benefit Health Care Plan	\$ (3,973,800)	\$ (3,752,907)	\$ (3,545,274)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

District's OPEB Asset/(Liability)	1% Decrease 2.5%, trending up to 5.0%, then back down to 3.5%	Current Trend Rate 3.5%, trending up to 6.0%, then back down to 4.5%	1% Increase 4.5%, trending up to 7.0%, then back down to 5.5%
Single Employer Defined Benefit Health Care Plan	\$ (3,449,215)	\$ (3,752,907)	\$ (4,104,083)

Changes in Assumptions and Methods

A summary of key changes implemented since the July 1, 2020 valuation as noted below:

- The interest rate for discounting future liabilities was adjusted to reflect current municipal bond rates.
- Premium increase rates were modified to better reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match those developed in the most recent experience study for Oregon PERS.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 9 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

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 is closed to new entrants hired on or after August 29, 2003.

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 \$4,032 for the year ended June 30, 2022.

Pension Plan Annual Comprehensive Financial Report (ACFR)

Oregon PERS produces an independently audited ACFR 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 10 Pension and Retirement Plans* (excluding the Actuarial Methods and Assumptions cost of living adjustment assumption, which has been removed, 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.

OPEB Liabilities/Assets, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources –

At June 30, 2022, the District reported an asset of \$498,957 for its proportionate share of the net RHIA asset. The asset was measured as of June 30, 2021, and the total pension asset used to calculate the asset was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the RHIA asset was based on a projection of the District's long-term share of contributions to the plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021 (measurement date), the District's proportion was approximately 0.14529877 percent.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 9 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

For the year ended June 30, 2022, the District recognized a reduction of OPEB expense of \$33,281. The \$33,281 was treated as a reduction of payroll related expense in the Statement of Activities and allocated in Instruction, Supporting Services, and Community Services using allocation percentages of 56%, 40%, and 4% respectively.

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

	Deferred Outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ 13,882
Changes in assumptions	9,818	7,423
Net difference between projected and actual earnings on investment	-	118,579
Changes in proportionate share	217,499	67,624
Contributions subsequent to the measurement date	4,032	-
Total	\$ 231,349	\$ 207,508

\$4,032 reported as deferred outflows of resources related to RHIA 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) related to RHIA OPEB will be recognized in OPEB expense (income) as follows:

Year Ended June 30	Deferred Outflow/Inflow of Resources
2023	\$ 18,698
2024	65,640
2025	(27,072)
2026	(37,457)
2027	-
Thereafter	-
Total	\$ 19,809

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 9 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Retirement Health Insurance Account (RHIA) (continued)

Sensitivity for the District’s Proportionate Share of the Net RHIA 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 RHIA 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 Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	\$ 441,254	\$ 498,957	\$ 548,249

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 *Note 10 Pension and Retirement Plans*.

Note 10 – Pension and Retirement Plans

Early Retirement Stipend Pension Plan

Plan Description – The District maintains a single-employer defined benefit pension early retirement supplemental plan for eligible Licensed and Confidential staff of the District (not administered through a trust). The program covers Licensed employees with between 10 and 20 years of service, depending on time of service and step achieved on the salary schedule. Eligible Licensed staff were hired before June 30, 2005 and retired prior to July 1, 2012 and the age of 62. Eligible Confidential employees were hired prior to September 23, 1993 and retired between the ages of 55 and 62. Licensed retirees receive \$275 per month and Confidential retirees receive \$250 per month. For all participants, the stipend is paid to the until age 65, death, or upon written retiree request that payments cease, whichever comes first. For Licensed participants who retired between July 1, 1994 and June 20, 2005, stipends are paid for a maximum of 10 years.

Funding Policy – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the District for the benefit for the period ended June 30, 2022 was \$2,729. There are no assets accumulated in a trust.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the stipend benefit terms:

Inactive employees	4
Active plan members	2
	6

Total Stipend Pension Liability – The districts total stipend pension liability of \$11,615 was measured as of June 30, 2022, and was determined by an actuarial valuation date as of July 1, 2020.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

Actuarial Assumptions and Other Inputs – The total stipend pension liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Input</u>	<u>Assumption</u>
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 5% and 7% annually
Mortality Rates	RP 2014 male and female tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

Changes in the Stipend Pension Liability –

Stipend Pension Liability at June 30, 2021	\$	14,873
Changes for the year:		
Service cost		280
Interest		310
Differences between expected and actual experience		-
Assumptions or other input		(1,119)
Benefit payments		(2,729)
Stipend Pension Liability at June 30, 2022	\$	11,615

Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate – The following presents the total stipend pension liability of the District, as well as what the District’s total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

District's Stipend Pension Asset/(Liability)	1% Decrease (2.50%)	Current Discount (3.50%)	1% Increase (4.5%)
Single Employer Stipend	\$ (12,507)	\$ (11,615)	\$ (10,754)

Stipend Pension Expense – For the year ended June 30, 2022, the District recognized a reduction of stipend pension expense of \$3,258. The \$3,258 was treated as a reduction of payroll related expense in the Statement of Activities and allocated in Instruction, Supporting Services, and Community Services using allocation percentages of 56%, 40%, and 4% respectively. At June 30, 2022, the District reported no deferred outflows or inflows associated with its stipend pension plan.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

Changes in Assumptions and Methods

- The interest rate for discounting future liabilities was adjusted to reflect current municipal bond rates
- Premium increase rates were modified to better reflect anticipated experience and current Oregon law
- Demographic assumptions were revised to match those developed in the most recent experience study for Oregon PERS

Oregon Public Employees Retirement System (OPERS) Pension 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 23A, 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.

