CRESWELL SCHOOL DISTRICT
FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION
Year Ended June 30, 2023

BOARD OF DIRECTORS

Name	Title	Term Expires
Lacey Risdal	Chair	June 30, 2025
Kandice Lemhouse Worsham	Vice Chair	June 30, 2027
Sarah Cox	Member	June 30, 2027
Debi Wilkerson	Member	June 30, 2027
Mike Anderson	Member	June 30, 2025
Tim Rogers	Member	June 30, 2025
Mary Stayton	Member	June 30, 2027

The above board members receive mail at the address below.

ADMINISTRATIVE

Creswell School District
998 West A Street
Creswell, Oregon 97426

Michael Johnson, Superintendent, Clerk
Chanel Green, Business Manager, Deputy Clerk

FINANCIAL SECTION

GROVE, MUELLER & SWANK, P.C.
Certified Public Accountants and Consultants
475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

INDEPENDENT AUDITOR'S REPORT

School Board
Creswell School District
Creswell, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Creswell School District, Lane County, Oregon (the District), as of and for the year ended June 30, 2023, 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 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Creswell School District, Lane County, Oregon as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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

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

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

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

The budgetary comparison information presented as required supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 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 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 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 the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 29, 2023, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: Larry E. Grant

Larry E. Grant, A Shareholder
November 29, 2023

CRESWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

As management of Creswell School District (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, 2023.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District totaled $9,171,193 at June 30, 2023. Of this amount, $16,418,144 represents the District's investment in capital assets net of related debt, $294,854 is restricted for debt service, and a deficit balance of $7,541,805 is unrestricted.
- The District's total net position increased by $3,862,180 during the year. This increase in net position resulted primarily from the net change in the various components of program revenues and general revenues. The change in these components is described more fully in the notes to the basic financial statements of this report.
- The District's governmental funds report a combined ending fund balance of $4,660,242 at June 30, 2023, a decrease of $219,232 in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2023, fund balance for the General Fund was $3,163,882 (about 22 percent of total General Fund expenditures).
- The District's bonded debt decreased by $1,735,000 for the fiscal 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 financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

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:

The S*tatement of Net Position.* The *statement of net position* presents information on all of the assets, deferred outflows, liabilities, and deferred inflows of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off 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.

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

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

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. Creswell School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures, and changes in fund balances for the General Fund, Facilities Fund, Grants Fund and Debt Service Fund, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements elsewhere in 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required and other supplementary information* related to combining fund statements and the schedules of revenues, expenditures, and changes in fund balance-budget and actual.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. The Statement of Net Position below is provided on a comparative basis.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $9,171,193 as of June 30, 2023.

Capital assets, which consist of the District's land, construction in progress, buildings, building improvements, and vehicles and equipment, represent about 78 percent of total assets. The remaining assets consist mainly of investments, cash, grants, and property taxes receivable.

The District's largest liability (54 percent of the liabilities and deferred inflows of resources) is for the District's PERS unfunded actuarial liability and an OPEB liability represents the District's future responsibilities for other post-employment benefits. The repayment of long-term debt (general obligation bonds, pension bonds and capital leases) accounts for about 39 percent of the District's liabilities and deferred inflows of resources. Current liabilities, representing about 7 percent of the District's total liabilities and deferred inflows of resources, consist almost entirely of payables on accounts, salaries, and benefits, and accrued interest on long-term debt.

A large 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 are 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 property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Net position - restricted, represents resources that are subject to external restrictions on their use, such as debt service payments or insurance claims.

Statements of Net Position
June 30,

	2023	*2022*	*Change*
Current and other assets	$ 6,333,189	$ 6,698,598	$ (365,409)
Net OPEB asset for RHIA	221,187	221,706	(519)
Capital assets	23,741,768	22,100,433	1,641,335
Total assets	30,296,144	29,020,737	1,275,407
Deferred outflows	4,869,290	5,974,550	(1,105,260)
Total assets and deferred outflows	35,165,434	34,995,287	170,147
Current liabilities	1,541,155	1,684,521	(143,366)
PERS net pension liability	10,123,822	8,689,343	1,434,479
Total OPEB liability for medical subsidy	1,764,219	1,882,931	(118,712)
Long-term debt	8,431,334	10,277,707	(1,846,373)
Total liabilities	21,860,530	22,534,502	(673,972)
Deferred inflows	4,133,711	7,151,772	(3,018,061)
Total liabilities and deferred inflows	25,994,241	29,686,274	(3,692,033)
Net position			
Net investment in capital assets	16,418,144	14,900,507	1,517,637
Restricted	294,854	228,347	66,507
Unrestricted	(7,541,805)	(9,819,841)	2,278,036
Total net position	$ 9,171,193	$ 5,309,013	$ 3,862,180

Statement of Changes in Net Position. The District's net position increased by $3,862,180 during the current fiscal year. This compares to a net increase in net position of $2,800,002 in the prior year. The key elements of the change in the District's net position for the year ended June 30, 2023 are as follows:

- Operating grants and contributions increased by $772,030, as a result of continued federal relief funding due to the pandemic and the seismic upgrades grant.
- State School Fund increased by $472,188, or 5.1 percent over the prior year.
- Total expenses increased by $746,408 mostly due to the seismic upgrades construction work.

Statements of Activities
Year ended June 30,

	2023	*2022*	*Change*
Revenues			
Program revenues			
Fines, fees, and charges for services	$ 322,834	$ 232,815	$ 90,019
Operating grants and contributions	6,662,793	5,890,763	772,030
General revenues			
Property taxes, levied for general purposes	3,817,136	3,668,865	148,271
Property taxes, levied for debt service	1,642,984	1,494,826	148,158
Construction excise tax	49,369	47,030	2,339
State school fund	9,764,162	9,291,974	472,188
Common school fund	156,515	147,292	9,223
Unrestricted state and local funds	95,710	69,091	26,619
Earnings on investments	194,558	51,283	143,275
Miscellaneous	120,672	124,208	(3,536)
Total revenues	22,826,733	21,018,147	1,808,586
Expenses			
Instructional services	8,752,799	9,602,429	(849,630)
Support services	7,315,664	6,861,709	453,955
Enterprise and community services	690,214	735,818	(45,604)
Facilities services	1,855,192	598,099	1,257,093
Interest on long-term liabilities	350,684	420,090	(69,406)
Total expenses	18,964,553	18,218,145	746,408
Change in net position	3,862,180	2,800,002	1,062,178
Net position, beginning of year	5,309,013	2,509,011	2,800,002
Net position, end of year	$ 9,171,193	$ 5,309,013	$ 3,862,180

Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on 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, 2023, the District's governmental funds reported combined ending fund balances of $4,660,242 which is a decrease of $219,232 in comparison with prior year.

Major Governmental Funds:

General Fund. The General Fund is the primary operating fund of the District. The fund balance was $3,163,882 as of June 30, 2023. This is an increase of $159,970 during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The unassigned fund balance is equal to approximately 22 percent of total General Fund expenditures for the year.

Facilities Fund. This fund is used to account for the revenues and expenditures related to the improvement and replacement of school facilities. The fund balance decreased by $340,611 as a result of capital outlays.

Grants Fund. This fund is used to account for the revenues and expenditures related to multiple grants including Title, SIA, ESSER, High School Success, YTP, Seismic, and others. The fund balance decreased by $32,770 as a result of grant activity.

Debt Service Fund. This fund accounts for the payment of principal and interest on general and limited-tax pension obligation bonded debt. The fund balance increased by $63,771 as a result of larger tax collections and interest on investments than budgeted.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, there were no changes made to the original budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, and vehicles and equipment. As of June 30, 2023, the District had invested approximately $23.7 million in capital assets, net of depreciation, as shown in the following table:

	2023	*2022*	*Change*
Land and construction in-progress	$ 440,037	$ 694,706	$ (254,669)
Buildings and improvements	22,644,151	20,787,855	1,856,296
Equipment and vehicles	657,580	617,872	39,708
Total	$ 23,741,768	$ 22,100,433	$ 1,641,335

The District's investment in capital assets increased by $1,641,335 during the year ended June 30, 2023. Depreciation of $919,434 and the completion of the seismic upgrades project totaling $2,650,603 were the major capital asset events for the fiscal year.

Additional information regarding the District's capital assets can be found in the notes to the basic financial statements of this report.

Long-term debt. At the end of the current fiscal year, the District had total general obligation debt outstanding of $6,035,000, PERS pension debt of $1,940,000, qualified school construction bond debt of $170,000, capital leases of $128,588 and bond issuance premium of $157,746.

During the current fiscal year, the District's total long-term debt decreased by $1,846,373 due to debt repayments and amortization.

State statutes limit the amount of general obligation debt the District may issue to 7.95 percent of its total real market value. The current debt limitation for the District is about $103.8 million, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt 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 factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2023, the State School Fund – General Support provided over seventy percent of the District's General Fund program resources.

The District projects status quo enrollment for the 2023-2024 fiscal year.

The District's Budget Committee and School Board considered these factors while preparing the District's budget for the 2023-24 fiscal year.

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 Financial Services, 998 West A Street, Creswell, Oregon 97426.

