

DOUGLAS EDUCATION SERVICE DISTRICT

Annual Financial Report

June 30, 2022

Douglas Education Service District

June 30, 2022

BOARD OF DIRECTORS

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MIKE KEIZER Vice Chair
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Board Members and administration personnel receive mail at:
Douglas Education Service District
1409 NE Diamond Lake Blvd #110
Roseburg, OR 97470

Douglas Education Service District

June 30, 2022

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June 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Douglas Education Service District
1409 NE Diamond Lake Blvd #110
Roseburg, OR 97470

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas Education Service District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Douglas Education Service District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each major fund, and the aggregate remaining fund information of Douglas Education Service District's, as of June 30, 2022, and the respective changes in financial position 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 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 Douglas Education Service District's and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Douglas Education Service 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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Douglas Education Service 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 Douglas Education Service 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 and budgetary comparison information are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Douglas Education Service District's basic financial statements. The accompanying combining and individual nonmajor fund

financial statements and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates

directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards


In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2022, on our consideration of the Douglas Education Service District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Douglas Education Service District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Douglas Education Service District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 28, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon revised statements as specified in Oregon Administration rules. 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.

Neuner Davidson & Co
Certified Public Accountants

By:



Jeffrey R. Cooley, CPA
Roseburg, Oregon
December 28, 2022

Management's Discussion and Analysis

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

As management of Douglas Education Service 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, 2022

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District were less than its liabilities at June 30, 2022 by (\$2,940,611) as a result of the change in the Net Pension Liability for this year. Of this amount, \$9,752,826 represents the District's investment in capital assets, \$419,435 is restricted for debt service. Please refer to the Table of Contents to locate further details on the GASB 68 and GASB 75 impacts. The District implemented GASB 68 in fiscal year ending June 30, 2015.
- The District's total Net position increased by \$5,588,346. \$925,059 of this increase is due to the GASB 68 calculation for fiscal year ending June 30, 2022.
- The District's governmental funds report combined ending fund balance of \$11,591,586 at June 30, 2022, an decrease of \$880,699 in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2022, unassigned fund balance for the Governmental Funds were \$3,872,089. An increase of \$981,070.
- General Fund revenues amounted to \$10,228,645 or 23% of total resources. Program specific resources in the form of charges for services and operating grants accounted for \$34,813,793 or 77%.

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 supplementary information and other supplementary information in addition to the basic financial statements themselves.

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

Features of ESD-wide and Fund Financial Statements

	ESD-wide Statements	<u>Fund Statements</u>	
		Governmental Funds	Proprietary Funds
Scope	Entire ESD (except fiduciary funds)	The activities of the ESD that are not proprietary or fiduciary	Activities the ESD operates similar to private businesses
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due at year end, or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Statement of Net Position – ESD-wide and Proprietary Funds

The Statement of Net Position is used to assess the District's financial status. When compared to the previous year, you can determine if the District's financial position improved or deteriorated. The net position can also be averaged to compare with other districts. The financial position of the District reflects on its ability to meet its obligations as they come due and to finance the services of its constituency.

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

Statement of Activities – ESD-wide

The Statement of Activities is used to examine cost of services, net costs of services to taxpayers, types of expenses and revenues, balance between revenues and expenses, change in financial position and its causes and unusual transactions. The change in determines if 'there is more or less left over' and if the District will be able to finance services in the future.

Governmental Fund Financial Statements

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances track the financial activity of the District's basic services, such as instruction and support services.

Proprietary Fund Financial Statements

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position track the financial activity of the District's internal services, which are similar to businesses.

Balance Sheet – Governmental Funds

The Balance Sheet is used to examine the District's short-term assets and liabilities and to determine the District's short-term need for cash. The Balance Sheet is essential to determine the District's liquidity with its focus on current assets and liabilities.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds

The Statement of Revenues, Expenditures, and Changes in Fund Balance is used to examine the flows of short-term resources in the District, it determines if revenues and expenditures balance, and to find out if resources are available for future services.

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

The Statement of Revenues, Expenses, and Changes in Net Position is used to examine proportions of changes in a proprietary fund's revenues and expenses and to assess the ability of proprietary activities to finance their costs in both the short and long-term.