Tier 1/Tier 2 Retirement Benefit (Chapter 238)

Pension Benefits – The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. 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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension Plan (continued)

Tier 1/Tier 2 Retirement Benefit (Chapter 238) (continued)

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 an 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 an OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability Benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability benefit 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 their Variable Account after retiring and may experience annual benefit fluctuations covered by changes in the fair value of the underlying global equity investments of that account.

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

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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension Plan (continued)

OPSRP Pension Program (Chapter 238A) (continued)

A member of the pension program becomes vested 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 adjustment (COLA). The COLA is capped at 2.0%.

Contributions – OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's 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. Employer contributions for the year ended June 30, 2022 were \$6,157,354.

Oregon PERS Annual Comprehensive Financial Report (ACFR) –

OPERS prepares their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements and generally accepted accounting principles. 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>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension Plan (continued)

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 their 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 ¹	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> 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><i>Active members:</i> 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><i>Disabled retirees:</i> 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>

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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension Plan (continued)

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. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. 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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension Plan (continued)

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 net pension liability of \$26,722,863 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 0.22331432 percent.

For the year ended June 30, 2022, the District recognized a reduction in pension expense of \$2,952,666. The \$2,952,666 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to Instruction, Support Services, and Community Services using allocation percentages of 56%, 40% and 4%, respectively.

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
Differences between expected and actual experience	\$ 2,501,435	\$ -
Changes of assumptions	6,689,537	70,328
Net difference between projected and actual earnings investments	-	19,782,729
Changes in proportionate share	-	2,568,212
Differences between employer contributions and employer's proportionate share of system contributions	1,904,310	-
Contributions subsequent to measurement date	6,157,354	-
Total	\$ 17,252,636	\$ 22,421,269

\$6,157,354 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to 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) related to pensions will be recognized in pension expense (income) as follows:

Year ended June 30,	Deferred Outflow/(Inflow) of Resources
2023	\$ (2,059,877)
2024	(2,304,754)
2025	(2,971,395)
2026	(4,673,923)
2027	683,962
Thereafter	-
Total	\$ (11,325,987)

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension 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 asset (liability) calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% increase (7.90%)
Defined Benefit Pension Plan	\$ (52,477,311)	\$ (26,722,863)	\$ (5,175,738)

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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 10 – Pension and Retirement Plans (continued)

Oregon Public Employees Retirement System (OPERS) Pension 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.

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 employees portion of the contribution. Employer contributions for the year ended June 30, 2022 were \$1,375,111, of which \$1,165,407 was deposited into the individual member's accounts.

Note 11 – Tax Abatements

As of June 30, 2022, Jackson County provides tax abatements through four programs: Enterprise Zone, Commercial Facilities, Under Construction, Food Processor, and Solar.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2022

Note 11 – Tax Abatements (continued)

For the fiscal year ended June 30, 2022, information regarding the District's property tax abatements through Jackson County are as follow:

	Abated Taxes	Percent of Code Area	Reduced Property Taxes
Enterprise Zone	\$ 12,091	33.59%	\$ 4,061
Solar Producer	212,482	40.71%	86,501
Under Construction	9,755	33.18%	3,237
Enterprise Zone	28,133	33.18%	9,335
			\$ 103,134
Total Tax Abatements			\$ 103,134

Note 12 – 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. The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

Note 13 – Current Vulnerability Due to Certain Concentrations

The District's operations are concentrated within Jackson 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 14 – 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.

Note 15 – Commitments

The District has a construction obligation with Vitus Construction for the Seismic Rehabilitation Project for facility improvements at Eagle Point High School. The original contract amount was \$2,490,020. For the year ended June 30, 2022, work was completed towards the project in the amount of \$1,344,521. All remaining work on this project was completed in the summer and fall of 2022.