BASIC FINANCIAL STATEMENTS

CRESWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

ASSETS	
Cash and investments	$ 4,266,917
Receivables	187,497
Due from other governments	1,878,775
OPEB net asset - RHIA	221,187
Capital assets not being depreciated	440,037
Capital assets, net of accumulated depreciation	23,301,731
Total Assets	30,296,144
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	494,793
Deferred outflows related to PERS	3,969,679
Deferred outflows related to OPEB	404,818
Total Deferred Outflows of Resources	4,869,290
Total Assets and Deferred Outflows of Resources	35,165,434
LIABILITIES	
Accounts payable and accrued expenses	1,501,827
Accrued compensated absences	33,494
Accrued interest	5,834
Long-term liabilities	
Long-term debt due within one year	1,963,937
Long-term debt due in more than one year	6,467,397
PERS net pension liability	10,123,822
Total OPEB liability for medical subsidy	1,764,219
Total Liabilities	21,860,530
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to PERS	3,950,436
Deferred inflows related to OPEB	183,275
Total Deferred Inflows of Resources	4,133,711
Total Liabilities and Deferred Inflows of Resources	25,994,241
NET POSITION	
Net investment in capital assets	16,418,144
Restricted for debt service	294,854
Unrestricted	(7,541,805)
Total Net Position	$ 9,171,193

The accompanying notes are an integral part of the financial statements.

CRESWELL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Instructional services	$ 8,752,799	$ 299,473	$ 5,771,400	$ (2,681,926)
Support services	7,315,664	20,160	28,514	(7,266,990)
Enterprise and community services	690,214	3,201	862,879	175,866
Facilities services	1,855,192	-	-	(1,855,192)
Interest on long-term liabilities	350,684	-	-	(350,684)
Total Governmental Activities	$ 18,964,553	$ 322,834	$ 6,662,793	(11,978,926)
General Revenues:				
Property taxes, levied for general purposes				3,817,136
Property taxes, levied for debt service				1,642,984
Construction excise tax				49,369
State school fund				9,764,162
Common school fund				156,515
Unrestricted state and local funds				95,710
Earnings on investments				194,558
Miscellaneous				120,672
Total General Revenues				15,841,106
Change in Net Position				3,862,180
Net Position - beginning of year				5,309,013
Net Position - end of year				$ 9,171,193

The accompanying notes are an integral part of the financial statements.

			Special Revenue	
		General	Facilities	Grants
ASSETS				
Cash and investments	$	2,877,140	$ 607,555	$ -
Property taxes receivable		127,744	-	-
Due from other funds		1,343,393	-	-
Receivable from other governments		281,623	5,339	1,558,515
Other receivables		1,506	-	-
Total Assets	$	4,631,406	$ 612,894	$ 1,558,515
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$	598,007	$ -	$ 137,702
Due to other funds		-	-	1,343,393
Accrued expenses		742,972	-	-
Other liabilities		9,346	-	-
Total Liabilities		1,350,325	-	1,481,095
Deferred Inflows of Resources				
Unavailable revenue - property taxes		117,199	-	-
Fund Balances				
Restricted for				
Debt service		-	-	-
Committed to				
Student body		-	-	-
Facility improvements		-	612,894	-
Grants		-	-	77,420
Food services		-	-	-
Capital projects		-	-	-
Unassigned		3,163,882	-	-
Total Fund Balances		3,163,882	612,894	77,420
Resources and Fund Balances	$	4,631,406	$ 612,894	$ 1,558,515

The accompanying notes are an integral part of the financial statements.

Debt Service	Other Governmental Funds	Total
$ 242,441	$ 539,781	$ 4,266,917
58,247	-	185,991
-	-	1,343,393
-	33,178	1,878,655
-	120	1,626
$ 300,688	$ 573,079	$ 7,676,582
$ -	$ 13,801	$ 749,510
-	-	1,343,393
-	-	742,972
-	-	9,346
-	13,801	2,845,221
53,920	-	171,119
246,768	-	246,768
-	346,807	346,807
-	-	612,894
-	-	77,420
-	67,032	67,032
-	145,439	145,439
-	-	3,163,882
246,768	559,278	4,660,242
$ 300,688	$ 573,079	$ 7,676,582

CRESWELL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

FUND BALANCES		$ 4,660,242
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	39,178,980	
Accumulated depreciation	(15,437,211)	23,741,769
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		171,119
Long-term pension liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
PERS net pension liability	(10,123,822)	
PERS deferred outflows of resources	3,969,679	
PERS deferred inflows of resources	(3,950,436)	(10,104,579)
Long-term OPEB assets/(liabilities) not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
Net OPEB asset for RHIA	221,187	
RHIA OPEB deferred outflows of resources	30,838	
RHIA OPEB deferred inflows of resources	(30,235)	
Total OPEB liability for medical subsidy	(1,764,219)	
Medical OPEB deferred outflows of resources	373,980	
Medical OPEB deferred inflows of resources	(153,040)	(1,321,489)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. During refunding of debt, the difference between the net carrying amount of the old debt and the reacquisition price (amount transferred to escrow for payment of the old debt) is deferred interest and is amortized as an adjustment of interest expense in the statement of activities over the remaining life of the refunded debt. These liabilities consist of:		
Accrued interest	(5,834)	
Accrued compensated absences	(33,494)	
Long-term debt	(8,431,334)	
Less deferred charges from refunding	494,793	(7,975,869)
TOTAL NET POSITION		$ 9,171,193

The accompanying notes are an integral part of the financial statements.

CRESWELL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

		Special Revenue	
	General	**Facilities**	**Grants**
REVENUES			
Property taxes	$ 3,819,409	$ -	$ -
Construction excise tax	-	49,369	-
Intergovernmental			
Intermediate sources	45,039	-	-
State sources	10,703,909	-	3,429,927
Federal sources	50,671	8,946	1,402,317
Charges for services	20,160	-	-
Contributions	166	-	28,500
Investment earnings	133,086	22,114	-
Miscellaneous	323,110	78,500	11,100
Total Revenues	15,095,550	158,929	4,871,844
EXPENDITURES			
Current			
Instruction	8,171,564	-	2,485,168
Support services	6,124,016	150,286	526,104
Enterprise and community services	-	-	14,314
Debt service			
Principal	-	-	-
Interest and other charges	-	9,350	-
Capital outlay	-	539,904	1,879,028
Total Expenditures	14,295,580	699,540	4,904,614
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	799,970	(540,611)	(32,770)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	200,000	-
Transfers out	(640,000)	-	-
Total Other Financing Sources (Uses)	(640,000)	200,000	-
NET CHANGE IN FUND BALANCES	159,970	(340,611)	(32,770)
FUND BALANCES, beginning	3,003,912	953,505	110,190
FUND BALANCES, ending	$ 3,163,882	$ 612,894	$ 77,420

The accompanying notes are an integral part of the financial statements.

Debt Service	Other Governmental Funds	Total
$ 1,643,314	$ -	$ 5,462,723
-	-	49,369
-	-	45,039
-	82,187	14,216,023
-	493,334	1,955,268
-	307,733	327,893
-	138,870	167,536
35,331	4,028	194,559
452,201	3,274	868,185
2,130,846	1,029,426	23,286,595
-	646,601	11,303,333
-	43,606	6,844,012
-	676,596	690,910
1,735,000	71,937	1,806,937
332,075	5,321	346,746
-	94,957	2,513,889
2,067,075	1,539,018	23,505,827
63,771	(509,592)	(219,232)
-	440,000	640,000
-	-	(640,000)
-	440,000	-
63,771	(69,592)	(219,232)
182,997	628,870	4,879,474
$ 246,768	$ 559,278	$ 4,660,242

The accompanying notes are an integral part of the financial statements.

CRESWELL SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2023

NET CHANGE IN FUND BALANCES - (Governmental Funds)		$ (219,232)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Expenditures for capital assets	$ 2,560,769	
Less current year depreciation	(919,434)	1,641,335
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, 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 Position. This is the amount by which repayments exceeded proceeds:		
Debt principal repaid	1,806,937	
Amortization of bond premium	39,436	
Amortization of deferred interest from refunding	(123,698)	1,722,675
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.		3,066
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		(2,603)
In the Statement of Activities, pension expense is adjusted based on actuarially determined contribution changes:		
Net change in PERS net pension liability	(1,434,479)	
Net change in PERS deferred outflows of resources	(918,708)	
Net change in PERS deferred inflows of resources	3,067,531	714,344
In the Statement of Activities, OPEB expense is adjusted based on actuarially determined contribution changes:		
Net change in net OPEB liability/asset for RHIA	(519)	
Net change in RHIA OPEB deferred outflows of resources	(33,901)	
Net change in RHIA OPEB deferred inflows of resources	55,886	
Net change in total OPEB liability for medical subsidy	118,712	
Net change in medical OPEB deferred outflows of resources	(28,952)	
Net change in medical OPEB deferred inflows of resources	(105,355)	5,871
Compensated absences are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities compensated absences are recognized as expenditures when earned.		(3,276)
CHANGE IN NET POSITION		$ 3,862,180

The accompanying notes are an integral part of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Creswell School District (the District) is a municipal corporation governed by a separately elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by accounting principles generally accepted in the United States of America, 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. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District has no component units.

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. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided and (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported as restricted when constraints placed on 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 governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of Presentation *(Continued)*

Fund Financial Statements (Continued)

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. Principal revenue sources are an apportionment from the State of Oregon and property taxes.

Facilities Fund - This fund is used to account for the revenues and expenditures related to the improvement and replacement of school facilities.

Grants Fund – This fund is used to account for the revenues and expenditures related to grant income received by the District.

Debt Service Fund - This fund accounts for the payment of principal and interest on general and limited-tax pension obligation bonded debt. Principal revenue sources are property taxes and charges to other funds. It also accounts for payments of principal and interest on bonded debt issued to fund a portion of the District's unfunded actuarial liability to Oregon PERS. Principal revenue sources for PERS bond payments are charges to other funds.

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 net position – restricted and net position – unrestricted available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general resources.