Budgetary Comparison Schedule

The Budgetary Comparison Schedule is used to determine if the District followed its legally adopted budget. Also demonstrates the District's ability to budget accurately and its ability to enforce and control finances. Variances may indicate faulty estimates, policy changes, or unforeseen economic shifts.

Statement of Cash Flows – Proprietary Funds

The Statement of Cash Flows is used to identify where cash comes from and how it is used. Tracking revenue and expenditures shows that the District has sufficient resources to cover

DOUGLAS EDUCATION SERVICE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

expenses, but cash flows determine if the District has enough cash on hand to actually pay its bills. With this information you can see if the operations of business type activities generated enough cash on their own to support its needs. You can also get a sense of future cash needs and the ability of the District's business type activities to pay bills as they come due.

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 Statement of Net Position. The *statement of net position* presents information on all of the assets and liabilities 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 positions 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, but 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.

The government-wide financial statements can be located in the table of contents of this report.

Fund Financial Statements

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

Governmental funds (general and special revenue) 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.

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

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* (government-wide statements).

The District maintains eight individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Grants Fund, Early Intervention Fund, Early Learning Fund, Reimbursement Fund, Debt Service Fund and the Capital Improvement Fund all of which are considered to be major funds. Data from the other 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.

The basic governmental fund financial statement can be located in the table of contents of this report.

Proprietary funds (enterprise and internal service)

The District maintains two proprietary fund types. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for risk management insurance and employee benefit activities. Internal service funds use the full accrual method of accounting. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Enterprise funds are an accounting device used to account for funds that operate similar to for profit entities, and use the full accrual method of accounting. The District uses Enterprise funds to account for printing/copying services provided to outside entities. Enterprise funds are presented separately on the Government Wide Financial Statements.

The proprietary fund financial statements can be located in the table of contents of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be located in the table of contents of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* related to Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund and Major Special Revenue Funds. Required supplementary information can be located in the table of contents of this report.

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information. Combining and individual fund statements and schedules can be located in the table of contents of this report.

Modified Accrual Accounting vs. Full Accrual Accounting

The following table shows the difference in modified accrual accounting, as done on past financial statements and full accrual accounting, as required by GASB34.

	<u>Modified Accrual</u>	<u>Full Accrual</u>
Revenue	Available and measurable.	Earned and measurable.
	Record revenue if payment is received during year or soon after (within 60 days) and is available to pay current year's liabilities.	Earned and is "reasonably certain to be collected."
Expense	Recognize in the accounting period in which the fund liability is incurred, and measurable.	Recognize in the accounting period in which the liability is incurred and measurable.
	Records expenditures. Outflow cash, or promise to pay for goods and services that have been received.	Records expenses. Decreases in net assets resulting from the using up or Outflows of assets in the course of operating and providing goods and services.

Financial Analysis of the ESD's Funds

Below are graphs showing the composition of the sources of funds (revenue) and expenditures in our fund groups:

General Fund – resolution programs and overhead

Special Revenue Funds – regional programs, early intervention program, grants and contracts

Revenue as of June 30

	<u>2022</u>	<u>2021</u>
Revenue Source		
Local Sources	\$ 13,675,814	\$ 14,618,728
Intermediate Sources	1,247,314	1,246,841
State Sources	24,039,230	22,492,416
Federal Sources	<u>6,224,315</u>	<u>3,322,691</u>
Total	\$ 45,186,673	\$ 41,680,676

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

Revenue increased overall as Local, Intermediate and State sources realized increased funding commitments for the 2021-22 biennium.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (THE ESD AS A WHOLE)

Statement of Net Position As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$2,940,611 as of June 30, 2022. Net position is divided into amounts representing (1) capital assets, net of related debt, (2) restricted by external restriction, and (3) unrestricted.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment represent about 10 percent of total assets. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. The remaining assets consist mainly of investments, cash, pension assets and grants and property taxes receivable.