Note 16 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2022 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements. Based on management's knowledge, there were no additional events and/or transactions that required recognition and disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Property taxes	\$ 11,703,000	\$ 11,703,000	\$ 12,125,549	\$ 422,549
Charges for services	1,082,000	1,082,000	875,214	(206,786)
Donations	20,000	20,000	8,458	(11,542)
Interest on investments	100,000	100,000	79,010	(20,990)
Miscellaneous	205,000	205,000	198,177	(6,823)
Intermediate sources:				
Intergovernmental	1,300,000	1,300,000	1,032,023	(267,977)
State sources:				
Basic school support	32,800,000	32,800,000	34,572,603	1,772,603
Intergovernmental	590,000	590,000	601,947	11,947
Federal sources:				
Intergovernmental	15,000	15,000	51,908	36,908
TOTAL REVENUE	47,815,000	47,815,000	49,544,889	1,729,889
EXPENDITURES				
Current:				
Instruction	32,266,634	32,266,634	29,173,548	3,093,086
Support services	17,848,366	17,848,366	18,419,736	(571,370)
Enterprise and community services	-	-	1,545	(1,545)
Facilities acquisition and construction	-	50,000	125,803	(75,803)
Contingency	2,500,000	-	-	-
TOTAL EXPENDITURES	52,615,000	50,165,000	47,720,632	2,444,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,800,000)	(2,350,000)	1,824,257	4,174,257
OTHER FINANCING SOURCES (USES):				
Transfers in	125,000	125,000	-	(125,000)
Transfers out	(25,000)	(2,475,000)	(2,420,263)	54,737
TOTAL OTHER FINANCING SOURCES (USES)	100,000	(2,350,000)	(2,420,263)	(70,263)
NET CHANGE IN FUND BALANCE	(4,700,000)	(4,700,000)	(596,006)	4,103,994
FUND BALANCE, JULY 1, 2021	7,200,000	7,200,000	8,113,814	913,814
FUND BALANCE, JUNE 30, 2022	\$ 2,500,000	\$ 2,500,000	\$ 7,517,808	\$ 5,017,808

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Charges for services	\$ -	\$ -	\$ 139,020	\$ 139,020
Donations	-	-	42,312	42,312
Interest on investments	-	-	289	289
Miscellaneous	250,000	250,000	234,741	(15,259)
Intermediate sources:				
Intergovernmental	10,000	10,000	-	(10,000)
State sources:				
Basic school support	-	-	9,335	9,335
Intergovernmental	7,100,000	7,100,000	5,307,592	(1,792,408)
Federal sources:				
Intergovernmental	10,155,000	10,155,000	8,711,052	(1,443,948)
TOTAL REVENUE	17,515,000	17,515,000	14,444,341	(3,070,659)
EXPENDITURES				
Current				
Instruction	5,771,874	5,771,874	5,235,557	536,317
Support services	7,821,126	7,821,126	5,752,146	2,068,980
Enterprise and community services	2,505,000	2,505,000	2,122,859	382,141
Debt service	567,000	567,000	566,296	704
Facilities acquisition and construction	1,150,000	1,100,000	50,000	1,050,000
Contingency	50,000	-	-	-
TOTAL EXPENDITURES	17,865,000	17,765,000	13,726,858	4,038,142
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(350,000)	(250,000)	717,483	967,483
OTHER FINANCING SOURCES (USES):				
Sale of asset	-	-	429,999	429,999
Transfers in	25,000	25,000	36,763	11,763
Transfers out	-	(100,000)	(16,500)	83,500
TOTAL OTHER FINANCING SOURCES (USES)	25,000	(75,000)	450,262	525,262
NET CHANGE IN FUND BALANCE	(325,000)	(325,000)	1,167,745	1,492,745
FUND BALANCE, JULY 1, 2021	775,000	775,000	1,649,189	874,189
FUND BALANCE, JUNE 30, 2022	\$ 450,000	\$ 450,000	\$ 2,816,934	\$ 2,366,934

**EAGLE POINT SCHOOL DISTRICT NO. 9
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)**

Eagle Point School District 9 Proportionate Share of Net Pension Asset / (Liability) as of the measurement date

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.2233143%	0.2258223%	0.2392515%	0.2562540%	0.2580395%	0.2826304%	0.3146406%	0.3324839%	0.3324839%
District's proportion of the net pension asset/(liability)	\$(26,722,863)	\$(49,282,200)	\$(41,384,773)	\$(38,819,103)	\$(34,783,818)	\$(42,429,378)	\$(18,064,970)	\$ 7,536,461	\$(16,967,140)
District's covered-employee payroll	\$ 23,217,236	\$ 22,144,396	\$ 21,662,560	\$ 20,519,742	\$ 20,117,641	\$ 17,873,382	\$ 17,165,276	\$ 16,260,148	\$ 16,224,522
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	115.10%	222.55%	191.04%	189.18%	172.90%	237.39%	105.24%	46.35%	104.58%
Plan fiduciary net position as a percentage of the total pension liability	87.57%	75.79%	80.20%	82.10%	83.12%	80.52%	91.88%	103.59%	91.97%

Eagle Point School District 9 Pension Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 6,157,354	\$ 6,225,422	\$ 5,635,735	\$ 4,648,283	\$ 4,306,257	\$ 3,617,164	\$ 3,517,641	\$ 3,550,062	\$ 3,330,146
Contribution in relation to the contractually required	\$ (6,157,354)	\$ (6,225,422)	\$ (5,635,735)	\$ (4,648,283)	\$ (4,306,257)	\$ (3,617,164)	\$ (3,517,641)	\$ (3,550,062)	\$ (3,330,146)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 26,486,547	\$ 23,217,236	\$ 22,144,396	\$ 21,662,560	\$ 20,519,742	\$ 20,117,641	\$ 17,873,382	\$ 17,165,276	\$ 16,260,148
Contributions as a percentage of covered-employee payroll	23.25%	26.81%	25.45%	21.46%	20.99%	17.98%	19.68%	20.68%	20.48%

Note to schedule:

A summary of key changes implemented since the December 31, 2019 valuation are described in Note 10 in the Notes to the Basic Financial Statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system can be found at:
<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2014, as a result, only nine years of information is presented.