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. Proceeds from issuance of debt and acquisitions under capital leases are reported as other financing sources.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and Investments

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

The District's investments consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Time certificates of deposit are stated at cost which approximates fair value. Banker's acceptances, commercial paper, U.S. Government Agency securities, and the LGIP are stated at amortized cost which approximates fair value.

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

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

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

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. At June 30, 2023 no allowance for doubtful accounts is considered necessary.

Grants

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value on the date donated. The District defines capital assets as individual assets with an initial cost of more than $5,000 and an estimated life in excess of one year.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 to 65 years
Equipment and vehicles	3 to 20 years

Retirement Plans

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

The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code and a deferred compensation plan established pursuant to Section 457 of the Internal Revenue Code.

Post-Employment Health Care Benefits

The Board of Directors, through contract negotiation, previously authorized the District to offer early retirement health insurance benefits to all non-temporary employees. Expenditures are recorded in the governmental funds as insurance premiums are incurred. The actuarially determined total OPEB liabilities are recorded in the Statement of Net Position.

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.

Long-term Debt

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Long-term Debt *(Continued)*

In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 assets or fund balance that applies to a future period(s) so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has four items that arise only under a full accrual basis of accounting that qualify for reporting in this category. The District reports one type related to deferred amounts from refunding bonds, one type related to the net OPEB-RHIA liability/asset, one type related to the total medical OPEB liability, and one type related to the net PERS pension liability. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available.

In addition to liabilities, the statement of net position and balance sheet 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 assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The balance sheet reports unavailable revenues from one source: property taxes. The statement of net position reports one type related to the net OPEB-RHIA liability, one related to the total medical OPEB liability, and one type related to the net PERS pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 may differ from those estimates.

Governmental Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Governmental Fund Balances *(Continued)*

Governmental Fund type fund balances are classified as follows:

- **Nonspendable –** Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- **Restricted –** Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed –** Amounts that can be used only for specific purposes determined by a formal action of the School Board. The School Board can modify or rescind the commitment at any time through taking a similar formal action (resolution).
- **Assigned -** Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be "reserved" during the adoption of the annual budget. The District's Business Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.
- **Unassigned –** All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When an expenditure is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

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

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. The budget is adopted, appropriations made, and the tax levy declared no later than June 30 each year. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10 percent of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10 percent of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. There were no changes made to the original budget during the year. Appropriations lapse at the end of each fiscal year.

The District maintains an internal cash and investments pool that is available for use by all funds. Each fund type's portion of the pool is displayed in the basic financial statements as "Cash and Investments."

CASH AND INVESTMENTS

Cash and investments are comprised of the following as of June 30, 2023:

Cash on hand	$	981
Cash on deposit with financial institutions		576,287
Amounts held in escrow, restricted for debt service		115,962
State Treasurer's Investment Pool		3,573,687
Total Cash and Investments	$	4,266,917

Deposits

The book balance of the District's bank deposit accounts was $576,287 and the bank balance was $787,046 at year-end. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

CASH AND INVESTMENTS *(Continued)*

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions for up to $250,000 each for the aggregate of all demand accounts and the aggregate of all time and savings deposits accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP).

The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100 percent protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10 percent of their quarter-end public fund deposits if they are well capitalized, 25 percent of their quarter-end public fund deposits if they are adequately capitalized or 110 percent of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110 percent by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. The District's bank balances exceeded FDIC limits by $537,046 as of June 30, 2023, all of which was covered by the PFCP.

Investments

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, bankers' acceptances, certain commercial paper and the state treasurer's investment pool, among others.

The Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short Term Fund is the LGIP 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). At June 30, 2023, the fair value of the position in the Oregon State Treasurer's Short Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

Concentration of Credit Risk - Investments

ORS 294.035 does not allow for an investment in any one single corporate entity indebtedness that is in excess of five percent of the District's total monies available for investment.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Investments (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in U.S. Treasury securities, U.S. Agency securities, state and local government obligations, and corporate securities are valued using quoted market prices (Level 1 inputs).

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 128,573	$ -	$ -	$ 128,573
Construction in-progress	566,133	2,395,934	(2,650,603)	311,464
Total Capital Assets Not Being Depreciated	694,706	2,395,934	(2,650,603)	440,037
Capital assets being depreciated:				
Buildings and improvements	34,077,423	2,650,603	-	36,728,026
Equipment and vehicles	1,846,081	164,835	-	2,010,916
Total Capital Assets Being Depreciated	35,923,504	2,815,438	-	38,738,942
Accumulated depreciation for:				
Buildings and improvements	(13,289,568)	(794,307)	-	(14,083,875)
Equipment and vehicles	(1,228,209)	(125,127)	-	(1,353,336)
Total Accumulated Depreciation	(14,517,777)	(919,434)	-	(15,437,211)
Total Capital Assets Being Depreciated, net	21,405,727	1,896,004	-	23,301,731
Total Capital Assets, net	$ 22,100,433	$ 4,291,938	$ (2,650,603)	$ 23,741,768

Depreciation expense for the year was charged to the following programs:

Program	
Instructional services	$ 777,631
Support services	
Pupil transportation	124,492
Other support services	7,695
Enterprise and community services	183
Facilities services	9,433
Total depreciation expense	$ 919,434

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2023:

	Balance July 1, 2022	*Additions*	*Reductions*	*Balance June 30, 2023*	*Due Within One Year*
General obligation bonds	$ 7,445,000	$ -	$ 1,410,000	$ 6,035,000	$ 1,530,000
Qualified school construction bonds	170,000	-	-	170,000	-
PERS pension bonds	2,265,000	-	325,000	1,940,000	360,000
Total bonds	9,880,000	-	1,735,000	8,145,000	1,890,000
Equipment financing	200,525	-	71,937	128,588	73,937
Subtotal	10,080,525	-	1,806,937	8,273,588	1,963,937
Issuance premium - Series 2013B	197,182	-	39,436	157,746	39,436
Total	$ 10,277,707	$ -	$ 1,846,373	$ 8,431,334	$ 2,003,373

General Obligation Bonds Payable

General Obligation Bonds – Series 2013B – In February 2013, the District issued bonds in the amount of $9,205,000 to refinance certain outstanding General Obligation Bonds that financed or refinanced capital construction and improvements. The bonds are due in annual installments of $85,000 to $1,575,000, plus interest paid semi-annually at 2.00% to 5.00% through 2027. The bonds were issued at a premium, which is being amortized through 2027.

The bonds are secured by the full faith and credit taxing power of the District. In the event of default, the bonds shall not be subject to acceleration.

Future debt service requirements for general obligation bonds are as follows:

Year	***Principal***	***Interest***	***Total***
2024	$ 1,530,000	$ 134,353	$ 1,664,353
2025	1,430,000	102,223	1,532,223
2026	1,500,000	70,763	1,570,763
2027	1,575,000	37,013	1,612,013
	$ 6,035,000	$ 344,352	$ 6,379,352

LONG-TERM DEBT *(Continued)*

Qualified School Construction Bonds Payable

Qualified School Construction Bonds – Series 2010A – In July 2010, the District issued bonds in the amount of $500,000 to finance the costs of real and personal property improvements. The bonds are due in interest-free installments of $25,000 to $170,000 through 2025. Interest is subsidized by the federal government. Levied tax revenues are being set aside in a sinking fund to meet these obligations of $34,000 per year through 2025. The District is in compliance with this requirement.

The bonds are secured by the full faith and credit taxing power of the District. In the event of default, the bond shall not be subject to acceleration.

Future debt service requirements for qualified school construction bonds are as follows:

Year	Principal	Interest	Total
2025	$ 170,000	$ -	$ 170,000

PERS Pension Bonds Payable

PERS Pension Bond – Series 2007 – In October 2007, the District issued bonds in the amount of $4,345,000 to finance the pension liabilities of the District. The bonds are due in annual installments of $40,000 to $485,000, plus interest paid semi-annually at 4.89% to 5.62% through 2028.

The bonds are secured by the full faith and credit taxing power of the District. In the event of default, the bond shall not be subject to acceleration.

Future debt service requirements for PERS pension bonds are as follows:

Year	Principal	Interest	Total
2024	$ 360,000	$ 108,970	$ 468,970
2025	400,000	88,748	488,748
2026	440,000	66,280	506,280
2027	485,000	41,566	526,566
2028	255,000	14,324	269,324
	$ 1,940,000	$ 319,888	$ 2,259,888

Equipment Financing

2019 Thomas Bus – In June 2019, the District entered into an agreement for financing the acquisition of a school bus in the amount of $129,842. Payment is due in semi-annual installments through 2024.

LONG-TERM DEBT *(Continued)*

Equipment Financing (Continued)

2021 Santander Bus – In June 2021, the District entered into an agreement for financing the acquisition of two school buses in the amount of $301,908. Payment is due in annual installments through 2025.

Future minimum lease obligations included in debt service requirements summarized above are as follows:

Year	Principal	Interest	Total
2024	$ 73,937	$ 3,319	$ 77,256
2025	54,651	1,256	55,907
	$ 128,588	$ 4,575	$ 133,163

INTER-FUND ACTIVITY

The District completed the following inter-fund transactions during the year ended June 30, 2023:

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 640,000
Facilities Fund	200,000	-
Other Governmental Funds		
Student Activity	310,000	-
Vehicle Replacement	130,000	-
	$ 640,000	$ 640,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Inter-fund activities occasionally include inter-fund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These inter-fund receivables and payable are expected to be repaid within one year.

PENSION PLAN

The District participates and contributes to the Oregon Public Employee Retirement System (PERS). The breakdown of the net pension liability, deferred outflows of resources and deferred inflows of resources for PERS are:

	Total
Net Pension Liability	$ 10,123,822
Pension Deferred Outflows of Resources	3,969,679
Pension Deferred Inflows of Resources	3,950,436
Pension Expense	966,239

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

http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx.