The District's total long term liabilities are \$40,656,329. Net Pension Liability for GASB 68 is \$14,158,378 of the long-term liabilities. In addition, implementation of GASB 68 has added Deferred Inflow of Resources for future PERS Obligations of \$11,171,027. Please locate Note 6 in the table of contents in this report for further information. Current liabilities, representing about 10% of the District's total liabilities and deferred inflow of resources, consist almost entirely of payables on accounts, salaries and benefits, and the current portion of long-term debt principle. Current Liabilities total \$6,394,924.

During the current fiscal year, the District's net position increased by 5,588,346.

NET POSITION AT JUNE 30

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS	19,025,666	18,842,323
NON CURRENT ASSETS	10,105,360	4,738,916
DEFERRED OUTFLOW OF RESOURCES	<u>8,662,467</u>	<u>9,174,828</u>
TOTAL ASSETS	37,795,515	32,757,067
CURRENT LIABILITIES	6,394,924	4,865,963
LONG TERM DEBT OUTSTANDING	23,090,378	35,397,018
DEFERRED INFLOW OF RESOURCES	<u>40,656,329</u>	<u>1,023,042</u>
TOTAL LIABILITIES	70,141,631	41,286,023
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	9,752,826	4,298,725
RESTRICTED	7,382,277	9,065,878
UNRESTRICTED	<u>(19,997,940)</u>	<u>(21,893,560)</u>
NET POSITION	(2,862,837)	(8,528,957)

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

Changes in Net Position
Total Governmental Activities
For Year Ended June 30

Revenues	2022	2021
Program Revenues		
Charges for Service	1,868,823	1,663,905
Operating grants and contributions	34,953,714	30,889,380
Total Program Revenues	36,822,537	32,553,285
General Revenues		
Property Taxes	5,091,861	4,953,689
State School Fund- General Support	1,632,659	1,830,609
State Reimbursement	21,331	-
Services provided other funds	255,260	361,414
Unrestricted state and local sources	1,741,039	1,598,794
Other Intermediate Sources	126,878	-
Earnings on Investments	43,173	44,235
Miscellaneous	23,527	247,277
Total General Revenues	8,935,728	9,036,018
Expenses		
Instruction	15,338,413	14,557,052
Support Services	17,177,561	13,870,672
Community Services	2,534,178	2,272,255
Facilities and Acquisition	(1,300,038)	2,079,364
Interest expense on long-term debt	609,316	483,630
Depreciation	376,481	228,602
Amortization	-	-
Apportionment of ESD Funds	6,347,360	6,164,224
Total Expenses	41,083,271	39,655,799
Increase(decrease in Net Position- Prior to GASB & Disposal of Fixed	4,674,994	1,933,504
Loss on Disposal of Fixed Assets	0	
GASB 68 Pension Income	925,059	(2,995,491)
GASB 75 PERS OPEB RHIA	(11,706)	58,811
Increase (decrease) in Net Position	5,588,347	(1,003,176)
Net Positon - June 30	(2,940,612)	(2,561,856)

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

- Property tax revenues increased by about \$110,594 or 2% during the year.
- Operating grants and contributions increased by 11%, showing an increase in grant/contract amounts awarded to the district.

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, *unassigned fund balance* may serve as a useful measure of net resources available for spending at the end of a fiscal year.

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$11,591,586 an decrease of \$880,699 in comparison with prior year. Most of this is in the Grants & Projects Fund.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2020, unassigned fund balance was \$3,076,452. The fund balance increased by \$833,174 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. Fund balance at June 30, 2022 represented 38% of total expenditures for the year ended June 30, 2022.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$425,030, all of which is restricted for the payment of debt service.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2022, the District has invested \$9,752,824 in capital assets, net of depreciation, as shown in the following table:

Capital Assets Net of Depreciation 30-Jun-22		
	2022	2021
Land	\$ 51,996	\$ 51,996
Bulding & Improvements	8,297,443	3,879,663
Vehicles & Equipment	1,403,385	367,066
Total	\$ 9,752,824	\$ 4,298,725

Additional information of the District's capital assets can be found in the notes to the basic financial statement

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$8,932,000 consisting of PERS bond debt net of unamortized premium/discount. This is a limited

**DOUGLAS EDUCATION SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

tax pension obligation and not subject to the state statutes limit on the amount of general obligation debt a governmental entity may issue as a percent of its total assessed valuation. Since the District has no general obligation debt, the statutory debt limitation is not an issue. With the implementation of GASB 68, additional long term liabilities as deferred inflow of resources in the amount of (\$2,990,684) is reflected on the Statement of Net Position.