**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)**

Eagle Point School District Proportionate Share of Net OPEB (Liability) / Asset

	2022	2021	2020	2019	2018
District's proportion of the net OPEB RHIA asset/(liability)	0.14529877%	0.32266622%	0.18265958%	0.18254002%	0.18246007%
District's proportion of the net OPEB RHIA asset/(liability)	\$ 498,957	\$ 657,465	\$ 352,964	\$ 203,764	\$ 76,148
District's covered-employee payroll	\$ 23,217,236	\$ 22,144,396	\$ 21,662,560	\$ 20,519,742	\$ 20,117,641
District's proportionate share of the net OPEB RHIA asset/(liability) as a percentage of its covered-employee payroll	2.15%	2.97%	1.63%	0.99%	0.38%
Plan fiduciary net position as a percentage of the total pension liability	183.90%	150.10%	144.40%	123.90%	108.88%

Eagle Point School District Contributions

	2022	2021	2020	2019	2018
Contractually required contributions	\$ 4,032	\$ 3,888	\$ 23,042	\$ 90,530	\$ 88,386
Contribution in relation to the contractually required	\$ (4,032)	\$ (3,888)	\$ (23,042)	\$ (90,530)	\$ (88,386)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 26,486,547	\$ 23,217,236	\$ 22,144,396	\$ 21,662,560	\$ 20,519,742
Contributions as a percentage of covered-employee payroll	0.02%	0.02%	0.10%	0.42%	0.43%

Note to schedule:

A summary of assumption changes implemented since the December 31, 2019 valuation are outlined briefly in *Note 10* to the financial statements. A comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system, which was published in July 2021, and can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

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 2018, as a result, only five years of information is presented.

EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total Pension Liability (Stipend):	2022	2021	2020	2019	2018	2017
Service cost	\$ 280	\$ 543	\$ 402	\$ 518	\$ 505	\$ 505
Interest	310	513	1,097	2,170	3,486	5,131
Differences between expected and actual experience	-	(5,126)	-	(2,622)	-	-
Changes of assumptions of other inputs	(1,119)	807	1,021	(3,041)	-	-
Benefit payments	(2,729)	(8,250)	(14,164)	(32,692)	(45,978)	(53,070)
Net change in total pension liability (stipend)	(3,258)	(11,513)	(11,644)	(35,667)	(41,987)	(47,434)
Total Pension Liability (Stipend) - beginning	<u>\$ 14,873</u>	<u>\$ 26,386</u>	<u>\$ 38,030</u>	<u>\$ 73,697</u>	<u>\$ 115,684</u>	<u>\$ 163,118</u>
Total Pension liability (Stipend) - ending	<u><u>\$ 11,615</u></u>	<u><u>\$ 14,873</u></u>	<u><u>\$ 26,386</u></u>	<u><u>\$ 38,030</u></u>	<u><u>\$ 73,697</u></u>	<u><u>\$ 115,684</u></u>
Estimated Covered - employee payroll	\$ 131,429	\$ 127,601	\$ 117,307	\$ 114,666	\$ 168,679	\$ 164,565
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	8.84%	11.66%	22.49%	33.17%	43.69%	70.30%

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarially determined contributions:

Significant methods and assumptions used in calculating the actuarially determined contributions are described in Note 10 to the financial statements. No assets are accumulated in a trust to pay related benefits.

Changes in benefit terms:

None noted.

Other information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 73 during fiscal 2017, as a result, only six years of information are presented.

EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

Total OPEB Liability:	2022	2021	2020	2019	2018	2017
Service cost	\$ 225,064	\$ 270,204	\$ 213,119	\$ 198,715	\$ 193,868	\$ 193,868
Interest	92,223	110,075	199,017	190,742	188,741	191,985
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(518,060)	-	(647,260)	-	-
Changes of assumptions of other inputs	(278,121)	(292,835)	334,537	(47,997)	-	-
Benefit payments	(320,031)	(315,247)	(353,044)	(391,851)	(470,222)	(474,481)
Net change in total OPEB liability	(280,865)	(745,863)	393,629	(697,651)	(87,613)	(88,628)
Total OPEB liability - beginning	\$ 4,033,772	\$ 4,779,635	\$ 4,386,006	\$ 5,083,657	\$ 5,171,270	\$ 5,259,898
Total OPEB liability - ending	<u>\$ 3,752,907</u>	<u>\$ 4,033,772</u>	<u>\$ 4,779,635</u>	<u>\$ 4,386,006</u>	<u>\$ 5,083,657</u>	<u>\$ 5,171,270</u>
Estimated Covered - employee payroll	\$ 26,049,490	\$ 25,290,767	\$ 22,963,222	\$ 22,186,688	\$ 19,335,804	\$ 18,864,199
Total OPEB liability as a percentage of estimated covered - employee payroll	14.41%	15.95%	20.81%	19.77%	26.29%	27.41%