PERS Pension (Chapter 238)

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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 on or more of the following contributions are met:

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

PENSION PLAN *(Continued)*

PERS Pension (Chapter 238) *(Continued)*

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Oregon Public Service Retirement Plan Pension Program (OPSRP DB)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. The 2003 Oregon Legislature passed PERS reform legislation that essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees became members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member’s salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

PENSION PLAN *(Continued)*

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were $1,689,498. For the year ended June 30, 2023, $452,201 was charged as PERS benefits expenditures to be used for bond payments as they become due. Employer pension expense of $966,239 was recognized during the reporting period.

At June 30, 2023, the District reported a net pension liability of $10,123,822 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to a measurement date of June 30, 2022. 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, 2022, the District's proportion was 0.0661 percent, which was a decrease of .0065 percent from its proportion measured as of June 30, 2021.

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

	Deferred Outflow of Resources	*Deferred (Inflow) of Resources*	*Net*
Difference between expected and actual experience	$ 491,430	$ (63,134)	
Changes in assumptions	1,588,482	(14,512)	
Net difference between projected and actual earnings on pension plan investments	-	(1,809,944)	
Changes in proportionate share	87,086	(1,160,428)	
Difference between employer contributions and employer's proportionate share of system contributions	113,183	(902,418)	
Subtotal - amortized deferrals (below)	2,280,181	(3,950,436)	$ (1,670,255)
District contributions subsequent to measurement date	1,689,498	-	
Total deferred outflow (inflow) of resources	$ 3,969,679	$ (3,950,436)	

Deferred outflows of resources related to PERS of $1,689,498 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net PERS liability in the year ended June 30, 2024.

PENSION PLAN *(Continued)*

Contributions *(Continued)*

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

Year ending June 30,	***Amount***
2024	$ (382,816)
2025	(559,028)
2026	(1,070,446)
2027	514,599
2028	(172,564)
Total	$ (1,670,255)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASBS No. 68 reporting summary dated January 20, 2023. Oregon PERS produces an independently audited ACFR which can be found at:
http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx.

Actuarial Valuations

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

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

***PENSION PLAN** (Continued)*

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study	2020, published July 20, 2021
Actuarial Assumptions	
Actuarial cost method	Entry age normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	**Healthy retirees and beneficiaries:** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. **Active members:** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. **Disabled retirees:** Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

(Source: June 30, 2022 Oregon PERS ACFR; Table 25 page 71)

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

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

PENSION PLAN *(Continued)*

Actuarial Methods and Assumptions *(Continued)*

Depletion Date Projection – GASBS No. 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASBS No. 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASBS No. 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

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

Based on these circumstances, the detailed depletion date projections outlined in GASBS No. 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

(Source: June 30, 2022 Oregon PERS ACFR; page 70)

Assumed Asset Allocation

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

(Source: June 30, 2022 Oregon PERS ACFR; page 104)

PENSION PLAN *(Continued)*

Long-Term Expected Rate of Return

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

(Source: June 30, 2022 Oregon PERS ACFR page 70)

Asset Class	Target Allocation *	Annual Arithmetic Return **	Compound Annual (Geometric) Return	Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds - Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity - Hedge	0.63	5.85	5.31	11.05
Hedge Fund - Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ***	1.77	1.76	1.20
Assumed Inflation - Mean			2.50 %	1.65 %

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017
** The arithmetic mean is a component that goes into calculation the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate
*** Negative allocation to cash represents levered exposure from allocation to Risk Parity Strategy

(Source: June 30, 2022 Oregon PERS ACFR; Table 31; Page 74)

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

PENSION PLAN *(Continued)*

Long-Term Expected Rate of Return *(Continued)*

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	$ 17,953,723	$ 10,123,822	$ 3,570,557

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.
http://www.oregon.gov/PERS/pages/Finanicials/Actuarial-Financial-Information.aspx

OPSRP Individual Account Program (OPSRP IAP)

Plan Description – ORS Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of Oregon PERS and is administered by the Oregon PERS Board.

Pension Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP 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 lumpsum payment.

Contributions – The District pays or "picks up" 6 percent of the employees covered payroll. The District paid $399,314 in employee contributions for the year ended June 30, 2023.

OTHER POSTEMPLOYMENT BENEFITS (OPEBs)

The District offers a postemployment health insurance subsidy and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to these OPEB plans are as follows:

	Medical Subsidy	Retiree Health Insurance Account (RHIA)	Total
Total OPEB Liability	$ 1,764,219	$ -	$ 1,764,219
Net OPEB Asset	-	221,187	221,187
OPEB Deferred Outflows of Resources	373,980	30,838	404,818
OPEB Deferred Inflows of Resources	153,040	30,235	183,275
OPEB Expense	15,596	(21,465)	(5,869)

Post-Employment Healthcare Benefits (Medical Subsidy)

The Post-Employment Healthcare Benefits (Medical Subsidy) for the District combines two separate plans. The District provides an implicit rate subsidy for retiree health insurance premiums, and a contribution toward eligible participants' medical premiums.

As of the valuation date of July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	7
Active employees	154
	161

Plan Description - Explicit Subsidy - The District maintains a single-employer defined benefit early retirement supplement program for its employees. This program covers full-time licensed personnel of the District who retire with at least 20 consecutive years of service to the District and were hired prior to April 4, 2005. Benefits are offered until age 65 or death. Coverage continues for a maximum duration of 5 years, starting at the end of the year in which the employee is first eligible for unreduced retirement under Oregon PERS. The District does not issue a standalone report for this plan. The eligible licensed employee's aggregate cost of a retiree's program shall not exceed $1,330 in any one month.

Plan Description - Implicit Subsidy - The District operates a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon state law. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75. The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. 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.

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(Continued)*

Eligible retirees and their dependents under age 65 are allowed to continue to enroll in the same healthcare coverage as offered to active employees. The retiree's coverage selection is available only upon retirement although coverage can continue until the retiree's age 65. The spouse's coverage is available until the spouse's age 65 but also must be selected at the time of retirement. Following the retiree's death or attainment of age 65, the retiree's spouse can continue full coverage until the spouse's age 65. The retiree or surviving spouse is responsible for paying the full premium at the applicable tier. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer subsidy.

Eligibility is determined by:

- For administrators and classified members, the employee must retire with an immediate service or disability retirement benefit under the Oregon Public Employees Retirement System (OPERS).
- For certified members, the employee must retire with an immediate service benefit under OPERS, or be eligible for a benefit under the District's Long Term Disability program.

Total OPEB Liability for Medical Subsidy

The District's total OPEB liability for Medical Subsidy of $1,764,219 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021 using the entry age normal actuarial cost method. The sum of the explicit and implicit OPEB liability is reported as a single item within the Statement of Net Position.

Actuarial assumptions and other inputs

The total OPEB liability in the actuarial valuation for June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial Assumptions	
Inflation Rate	2.40%
Discount rate	3.54%
Projected salary increases	3.40%
Mortality	**Non-annuitant male:** 125% of the combined 80% Pub-2010 Teacher / 20% Pub-2010 General Employee male table. **Non-annuitant female:** 100% of Pub-2010 Teacher Employee female table. **Annuitant male:** 80% of Pub-2010 Healthy Teacher Retiree male table and 20% of Pub-2010 Health General Retiree male table. **Annuitant female:** 100% of Pub-2010 Healthy Teacher Retiree female table. **Future mortality improvement:** Unisex Social Security Data Scale

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(Continued)*

Actuarial assumptions and other inputs *(Continued)*

Discount Rate - Under GASB Statement No. 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2021 reporting date is 2.21 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

Healthcare Cost Trend – The actuarial calculations used an assumption that medical costs will increase 5.00 percent in the first year, 5.25 percent in the second year, and varying from 3.75 percent to 5.00 percent over the remainder of the projection period. These trends are based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model. The model considers current trends in health care costs, and long-term constraints on trend such as growth in per capita income. Inputs to the model are consistent with other assumptions used in the valuation.

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

Changes in the Total OPEB Liability for Medical Subsidy

	Total Medical Subsidy OPEB Liability
Balance at July 1, 2022	$ 1,882,931
Changes for the year:	
Service cost	118,534
Interest on total OPEB liability	41,699
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(136,261)
Benefit payments	(142,684)
Net changes	(118,712)
Balance at June 30, 2023	$ 1,764,219

The discount rate in effect for the June 30, 2023 reporting date is 3.54 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index, an increase from 2.16 for the June 30, 2022 reporting date.

Sensitivity of the Total OPEB Liability for Medical Subsidy 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-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	*Discount Rate (2.16%)*	*1% Increase (3.16%)*
Total OPEB liability for medical subsidy	$ 1,863,256	$ 1,764,219	$ 1,669,137

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(Continued)*

Sensitivity of the Total OPEB Liability for Medical Subsidy to Changes in the Healthcare 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-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability for medical subsidy	$ 1,629,119	$ 1,764,219	$ 1,918,224

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Subsidy

For the year ended June 30, 2023, the District recognized OPEB expense of $15,596. At June 30, 2023, the District reported deferred outflows of resources or deferred inflows of resources related to the medical benefits plan from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net
Net difference between expected and actual experience	$ 265	$ (14,534)	
Changes of assumptions or inputs	215,353	(138,506)	
Subtotal - Amortized Deferrals (below)	215,618	(153,040)	$ 62,578
Benefit payments subsequent to measurement date	158,362	-	
Net deferred outflows (inflows) of resources	$ 373,980	$ (153,040)	

Deferred outflows of resources related to the medical subsidy of $158,362 resulting from the District's benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the medical subsidy in the year ended June 30, 2024. Other amounts reported as deferred outflows or inflow of resources related to the medical subsidy will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	$ 13,725
2025	18,648
2026	23,874
2027	23,331
2028	5,535
Thereafter	(22,535)
Total	$ 62,578

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(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 postemployment benefit plan administered by the OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes (ORS) 238.420, provided for a payment of up to $60 per month toward the costs of Medicare companion health insurance for eligible retirees. An annual comprehensive financial report of the funds administered by the OPERS may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700 or by accessing the PERS website at:
http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx.