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarially determined contributions:

Significant methods and assumptions used in calculating the actuarially determined contributions are described in Note 9 to the financial statements. No assets are accumulated in a trust to pay related benefits.

Changes in benefit terms:

None noted.

Other information:

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

OTHER SUPPLEMENTARY INFORMATION

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers out	(125,000)	(125,000)	-	125,000
TOTAL OTHER FINANCING SOURCES (USES)	(125,000)	(125,000)	-	125,000
NET CHANGE IN FUND BALANCE	(125,000)	(125,000)	-	125,000
FUND BALANCE, JULY 1, 2021	125,000	125,000	65,678	(59,322)
FUND BALANCE, JUNE 30, 2022	\$ -	\$ -	\$ 65,678	\$ (59,322)

EAGLE POINT SCHOOL DISTRICT NO. 9
 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		
OTHER FINANCING SOURCES				
Transfers in	\$ -	\$ -	\$ 2,400,000	\$ 2,400,000
TOTAL OTHER FINANCING SOURCES	-	-	2,400,000	2,400,000
FUND BALANCE, JULY 1, 2021	-	-	-	-
FUND BALANCE, JUNE 30, 2022	\$ -	\$ -	\$ 2,400,000	\$ 2,400,000

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Donations	\$ 200,000	\$ 200,000	\$ 169,024	\$ (30,976)
Miscellaneous	-	-	212	212
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>169,024</u>	<u>(30,976)</u>
EXPENDITURES				
Current:				
Enterprise and community services	<u>300,000</u>	<u>300,000</u>	<u>115,033</u>	<u>184,967</u>
TOTAL EXPENDITURES	<u>300,000</u>	<u>300,000</u>	<u>115,033</u>	<u>184,967</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(100,000)</u>	<u>(100,000)</u>	<u>53,991</u>	<u>153,991</u>
FUND BALANCE, JULY 1, 2021	<u>100,000</u>	<u>100,000</u>	<u>156,942</u>	<u>56,942</u>
FUND BALANCE, JUNE 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,933</u>	<u>\$ 210,933</u>

OTHER FINANCIAL SCHEDULES

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

**2021-2022 DISTRICT AUDIT REVENUE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Revenue from Local Sources	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	12,034,681	12,034,681	-	-	-	-	-	-
1114 Payments in Lieu of Taxes	90,544	90,544	-	-	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	699	699	-	-	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	1,456	1,456	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	3,095	3,095	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-	-
1500 Earnings on Investments	-	-	-	-	-	-	-	-
1510 Interest Investments	79,299	79,010	289	-	-	-	-	-
1600 Food Service	6,703	-	6,703	-	-	-	-	-
1630 Special Functions	10,821	-	10,821	-	-	-	-	-
1700 Extracurricular Activities	479,566	479,566	-	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-	-
1910 Rentals	16,353	16,353	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	219,794	8,458	42,312	-	-	-	-	169,024
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	151,629	30,133	121,496	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	5,043	5,043	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-	-
1980 Fees Charged to Grants	359,703	359,703	-	-	-	-	-	-
1990 Miscellaneous	412,995	178,042	234,741	-	-	-	-	212
Total Revenue from Local Sources	13,872,381	13,286,783	416,362	-	-	-	-	169,236
Revenue from Intermediate Sources	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	-	-	-	-	-	-	-	-
2102 General ESD Revenue	429,111	429,111	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-	-
2199 Other Intermediate Sources	602,912	602,912	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	1,032,023	1,032,023	-	-	-	-	-	-
Revenue from State Sources	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	34,572,603	34,572,603	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	9,335	-	9,335	-	-	-	-	-
3103 Common School Fund	460,270	460,270	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	5,449,269	141,677	5,307,592	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from State Sources	40,491,477	35,174,550	5,316,927	-	-	-	-	-
Revenue from Federal Sources	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-	-
4201 Transportation Fees for Foster Children	-	-	-	-	-	-	-	-
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	-	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	8,529,830	435	8,529,395	-	-	-	-	-
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	-	-	-	-	-	-	-	-
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	-	-	-	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-	-
4801 Federal Forest Fees	51,473	51,473	-	-	-	-	-	-
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	181,657	-	181,657	-	-	-	-	-
Total Revenue from Federal Sources	8,762,960	51,908	8,711,052	-	-	-	-	-
Revenue from Other Sources	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-	-
5200 Interfund Transfers	2,436,763	-	36,763	-	2,400,000	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	429,999	-	429,999	-	-	-	-	-
5400 Resources - Beginning Fund Balance	9,985,623	8,113,814	1,649,189	65,678	-	-	-	156,942
Total Revenue from Other Sources	12,852,385	8,113,814	2,115,951	65,678	2,400,000	-	-	156,942
Grand Total	77,011,226	57,659,078	16,560,292	65,678	2,400,000	-	-	326,178