Benefits Provided – 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 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of $60 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 – PERS funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The District's contribution rates for the period were 0.50 percent for Tier One/Tier Two members, and 0.00 percent for OPSRP members. The District's contributions for the year ended June 30, 2023 totaled $1,350.

Net OPEB Liability or Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to RHIA

At June 30, 2023 the District reported an asset of $221,187 for its proportionate share of the net OPEB asset related to RHIA. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date. The district's proportion of the net OPEB asset was based on the District's actual, legally required contributions made during the fiscal year being compared to the total actual contributions made in the fiscal year by all employers. The District's proportionate share as of the measurement date is 0.0622 percent, changed from 0.0646 percent for the prior measurement date.

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(Continued)*

Net OPEB Liability or Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to RHIA *(Continued)*

For the year ended June 30, 2023, the District recognized OPEB expense of ($21,465) related to the RHIA. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net
Difference between expected and actual experience	$ -	$ (5,994)	
Changes of assumptions	1,732	(7,373)	
Net difference between projected and actual earnings on investments	-	(16,868)	
Changes in proportionate share	27,756	-	
Subtotal - Amortized Deferrals (below)	29,488	(30,235)	$ (747)
Contributions subsequent to measurement date	1,350	-	
Net deferred outflows/(inflows) of resources	$ 30,838	$ (30,235)	

Deferred outflows of resources related to RHIA of $1,350 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for RHIA in the year ended June 30, 2024. Other amounts reported as deferred outflows or inflow of resources related to RHIA will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	$ 13,588
2025	(9,093)
2026	(10,645)
2027	5,403
Total	$ (747)

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(Continued)*

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

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

(Source: June 30, 2022 Oregon PERS ACFR; Table 28; page 73)

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

Long-Term Expected Rate of Return

For a summary of assumptions related to long-term expected rate of return, please refer to pages 36-37.

OTHER POSTEMPLOYMENT BENEFITS (OPEBs) *(Continued)*

Sensitivity of the Net OPEB Liability (Asset) for RHIA to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) for the Retirement Health Insurance Account, as well as what the District's proportionate share of the net OPEB 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 discount rate, of 6.90 percent, the same as in the prior period.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Total OPEB liability (asset) for RHIA	$ (199,352)	$ (221,187)	$ (239,905)

Sensitivity of the Net OPEB Liability (Asset) for RHIA to Changes in the Healthcare Cost Trend Rates

The District's proportionate share of the net OPEB liability (asset) for RHIA is ($221,187). The ORS stipulates a $60 monthly payment, so there would be no change to the net OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate.

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

DEFERRED COMPENSATION

The District has made available to its employees a deferred compensation plan where they may defer amounts earned until either termination by reason of death, resignation, disability, or retirement. Payment to employees will extend over a period of fifteen years. These deposits are not subject to the collateral requirements of Oregon law and are excluded from resources for budgetary purposes. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries.

RISK MANAGEMENT

The District purchased commercial insurance to cover all commonly insurable risks, including property, liability, vehicles, fidelity bond, worker's compensation, and unemployment. All policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

COMMITMENTS AND CONTINGENCIES

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

Management has represented that there are no contingent liabilities that require disclosure or recognition in accordance with Accounting Standards Codification (ASC) 450-20. Such contingent liabilities would include but would not be confined to notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

The District is a defendant in various pending litigation and administrative proceedings from time to time. Management believes any losses arising from these actions will not materially affect the District's financial position.

The District receives a substantial portion of its operating funding from the State of Oregon. State funding is determined through statewide revenue projections and is paid to individual school districts based on pupil counts and other factors in the State School Fund revenue formula. Since these projections and pupil counts fluctuate, they can cause the District to either have increases or decreases in revenue. The COVID-19 pandemic is expected to cause reductions in the District's pupil counts, however the extent of the effect is unknown. Due to these future uncertainties at the state level, the future effect on the District's operations cannot be determined.

TAX ABATEMENTS

Tax abatements result from agreements between Lane County and others, which reduce the District's levied property taxes. As of June 30, 2023, the District was not materially affected by tax abatement agreements.

REQUIRED SUPPLEMENTARY INFORMATION

CRESWELL SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
YEAR ENDED JUNE 30, 2023

Year Ended June 30,	*Employer's proportion of the net pension liability (NPL)*	*Employer's proportionate share of the net pension liability (NPL) (1)*	*Covered payroll (2)*	*NPL as a percentage of covered payroll*	*Plan fiduciary net position as a percentage of the total pension liability*
2023	0.07%	$ 10,123,822	$ 7,508,450	134.8%	84.5%
2022	0.07%	8,689,343	7,203,733	120.6%	87.6%
2021	0.07%	15,671,045	7,305,860	214.5%	75.8%
2020	0.07%	12,821,047	6,824,148	187.9%	80.2%
2019 (6)	0.08%	11,859,854	6,468,533	183.3%	82.1%
2018	0.08%	10,956,606	6,322,794	173.3%	83.1%
2017 (5)	0.09%	12,903,169	6,165,743	209.3%	80.5%
2016 (4)	0.09%	5,346,421	6,009,026	89.0%	91.9%
2015 (3)	0.09%	(2,131,920)	5,598,774	-38.1%	103.6%
2014	0.09%	4,799,679	5,637,816	85.1%	92.0%

Notes:
(1) The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

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

(3) The June 30, 2015 NPL reflects benefit changes from the Senate Bills 822 and 861.

(4) The June 30, 2016 NPL reflects benefit changes from the Oregon Supreme Court's ruling in Moro v. State of Oregon, which overturned portions of Senate Bills 822 and 861.

(5) The June 30, 2017 NPL reflects assumption changes reducing inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.50%.

(6) The June 30, 2019 NPL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.

(7) The June 30, 2022 NPL reflects assumption changes reducing the inflation rate from 2.50% to 2.40%, the long-term expected rate of return from 7.20% to 6.90%, the discount rate from 7.20% to 6.90%, and the projected salary increases from 3.50% to 3.40%.

(8) The June 30, 2023 NPL reflects assumption changes increasing the inflation rate from 2.40% to 2.50%.

Year Ended June 30,	*Statutorily required contribution*	*Contributions in relation to the statutorily required contribution*	*Contribution deficiency (excess)*	*Covered payroll*	*Contributions as a percent of covered payroll*
2023	$ 1,689,498	$ 1,689,498	$ -	$ 8,089,050	20.9%
2022	1,616,014	1,616,014	-	7,508,450	21.5%
2021	1,697,709	1,697,709	-	7,203,733	23.6%
2020	1,607,446	1,607,446	-	7,305,860	22.0%
2019	1,290,252	1,290,252	-	6,824,148	18.9%
2018	1,176,036	1,176,036	-	6,468,533	18.2%
2017	958,821	958,821	-	6,322,794	15.2%
2016	949,453	949,453	-	6,165,743	15.4%
2015	1,053,572	1,053,572	-	6,009,026	17.5%
2014	988,038	988,038	-	5,598,774	17.6%

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

CRESWELL SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA
YEAR ENDED JUNE 30, 2023

Year Ended June 30,	*Employer's proportion of net OPEB liability*	*Employer's proportionate share of the net OPEB liability (NOL) (1)*	*Covered payroll (2)*	*NOL as a percentage of covered payroll*	*Plan fiduciary net position as a percentage of the total OPEB liability*
2023	0.06%	$ (221,187)	$ 7,508,450	-2.95%	194.7%
2022	0.06%	(221,706)	7,203,733	-3.08%	183.9%
2021	0.11%	(229,328)	7,184,401	-3.19%	150.1%
2020	0.06%	(121,691)	6,824,148	-1.78%	144.3%
2019 (4)	0.06%	(69,532)	6,468,533	-1.07%	124.0%
2018	0.06%	(24,534)	6,322,794	-0.39%	108.9%
2017 (3)	0.06%	16,880	6,165,743	0.27%	94.1%

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

(1) The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
(2) Amounts for covered payroll use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.
(3) The June 30, 2017 NOL reflects assumption changes reducing inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.50%.
(4) The June 30, 2019 NOL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.
(5) The June 30, 2022 NPL reflects assumption changes reducing the inflation rate from 2.50% to 2.40%, the long-term expected rate of return from 7.20% to 6.90%, the discount rate from 7.20% to 6.90%, and the projected salary increases from 3.50% to 3.40%.
(6) The June 30, 2023 NPL reflects assumption changes increasing the inflation rate from 2.40% to 2.50%.

CRESWELL SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR RHIA
YEAR ENDED JUNE 30, 2023

Year Ended June 30,	*Statutorily required contribution*	*Contributions in relation to the statutorily required contribution*	*Contribution deficiency (excess)*	*Covered payroll*	*Contributions as a percent of covered payroll*
2023	$ 1,350	$ 1,350	$ -	$ 8,089,050	0.02%
2022	1,534	1,534	-	7,508,450	0.02%
2021	1,727	1,727	-	7,203,733	0.02%
2020	8,037	8,037	-	7,184,401	0.11%
2019	31,212	31,212	-	6,824,148	0.46%
2018	30,083	30,083	-	6,468,533	0.47%
2017	31,172	31,172	-	6,322,794	0.49%

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

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

Schedule of Changes in the Total OPEB Liability for Medical Subsidy

Year ended June 30,	Service cost	Interest on total OPEB liability	Difference between expected and actual results	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability
2023	$ 118,534	$ 41,699	$ -	$ (136,261)	$ (142,684)	$ (118,712)
2022	111,667	39,750	(19,378)	111,637	(94,894)	148,782
2021	92,232	56,657	-	96,834	(75,560)	170,163
2020	83,957	54,411	537	144,963	(82,999)	200,869
2019	82,942	49,050	-	(24,023)	(63,494)	44,475
2018	87,135	39,072	-	(60,709)	(60,906)	4,592

Schedule of Total OPEB Liability and Related Ratios for Medical Subsidy

Year ended June 30,	Total OPEB liability beginning	Net change in total OPEB liability	Total OPEB liability ending (1)	Covered-employee payroll (2)	Total OPEB liability as percentage of covered-employee payroll	Discount rate
2023	$ 1,882,931	$ (118,712)	$ 1,764,219	$ 8,089,050	21.81%	3.54%
2022	1,734,149	148,782	1,882,931	7,508,450	25.08%	2.16%
2021	1,563,986	170,163	1,734,149	7,203,733	24.07%	2.21%
2020	1,363,117	200,869	1,563,986	7,184,401	21.77%	3.50%
2019	1,318,642	44,475	1,363,117	6,824,148	19.97%	3.87%
2018	1,314,050	4,592	1,318,642	6,468,533	20.39%	3.58%

Notes:
These schedules are required to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits to the OPEB medical subsidy plan.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes to the discount rate each period.

(1) The amounts presented for each fiscal year were actuarially determined as of July 1 of odd numbered years and rolled forward to a measurement date that is 12 months prior to the reporting date.
(2) Amounts for covered-employee payroll use the prior year's date to match the measurement date used by the OPEB plan for each fiscal year.

CRESWELL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	$ 3,862,000	$ 3,862,000	$ 3,819,409	$ (42,591)
Intergovernmental				
Intermediate sources	55,510	55,510	45,039	(10,471)
State sources	9,755,444	9,755,444	10,703,909	948,465
Federal sources	-	-	50,671	50,671
Charges for services	10,000	10,000	20,160	10,160
Contributions	1,500	1,500	166	(1,334)
Investment earnings	50,000	50,000	133,086	83,086
Miscellaneous	273,000	273,000	323,110	50,110
Total Revenues	14,007,454	14,007,454	15,095,550	1,088,096
EXPENDITURES				
Current				
Instruction	8,577,079	8,577,079	8,171,564	405,515
Support services	6,290,375	6,290,375	6,124,016	166,359
Contingency	1,350,000	1,350,000	-	1,350,000
Total Expenditures	16,217,454	16,217,454	14,295,580	1,921,874
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,210,000)	(2,210,000)	799,970	3,009,970
OTHER FINANCING SOURCES (USES)				
Transfers out	(640,000)	(640,000)	(640,000)	-
NET CHANGE IN FUND BALANCE	(2,850,000)	(2,850,000)	159,970	3,009,970
FUND BALANCE, beginning	2,850,000	2,850,000	3,003,912	153,912
FUND BALANCE, ending	$ -	$ -	$ 3,163,882	$ 3,163,882

See notes to required supplementary information.

CRESWELL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – FACILITIES FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts					
	Original	Final	Actual Budget and GAAP Basis	Variance with Final Budget	Budget to GAAP Differences	Actual GAAP Basis
REVENUES						
Construction excise tax	$ 40,000	$ 40,000	$ 49,369	$ 9,369	$ -	$ 49,369
Intergovernmental						
Federal sources	-	-	8,946	8,946	-	8,946
Investment earnings	5,000	5,000	22,114	17,114	-	22,114
Miscellaneous	35,000	35,000	78,500	43,500	-	78,500
Total Revenues	80,000	80,000	158,929	78,929	-	158,929
EXPENDITURES						
Current						
Support services	587,500	587,500	435,161	152,339	(284,875)	150,286
Facilities acquisition and construction *	-	-	255,029	(255,029)	(255,029)	-
Debt service						
Interest	2,500	2,500	9,350	(6,850)	-	9,350
Capital outlay	-	-	-	-	539,904	539,904
Contingency	200,000	200,000	-	200,000	-	-
Total Expenditures	790,000	790,000	699,540	90,460	-	699,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(710,000)	(710,000)	(540,611)	169,389	-	(540,611)
OTHER FINANCING SOURCES (USES)						
Transfers in	200,000	200,000	200,000	-	-	200,000
NET CHANGE IN FUND BALANCE	(510,000)	(510,000)	(340,611)	169,389	-	(340,611)
FUND BALANCE, beginning	510,000	510,000	953,505	443,505	-	953,505
FUND BALANCE, ending	$ -	$ -	$ 612,894	$ 612,894	$ -	$ 612,894

* This is not an overexpenditure of appropriations as the special revenue funds were appropriated in total.

CRESWELL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GRANTS FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		*Actual*	*Variance with*	*Budget to GAAP*	*Actual*
	Original	*Final*	*Budget Basis*	*Final Budget*	*Differences*	*GAAP Basis*
REVENUES						
Intergovernmental						
State sources	$ 4,079,481	$ 4,079,481	$ 3,429,927	$ (649,554)	-	$ 3,429,927
Federal sources	2,220,737	2,220,737	1,402,317	(818,420)	-	1,402,317
Contributions	143,500	143,500	28,500	(115,000)	-	28,500
Miscellaneous	125,000	125,000	11,100	(113,900)	-	11,100
Total Revenues	6,568,718	6,568,718	4,871,844	(1,696,874)	-	4,871,844
EXPENDITURES						
Current						
Instruction	2,961,119	2,961,119	2,518,437	442,682	(33,269)	2,485,168
Support services	1,451,099	1,451,099	526,104	924,995	-	526,104
Enterprise and community services	16,500	16,500	14,314	2,186	-	14,314
Facilities acquisition and construction	2,150,000	2,150,000	1,845,759	304,241	(1,845,759)	-
Capital outlay	-	-	-	-	1,879,028	1,879,028
Total Expenditures	6,578,718	6,578,718	4,904,614	1,674,104	-	4,904,614
NET CHANGE IN FUND BALANCE	(10,000)	(10,000)	(32,770)	(22,770)	-	(32,770)
FUND BALANCE, beginning	10,000	10,000	110,190	100,190	-	110,190
FUND BALANCE, ending	$ -	$ -	$ 77,420	$ 77,420	$ -	$ 77,420

See notes to required supplementary information.

BUDGETARY BASIS ACCOUNTING

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions follows:

	Budgetary Basis	GAAP Basis
Properties acquired by long-term financing such as from capital leases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payments will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.
Donated capital assets	The revenue and expenditures arising from the receipt of donated capital assets are not recorded in the budgetary basis financial statements.	The fair value of donated capital assets is recorded as contribution revenue and capital outlay expenditures in the fund from which the purchase of the same assets would have been recorded.

OTHER SUPPLEMENTARY INFORMATION

	Budgeted Amounts		Actual	
	Original	Final	Budget and GAAP Basis	Variance with Final Budget
REVENUES				
Property taxes	$ 1,607,853	$ 1,607,853	$ 1,643,314	$ 35,461
Investment earnings	7,000	7,000	35,331	28,331
Miscellaneous	452,225	452,225	452,201	(24)
Total Revenues	2,067,078	2,067,078	2,130,846	63,768
EXPENDITURES				
Debt service				
Principal	1,735,000	1,735,000	1,735,000	-
Interest and other charges	332,078	332,078	332,075	3
Contingency	170,000	170,000	-	170,000
Total Expenditures	2,237,078	2,237,078	2,067,075	170,003
NET CHANGE IN FUND BALANCE	(170,000)	(170,000)	63,771	233,771
FUND BALANCE, beginning	170,000	170,000	182,997	12,997
FUND BALANCE, ending	$ -	$ -	$ 246,768	$ 246,768

CRESWELL SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue					
	Nutrition Services	***Student Activity***	***Scholarship***	***Student Body***	***Vehicle Replacement***	***Total***
ASSETS						
Cash and investments	$ 47,247	$ 16,510	$ 36,786	$ 293,799	$ 145,439	$ 539,781
Receivable from other governments	33,178	-	-	-	-	33,178
Other receivables	-	120	-	-	-	120
Total Assets	$ 80,425	$ 16,630	$ 36,786	$ 293,799	$ 145,439	$ 573,079
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 13,393	$ 408	$ -	$ -	$ -	$ 13,801
Total Liabilities	13,393	408	-	-	-	13,801
Fund Balances						
Committed to						
Student body	-	16,222	36,786	293,799	-	346,807
Food services	67,032	-	-	-	-	67,032
Capital projects	-	-	-	-	145,439	145,439
Total Fund Balances	67,032	16,222	36,786	293,799	145,439	559,278
Total Liabilities and Fund Balance	$ 80,425	$ 16,630	$ 36,786	$ 293,799	$ 145,439	$ 573,079