**2021-2022 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1100	Regular Programs	(274)	-	-	-	(274)	-	-	-
1111	Elementary, K-5 or K-6	9,541,873	5,634,656	3,348,177	318,104	240,936	-	-	-
1113	Elementary Extracurricular	4,556	-	-	2,073	2,483	-	-	-
1121	Middle/Junior High Programs	3,740,261	2,269,481	1,174,495	162,432	133,853	-	-	-
1122	Middle/Junior High School Extracurricular	149,967	83,948	21,637	22,602	21,501	-	279	-
1131	High School Programs	4,956,756	2,950,507	1,639,330	193,075	173,460	-	384	-
1132	High School Extracurricular	829,536	328,420	99,173	185,922	215,771	-	250	-
1140	Pre-Kindergarten Programs	193,400	109,051	74,297	4,032	119	-	5,901	-
1210	Programs for the Talented and Gifted	11,264	-	-	4,586	6,678	-	-	-
1220	Restrictive Programs for Students with Disabilities	1,089,530	631,489	383,242	59,020	15,779	-	-	-
1226	Home Instruction	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	3,450,086	1,954,097	1,291,854	174,821	29,314	-	-	-
1260	Treatment and Habilitation	137,472	-	-	137,472	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	62	-	-	62	-	-	-	-
1280	Alternative Education	487,040	274,789	118,731	79,712	13,808	-	-	-
1288	Charter Schools	3,709,269	-	-	3,709,269	-	-	-	-
1291	English Second Language Programs	823,729	502,156	290,786	12,187	18,600	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	32,639	32,639	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	16,382	2,230	886	194	13,072	-	-	-
Total Instruction Expenditures		29,173,548	14,773,463	8,442,608	5,065,563	885,100	-	6,814	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	1,185,132	554,322	394,708	184,128	51,974	-	-	-
2120	Guidance Services	262,818	159,570	93,053	273	9,922	-	-	-
2130	Health Services	105,174	-	-	104,050	1,124	-	-	-
2140	Psychological Services	390,116	142,195	82,243	152,921	12,757	-	-	-
2150	Speech Pathology and Audiology Services	241,038	45,670	28,320	158,179	8,502	-	367	-
2160	Other Student Treatment Services	96,686	-	-	95,346	1,340	-	-	-
2190	Service Direction, Student Support Services	261,703	164,723	92,130	2,720	1,161	-	969	-
2210	Improvement of Instruction Services	489,592	274,493	156,311	18,343	39,611	-	834	-
2220	Educational Media Services	519,869	294,028	186,537	8,478	30,741	-	85	-
2230	Assessment & Testing	23,966	-	-	-	23,966	-	-	-
2240	Instructional Staff Development	463,041	139,661	68,853	231,892	5,772	-	16,863	-
2310	Board of Education Services	67,679	-	-	64,564	895	-	2,220	-
2320	Executive Administration Services	386,999	224,610	143,855	5,586	3,925	-	9,023	-
2410	Office of the Principal Services	3,798,244	2,347,722	1,335,414	34,339	75,940	-	4,829	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	660,159	356,603	223,437	23,700	41,745	-	14,674	-
2540	Operation and Maintenance of Plant Services	3,000	-	-	-	3,000	-	-	-
2542	Care & Upkeep of Building Services	3,092,251	452,553	288,993	1,385,074	365,098	193,740	406,793	-
2543	Care & Upkeep of Grounds Services	128,202	-	-	54,763	66,766	6,673	-	-
2545	Vehicle Purc./ Maint. Not Bus	49,151	-	-	4,547	44,604	-	-	-
2546	Security Services	85,699	-	-	71,012	14,687	-	-	-
2549	Other Operations & Maint of Plant Services	1,513,202	930,268	525,468	37,654	19,812	-	-	-
2550	Student Transportation Services	2,225,108	1,011,263	558,457	90,494	390,767	-	174,127	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	-	-	-	-	-	-	-	-
2630	Information Services	164,313	74,821	37,269	45,369	6,854	-	-	-
2640	Staff Services	608,740	300,635	144,450	77,123	85,417	-	1,115	-
2660	Technology Services	1,388,345	446,580	248,264	282,017	409,384	-	2,100	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	209,509	3,025	206,484	-	-	-	-	-
Total Support Services Expenditures		18,419,736	7,922,742	4,814,246	3,132,572	1,715,764	200,413	633,999	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	1,545	-	-	-	1,545	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		1,545	-	-	-	1,545	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	125,803	-	-	26,041	-	99,762	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		125,803	-	-	26,041	-	99,762	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	2,420,263	-	-	-	-	-	-	2,420,263
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		2,420,263	-	-	-	-	-	-	2,420,263
Grand Total		50,140,895	22,696,205	13,256,854	8,224,176	2,602,409	300,175	640,813	2,420,263