CRESWELL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue					
	Nutrition Services	Student Activity	Scholarship	Student Body	Vehicle Replacement	Total
REVENUES						
Intergovernmental						
State sources	$ 82,187	$ -	$ -	$ -	$ -	$ 82,187
Federal sources	493,334	-	-	-	-	493,334
Charges for services	3,201	58,896	-	245,636	-	307,733
Contributions	-	-	11,089	127,781	-	138,870
Investment earnings	-	-	366	-	3,662	4,028
Miscellaneous	247	119	-	2,908	-	3,274
Total Revenues	578,969	59,015	11,455	376,325	3,662	1,029,426
EXPENDITURES						
Current						
Instruction	-	323,803	-	322,798	-	646,601
Support services	-	43,606	-	-	-	43,606
Enterprise and community services	663,346	-	13,250	-	-	676,596
Debt service						
Principal	-	-	-	-	71,937	71,937
Interest and other charges	-	-	-	-	5,321	5,321
Capital outlay	21,938	-	-	-	73,019	94,957
Total Expenditures	685,284	367,409	13,250	322,798	150,277	1,539,018
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,315)	(308,394)	(1,795)	53,527	(146,615)	(509,592)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	310,000	-	-	130,000	440,000
NET CHANGE IN FUND BALANCE	(106,315)	1,606	(1,795)	53,527	(16,615)	(69,592)
FUND BALANCE, beginning	173,347	14,616	38,581	240,272	162,054	628,870
FUND BALANCE, ending	$ 67,032	$ 16,222	$ 36,786	$ 293,799	$ 145,439	$ 559,278

CRESWELL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental				
State sources	$ 4,700	$ 4,700	$ 82,187	$ 77,487
Federal sources	399,155	399,155	493,334	94,179
Charges for services	90,000	90,000	3,201	(86,799)
Miscellaneous	5,500	5,500	247	(5,253)
Total Revenues	499,355	499,355	578,969	79,614
EXPENDITURES				
Current				
Enterprise and community services *	634,355	634,355	663,346	(28,991)
Capital outlay *	-	-	21,938	(21,938)
Total Expenditures	634,355	634,355	685,284	(50,929)
NET CHANGE IN FUND BALANCE	(135,000)	(135,000)	(106,315)	28,685
FUND BALANCE, beginning	135,000	135,000	173,347	38,347
FUND BALANCE, ending	$ -	$ -	$ 67,032	$ 67,032

* This is not an overexpenditure of appropriations as the special revenue funds were appropriated in total.

CRESWELL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STUDENT ACTIVITY FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 66,240	$ 66,240	$ 58,896	$ (7,344)
Miscellaneous	-	-	119	119
Total Revenues	66,240	66,240	59,015	(7,225)
EXPENDITURES				
Current				
Instruction *	318,240	318,240	323,803	(5,563)
Support services	58,000	58,000	43,606	14,394
Total Expenditures	376,240	376,240	367,409	8,831
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(310,000)	(310,000)	(308,394)	1,606
OTHER FINANCING SOURCES (USES)				
Transfers in	310,000	310,000	310,000	-
NET CHANGE IN FUND BALANCE	-	-	1,606	1,606
FUND BALANCE, beginning	-	-	14,616	14,616
FUND BALANCE, ending	$ -	$ -	$ 16,222	$ 16,222

* This is not an overexpenditure of appropriations as the special revenue funds were appropriated in total.

CRESWELL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SCHOLARSHIP FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Contributions	$ 20,000	$ 20,000	$ 11,089	$ (8,911)
Investment earnings	100	100	366	266
Total Revenues	20,100	20,100	11,455	(8,645)
EXPENDITURES				
Current				
Enterprise and community services *	12,000	12,000	13,250	(1,250)
Contingency	20,100	20,100	-	20,100
Total Expenditures	32,100	32,100	13,250	18,850
NET CHANGE IN FUND BALANCE	(12,000)	(12,000)	(1,795)	10,205
FUND BALANCE, beginning	12,000	12,000	38,581	26,581
FUND BALANCE, ending	$ -	$ -	$ 36,786	$ 36,786

* This is not an overexpenditure of appropriations as the special revenue funds were appropriated in total.

CRESWELL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STUDENT BODY FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budget and	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Charges for services	$ 209,600	$ 209,600	$ 245,636	$ 36,036
Contributions	45,000	45,000	127,781	82,781
Miscellaneous	3,500	3,500	2,908	(592)
Total Revenues	258,100	258,100	376,325	118,225
EXPENDITURES				
Current				
Instruction *	258,100	258,100	322,798	(64,698)
Contingency	135,000	135,000	-	135,000
Total Expenditures	393,100	393,100	322,798	70,302
NET CHANGE IN FUND BALANCE	(135,000)	(135,000)	53,527	188,527
FUND BALANCE, beginning	135,000	135,000	240,272	105,272
FUND BALANCE, ending	$ -	$ -	$ 293,799	$ 293,799

* This is not an overexpenditure of appropriations as the special revenue funds were appropriated in total.

CRESWELL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – VEHICLE REPLACEMENT FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final	Budget to GAAP	Actual
	Original	Final	Budget Basis	Budget	Differences	GAAP Basis
REVENUES						
Investment earnings	$ 800	$ 800	$ 3,662	$ 2,862	$ -	$ 3,662
EXPENDITURES						
Support services	80,945	80,945	77,258	3,687	(77,258)	-
Debt service						
Principal	-	-	-	-	71,937	71,937
Interest	-	-	-	-	5,321	5,321
Capital outlay *	40,000	40,000	73,019	(33,019)	-	73,019
Contingency	114,855	114,855	-	114,855	-	-
Total Expenditures	235,800	235,800	150,277	85,523	-	150,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(235,000)	(235,000)	(146,615)	88,385	-	(146,615)
OTHER FINANCING SOURCES (USES)						
Transfers in	130,000	130,000	130,000	-	-	130,000
NET CHANGE IN FUND BALANCE	(105,000)	(105,000)	(16,615)	88,385	-	(16,615)
FUND BALANCE, beginning	105,000	105,000	162,054	57,054	-	162,054
FUND BALANCE, ending	$ -	$ -	$ 145,439	$ 145,439	$ -	$ 145,439

* This is not an overexpenditure of appropriations as the special revenue funds were appropriated in total.

OTHER SCHEDULES

CRESWELL SCHOOL DISTRICT
REVENUE SUMMARY – ALL FUNDS
YEAR ENDED JUNE 30, 2023

Code	Function	General	Special Revenue	Debt Service
	LOCAL REVENUES			
1111	Current year's taxes	$ 3,761,548	$ -	$ 1,618,419
1112	Prior year's taxes	57,861	-	24,895
1130	Construction excise tax	-	49,369	-
1500	Earnings on investments	133,085	26,142	35,330
1600	Food service	-	3,201	-
1700	Extracurricular activities	-	304,532	-
1910	Rentals	20,160	-	-
1920	Contributions and donations from private sources	166	167,370	-
1970	Services provided other funds	-	-	452,202
1990	Miscellaneous	323,109	92,876	-
1000	*Total Local Revenues*	4,295,929	643,490	2,130,846
	INTERMEDIATE REVENUES			
2101	County school funds	39,949	-	-
2800	Revenue in lieu of taxes	5,091	-	-
2000	*Total Intermediate Revenues*	45,040	-	-
	STATE REVENUES			
3101	State school fund - general support	9,764,162	-	-
3102	State school fund - school lunch match	-	82,187	-
3103	Common school fund	156,515	-	-
3199	Other unrestricted grants-in-aid	774,572	-	-
3222	State school fund (SSF) transportation equipment	-	-	-
3299	Other restricted grants-in-aid	8,661	3,429,927	-
3000	*Total State Revenues*	10,703,910	3,512,114	-
	FEDERAL REVENUES			
4500	Restricted revenue from the federal government through the state	-	1,853,493	-
4801	Federal forest fees	50,671	-	-
4900	Revenue for/on behalf of the district	-	51,104	-
4000	*Total Federal Revenues*	50,671	1,904,597	-
	OTHER SOURCES			
5200	Interfund transfers	-	640,000	-
5400	***FUND BALANCE, Beginning of year***	3,003,912	1,692,564	182,997
	Total Resources	$ 18,099,462	$ 8,392,765	$ 2,313,843

CRESWELL SCHOOL DISTRICT
EXPENDITURE SUMMARY - GENERAL FUND
YEAR ENDED JUNE 30, 2023

Code	Function	Total	100 Salaries	200 Employee Benefits
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-5 or K-6	$ 2,715,275	$ 1,601,860	$ 1,053,551
1121	Middle/junior high programs	1,447,756	868,775	533,954
1131	High school programs	1,765,811	1,062,325	659,866
1132	High school extracurricular	6,010	4,324	1,686
1200	Special programs			
1210	Programs for the talented and gifted	-	-	-
1220	Restrictive programs for students with disabilities	9,988	5,709	2,079
1250	Less restrictive programs for students with disabilities	1,951,874	780,170	529,956
1280	Alternative education	52,917	24,613	18,738
1290	Designated programs			
1291	English language learner	221,934	138,866	83,068
1000	*Total Instruction*	8,171,565	4,486,642	2,882,898
	SUPPORT SERVICES			
2100	Students			
2120	Guidance services	225,466	134,251	91,215
2140	Psychological services	113,962	-	-
2150	Speech pathology and audiology services	216,121	132,438	83,541
2190	Service direction, student support services	174,320	100,670	62,052
2200	Instructional staff			
2210	Improvement of instruction services	-	-	-
2220	Educational media services	279,747	60,693	59,065
2230	Assessment and testing	-	-	-
2240	Instructional staff development	206,686	143,400	60,371
2300	General administration			
2310	Board of education services	16,939	-	-
2320	Executive administration services	341,714	179,928	109,526
2400	School administration			
2410	Office of the principal services	1,191,464	714,417	437,394
2490	Other support services - school administration	46,381	38,794	7,587
2500	Business			
2520	Fiscal services	424,846	171,054	124,122
2540	Operation and maintenance of plant services	1,248,042	397,357	247,514
2550	Student transportation services	1,148,508	508,235	362,858
2600	Central activities			
2660	Technology services	430,513	87,205	59,495
2690	Other support services - central	11,621	8,331	3,290
2700	Supplemental retirement program	47,684	-	47,684
2000	*Total Support Services*	6,124,014	2,676,773	1,755,714
	OTHER USES			
5200	Transfers of funds	640,000	-	-
7000	***FUND BALANCE, End of year***	3,163,882	-	-
	Total Expenditures and Ending Balance	$ 18,099,461	$ 7,163,415	$ 4,638,612

300 Purchased Services	400 Supplies & Materials	600 Other Objects	700 Transfers
$ 18,914	$ 40,950	$ -	$ -
8,616	36,411	-	-
17,948	25,672	-	-
-	-	-	-
-	-	-	-
2,200	-	-	-
631,302	10,193	253	-
9,566	-	-	-
-	-	-	-
688,546	113,226	253	-
-	-	-	-
113,962	-	-	-
-	142	-	-
9,462	121	2,015	-
-	-	-	-
1,813	158,176	-	-
-	-	-	-
2,915	-	-	-
6,684	919	9,336	-
48,745	2,541	974	-
9,518	25,795	4,340	-
-	-	-	-
85,266	3,257	41,147	-
403,859	73,501	125,811	-
107,057	140,417	29,941	-
105,827	177,836	150	-
-	-	-	-
-	-	-	-
895,108	582,705	213,714	-
-	-	-	640,000
-	-	-	3,163,882
$ 1,583,654	$ 695,931	$ 213,967	$ 3,803,882

Code	Function	Total	100 Salaries	200 Employee Benefits
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-5 or K-6	$ 316,021	$ 148,761	$ 95,405
1113	Elementary extracurricular	42,745	-	-
1121	Middle/junior high programs	189,745	121,410	67,839
1122	Middle/junior high school extracurricular	143,463	33,646	12,176
1131	High school programs	812,396	344,371	208,912
1132	High school extracurricular	490,221	165,080	43,633
1140	Pre-kindergarten programs	11,952	6,508	3,065
1200	Special programs			
1250	Less restrictive programs for students with disabilities	273,852	133,993	111,183
1270	Educationally disadvantaged			
1272	Title IA/D	413,649	258,841	150,091
1290	Designated programs			
1291	English language learner	129,747	80,118	49,629
1410	Esser/Summer School K-8	94,873	13,897	27,087
1430	Esser/Summer School 9-12	88,311	54,437	14,544
1000	_Total Instruction_	3,006,975	1,361,062	783,564
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	21,171	12,963	1,112
2120	Guidance services	198,658	122,997	75,661
2140	Psychological services	-	-	-
2200	Instructional staff			
2210	Improvement of instruction services	9,320	-	46
2213	Student invest-curriculum	15,226	5,500	2,255
2240	Instructional staff development	126,882	82,381	8,601
2300	General administration			
2321	OFC of sup SVC/DIST	1,004	-	-
2400	School administration			
2410	Office of the principal services	13,977	8,914	5,063
2500	Business			
2520	Fiscal services	5,215	-	-
2540	Operation and maintenance of plant services	690,359	-	169
2542	Care upkeep BLD SVC/DIST	62,332	33,712	21,411
2543	Care upkeep GRNDS/DST	1,887	-	-
2544	Maintenance/DST	5,189	3,678	1,511
2550	Student transportation services	192,487	30,916	11,294
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	107,682	55,283	23,266
2660	Technology services	116,856	44,207	27,668
2000	_Total Support Services_	1,568,245	400,551	178,057

300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects
$ 30,707	$ 41,148	$ -	$ -
2,010	40,735	-	-
-	496	-	-
55,612	41,769	-	260
14,390	210,854	33,269	600
62,413	200,225	-	18,870
1,393	986	-	-
28,676	-	-	-
-	4,717	-	-
-	-	-	-
10,500	43,389	-	-
960	18,370	-	-
206,661	602,689	33,269	19,730
479	6,493	-	124
-	-	-	-
-	-	-	-
-	9,274	-	-
-	7,471	-	-
27,980	7,173	-	747
-	-	-	1,004
-	-	-	-
5,215	-	-	-
671,812	5,878	12,500	-
-	7,209	-	-
-	1,887	-	-
-	-	-	-
-	-	73,019	77,258
15,000	13,928	-	205
-	44,981	-	-
720,486	104,294	85,519	79,338

Code	Function	Total	100 Salaries	200 Employee Benefits
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services	685,283	177,527	100,779
3300	Community services	27,564	4,361	6,014
3500	Custody and care of children services	-	-	-
3000	*Total Enterprise and Community Services*	712,847	181,888	106,793
	FACILITIES ACQUISITION AND CONSTRUCTION			
4150	Building acquisition, construction, and improvement services	1,845,759	-	-
4000	*Total Facilities Acquisition and Construction*	1,845,759	-	-
	OTHER USES			
5100	Debt service	9,350	-	-
7000	**FUND BALANCE, End of year**	1,249,592	-	-
	Total Expenditures and Ending Balance	$ 8,392,768	$ 1,943,501	$ 1,068,414

300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects
37,080	344,277	21,938	3,682
15,358	1,831	-	-
-	-	-	-
52,438	346,108	21,938	3,682
1,845,759	-	-	-
1,845,759	-	-	-
-	-	-	9,350
-	-	-	1,249,592
$ 2,825,344	$ 1,053,091	$ 140,726	$ 1,361,692

CRESWELL SCHOOL DISTRICT
EXPENDITURE SUMMARY – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2023

Code	Function	Total	600 Other Objects	700 Transfers
	OTHER USES			
5100	Debt service	$ 2,067,075	$ 2,067,075	$ -
7000	***FUND BALANCE, End of year***	246,768	-	246,768
	Total Expenditures and Ending Balance	$ 2,313,843	$ 2,067,075	$ 246,768

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	$ 299,163
Function 2550	$ -

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

$	-

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

COMPLIANCE SECTION

GROVE, MUELLER & SWANK, P.C.
Certified Public Accountants and Consultants
475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

School Board
Creswell School District
Creswell, Oregon

We have audited, 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 General of the United States, the basic financial statements of Creswell School District, Lane County, Oregon (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated November 29, 2023.

Compliance and Other Matters

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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

Internal Control

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

Restriction on Use

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

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: Larry E. Grant

Larry E. Grant, A Shareholder
November 29, 2023

CRESWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title	*Federal* CFDA *Number*	*Pass Through Entity Identifying Number*	*Total Federal Expenditures*
U.S. DEPARTMENT OF EDUCATION			
Passed through Oregon Department of Education			
Title I Grants to Local Educational Agencies	84.010	72488	$ 215,524
Title I Grants to Local Educational Agencies	84.010	66948	212,439
Subtotal Title I Grants to Local Education Agencies			427,963
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027	75299	7,219
Special Education Grants to States	84.027	73993	256,994
Special Education Grants to States	84.027	68597	2,631
Subtotal Special Education Cluster (IDEA)			266,844
Supporting Effective Instruction State Grants	84.367	58733	44,027
Title IV-A Student Support and Academic Enrichment	84.424	58553	18,454
Title IV-A Student Support and Academic Enrichment	84.424	66737	25,787
Title IV-A Student Support and Academic Enrichment	84.424	72882	22,909
Subtotal Title IV-A Student Support and Academic Enrichment			67,150
COVID 19 - Education Stabilization Fund	84.425D	64555	506,382
Passed through Lane County Education Service District			
Career and Technical Education - Basic Grants to States	84.048	N/A	26,356
Transition Programs for Students with Intellectual Disabilities into Higher Education	84.407	N/A	53,595
Total U.S. Department of Education			1,392,317
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Passed through United Way of Lane County			
Social Innovation Fund	94.019	N/A	10,000
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Oregon Department of Education			
Child Nutrition Cluster			
National School Lunch Program-Breakfast (NSLP)	10.553	N/A	99,162
National School Lunch Program-Lunch (NSLP)	10.555	N/A	313,502
National School Lunch Program-Supply Chain Assistance (NSLP)	10.555	N/A	24,471
National School Lunch Program (NSLP) - non cash commodities	10.555	N/A	51,104
Subtotal Child Nutrition Cluster			488,239
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	5,095
Passed through Lane County Education Service District			
Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	10.665	N/A	50,671
Subtotal Forest Service Schools and Roads Cluster			50,671
Total U.S. Department of Agriculture			544,005
Total Expenditures of Federal Awards			$ 1,946,322
RECONCILIATION TO FEDERAL REVENUE RECOGNIZED			
Expenditures of Federal Awards reported on the SEFA			$ 1,946,322
Federal interest subsidy not required to be included on the SEFA			8,946
TOTAL FEDERAL REVENUE RECOGNIZED			$ 1,955,268

Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. 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, changes in net assets, or cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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.

Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance due to the District having a negotiated indirect cost rate with Oregon Department of Education and therefore is not allowed to use the de minimis rate.

Federal Financial Assistance

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2023.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recorded when the liability is incurred.

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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

School Board
Creswell School District
Creswell, Oregon

We have audited, 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 General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining information of the Creswell School District, Lane County, Oregon, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 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 or significant deficiencies 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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.

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
November 29, 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

School Board
Creswell School District
Creswell, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Creswell School District, Lane County, Oregon, (the District)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are 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 each of its major federal programs for the year ended June 30, 2023.

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 Creswell School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of 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 control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grove, Mueller & Swank, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
November 29, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major programs:

Assistance Listing Number(s)	*Name of Federal Program or Cluster*
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.