**2021-2022 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1100	Regular Programs	2,782	-	-	-	2,782	-	-	-
1111	Elementary, K-5 or K-6	1,723,579	755,299	479,611	116,943	371,726	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	583,362	182,324	108,078	9,826	283,134	-	-	-
1122	Middle/Junior High School Extracurricular	2,413	1,755	658	-	-	-	-	-
1131	High School Programs	455,173	8,987	3,622	13,734	306,870	118,336	3,624	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	2,172	193	73	-	1,906	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	55,994	-	-	-	55,994	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	490,370	333,833	139,894	2,859	13,784	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	320,648	209,366	101,358	8,727	1,197	-	-	-
1280	Alternative Education	787	-	-	-	787	-	-	-
1288	Charter Schools	581,479	-	-	581,479	-	-	-	-
1291	English Second Language Programs	10,686	3,999	1,511	-	927	-	3,999	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	27,192	14,487	5,828	42	6,835	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	77,817	-	-	77,817	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	901,103	456,180	178,103	143,696	82,533	-	40,591	-
Total Instruction Expenditures		5,235,557	1,966,423	1,018,736	955,373	1,128,475	118,336	48,214	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	902,054	424,107	256,807	92,776	94,950	-	33,414	-
2120	Guidance Services	337,080	210,609	121,188	4,366	917	-	-	-
2130	Health Services	220,602	-	-	220,585	17	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	533,367	342,269	191,098	-	-	-	-	-
2160	Other Student Treatment Services	50,355	31,719	18,636	-	-	-	-	-
2190	Service Direction, Student Support Services	131,643	89,235	42,408	-	-	-	-	-
2210	Improvement of Instruction Services	527,567	192,416	78,618	18,875	3,216	6,557	227,885	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	64,666	-	-	-	64,666	-	-	-
2240	Instructional Staff Development	1,051,521	523,730	285,358	217,879	1,642	-	22,912	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	87,476	3,739	337	2,333	81,067	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	44,885	-	-	-	-	-	44,885	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2542	Care & Upkeep of Building Services	1,373,916	-	-	703,460	34,341	636,115	-	-
2549	Other Operation & Maintenance	108,828	64,077	17,810	-	26,941	-	-	-
2550	Student Transportation Services	127,445	16,465	6,825	-	1,141	103,014	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	2,900	-	-	-	2,900	-	-	-
2660	Technology Services	187,841	-	-	29,131	158,710	-	-	-
Total Support Services Expenditures		5,752,146	1,898,366	1,019,085	1,289,405	470,508	745,686	329,096	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	2,115,544	4,112	1,624	48,532	1,993,292	58,013	9,971	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	7,315	485	183	-	6,647	-	-	-
Total Enterprise and Community Services Expenditures		2,122,859	4,597	1,807	48,532	1,999,939	58,013	9,971	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	50,000	-	-	-	-	50,000	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		50,000	-	-	-	-	50,000	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	566,296	-	-	-	-	-	566,296	-
5200	Transfers of Funds	16,500	-	-	-	-	-	-	16,500
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		582,796	-	-	-	-	-	566,296	16,500
Grand Total		13,743,358	3,869,386	2,039,628	2,293,310	3,598,922	972,035	953,577	16,500

**2021-2022 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	-	-	-	-	-	-	-	-
Total Instruction Expenditures		-	-	-	-	-	-	-	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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 Services, Grant Writing and Statistical Ser	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Total		-	-	-	-	-	-	-	-

**2021-2022 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	-	-	-	-	-	-	-	-
Total Instruction Expenditures		-	-	-	-	-	-	-	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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 Services, Grant Writing and Statistical Ser	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Total		-	-	-	-	-	-	-	-

**2021-2022 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 700 Trust and Agency Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	-	-	-	-	-	-	-	-
Total Instruction Expenditures		-	-	-	-	-	-	-	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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 Services, Grant Writing and Statistical Ser	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	115,033	-	-	115,033	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		115,033	-	-	115,033	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Total		115,033	-	-	115,033	-	-	-	-

SUPPLEMENTAL INFORMATION, 2021-2022

School District Business Managers and Auditors:

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

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.

	Objects 325 & 326 & *327
Function 2540	\$923,203
Function 2550	\$ 7,293

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

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

Exclude these functions:

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

**Independent Auditor's Report
Required by Oregon State Regulations**

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Eagle Point School District No. 9
Eagle Point, Oregon

We have audited the basic financial statements Eagle Point School District No. 9 (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 2, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

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 under ORS 328.245.
- 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 under ORS Chapter 294.
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State School Fund Distribution Factors.

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*, except as disclosed in Note 1 of the financial statements.

OAR 162-10-0230 Internal Control

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

Restrictions on Use

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



Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
February 2, 2023

**Items Required by the
Uniform Guidance for Federal Award 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 Directors
Eagle Point School District No. 9
Eagle Point, 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 and each major fund of Eagle Point School District No. 9 (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 February 2, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. 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.

Report on 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny L. Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
February 2, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Directors
Eagle Point School District No. 9
Eagle Point, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Eagle Point School District No. 9's (the District) compliance with the types of compliance requirements described 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.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal controls 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 fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny L. Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
February 2, 2023

EAGLE POINT SCHOOL DISTRICT NO. 9
JACKSON COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2022

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL AL NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Education			
Direct Award U.S. Department of Education			
Indian Education Grants to Local Educational Agencies			
Title VII Indian Education	84.060	192441	\$ 81,816
Total AL 84.060			<u>81,816</u>
Passed through Oregon Department of Education:			
TITLE I - Grants to Local Education Agencies			
Title I-A	84.010	28525	103,642
Title I-A	84.010	66961	1,008,581
Title I-A	84.010	38252	54,398
ESSA	84.010	54297	46,513
ESSA	84.010	65100	166,701
ESSA	84.010	60377	115,181
Total AL 84.010			<u>1,495,016</u>
COVID-19 - Education and Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	57799	23,959
Elementary and Secondary School Emergency Relief Fund	84.425D	64569	2,691,404
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	69286	27,446
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	69339	18,171
Total AL 84.425			<u>2,760,980</u>
Special Education Cluster (IDEA)			
IDEA 611	84.027	60648	82,958
IDEA 611	84.027	68611	746,760
IDEA 611	84.027	68362	171,384
IDEA Enhancement	84.027	57359	435
Total Special Education Cluster (IDEA)			<u>1,001,537</u>
Supporting Effective Instruction			
Title II-A	84.367	58246	23,444
Title II-A	84.367	67394	162,853
Total AL 84.367			<u>186,297</u>
Student Support and Academic Enrichment Program			
Title IV	84.424	54508	38,832
Title IV	84.424	58563	79,076
Title IV	84.424	66750	89,480
Total AL 84.424			<u>207,388</u>
English Language Acquisition State Grants			
Title III	84.365	67126	19,595
Total AL 84.365			<u>19,595</u>
Passed through Southern Oregon ESD:			
English Language Acquisition State Grants			
Title I-C Migrant Education	84.365	N/A	102,507
Total AL 84.365			<u>122,102</u>
Total U.S. Department of Education			\$ 5,855,136

**EAGLE POINT SCHOOL DISTRICT NO. 9
 JACKSON COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended June 30, 2022**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL AL NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Agriculture			
Passed through Oregon Department of Education:			
Child Nutrition Cluster			
National School Breakfast	10.553	N/A	\$ 397,406
National School Lunch	10.555	N/A	1,295,954
Commodities	10.555	N/A	173,339
COVID-19 Summer Food Service Program for Children	10.559	N/A	157,007
Summer Food Service Program for Children	10.559	N/A	8,318
Total Child Nutrition Cluster			<u>2,032,024</u>
Child and Adult Care Food Program	10.558	N/A	13,840
Total AL 10.558			<u>13,840</u>
Fresh Fruit and Vegetable Program	10.582	N/A	67,152
Total AL 10.582			<u>67,152</u>
SNP Snap State and Local	10.649	N/A	2,526
Total AL 10.649			<u>2,526</u>
			Total U.S. Department of Agriculture
			\$ 2,115,542
			Total Expenditures of Federal Awards
			\$ 7,970,678
U.S. Department of Agriculture			
Passed through Southern Oregon Education Service District:			
Schools and Roads - Grants to States	10.665	N/A	51,473
Total Forest Service Schools and Roads Cluster			<u>51,473</u>

EAGLE POINT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2022

NOTE A – BASIS OF PRESENTATION:

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Eagle Point School District No. 9 (the District) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, and changes in fund balance of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE:

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – 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 \$181,657.

NOTE E – SUBRECIPIENTS:

The District did not have any 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 the Oregon Department of Education and United States Department of Agriculture.

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of Eagle Point School District No. 9.
2. No significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the basic financial statements of Eagle Point School District No. 9.
3. No instances of noncompliance material to the financial statements of Eagle Point School District No. 9, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal programs were disclosed by the audit.
5. The auditor’s report on compliance for the major federal award programs for Eagle Point School District No. 9, expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs include:

US Department of Education

Education Stabilization Fund	AL # 84.425
IDEA Cluster	AL #84.027

8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. Eagle Point School District No. 9 qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

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

None

**EAGLE POINT SCHOOL DISTRICT NO. 9
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2021-001 Audit Adjustments and Reporting

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting.

Statement of Condition: A capital lease was not properly recorded at June 30, 2021.

Recommendation: We recommend that the District enhance internal controls to ensure that all accruals are reported accurately.

Current Status: The recommendation was adopted and implemented by the District.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None