PERS is the Oregon public pension system. Under such a plan the actuarial liability is the present value of the plan's current and expected benefit payments, less the plan's assets. If the liability exceeds the assets of the plan, the plan has a shortfall known as an unfunded actuarial liability (UAL). The District issued the bonds to reduce its future pension obligation estimated at \$ 8.7 million at an interest rate below the rate charged by PERS on the UAL.

Additional information on the District's long-term debt and GASB 68 can be found in the notes to the basic financial statements of this report.

In April 2018, the District incurred debt to remodel new administrative offices located in the new City of Roseburg Library. Original Issue amount was \$1,700,000 with maturity in 2033. Please see the table of contents for Note 5 for additional detail.

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, 2022, the State School Fund – General Support provided over 16% of the District's General Fund program revenues.

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, 1409 NE Diamond Lake Blvd, Suite 110, Roseburg, Oregon 97470.

Basic Financial Statements

DOUGLAS EDUCATION SERVICE DISTRICT**Statement of Net Position - Governmental Activities**

June 30, 2022

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 13,318,453	\$ 39,604	\$ 13,358,057
Cash - Early Retirement Asset	-	-	-
Accounts Receivable	5,156,628	2,529	5,159,157
Interfund Receivable from Business Type Activities	-	-	-
Property Taxes Receivable	420,643	-	420,643
Inventory	-	10,035	10,035
Total Current Assets	18,895,724	52,168	18,947,892
Noncurrent Assets:			
Net OPEB Asset as Related to PERS	161,390	-	161,390
Net OPEB Asset	191,144	-	191,144
Total Pension Assets	352,534	-	352,534
Land - Not being Depreciated	51,996	-	51,996
Buildings & Improvements	9,668,648	-	9,668,648
Vehicles	202,862	-	202,862
Equipment	2,254,375	-	2,254,375
Less: Accumulated Depreciation	(2,425,055)	-	(2,425,055)
Total Capital Assets	9,752,826	-	9,752,826
Total Noncurrent Assets	10,105,360	-	10,105,360
Deferred Outflow of Resources:			
Current Year PERS Contributions	8,662,467	-	8,662,467
Total Deferred Outflow of Resources	8,662,467	-	8,662,467
Total Assets	37,663,550	52,168	37,715,719
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 4,454,483	\$ 2,097	\$ 4,456,580
Interfund Payable	-	-	-
Accrued Salaries & Benefits	1,313,165	-	1,313,165
Overdraft Due Bank	-	-	-
Accrued Compensated Absences Payable	-	-	-
Other Postemployment Benefit Obligations	-	-	-
Current Portion of Library Debt	503,000	-	503,000
Current Portion of Pension Bonds Payable	122,179	-	122,179
Total Current Liabilities	6,392,827	2,097	6,394,924
Long-Term Liabilities:			
Long-term portion of Library Note Payable	6,975,000	-	6,975,000
Less Current portion of Library Note Payable	(503,000)	-	(503,000)
Net Pension Liability	14,158,378	-	14,158,378
Long-term portion of Pension Bonds Payable	2,582,179	-	2,582,179
Less Current portion of Pension Bonds Payable	(122,179)	-	(122,179)
Total Long-Term Liabilities	23,090,378	-	23,090,378
Deferred Inflow of Resources:			
Actual to Expected Differences			
Changes in Assumptions			
Net Difference PERS Investments	11,171,027	-	11,171,027
Total Deferred Inflow of Resources	11,171,027	-	11,171,027
Total Liabilities & Deferred Inflow of Resources	40,654,232	2,097	40,656,329
NET POSITION			
Invested in Capital Assets, Net of Related Debt	9,752,826	-	9,752,826
Restricted for:			
Debt Service	419,435	-	419,435
Special Grants and Projects	6,875,032	-	6,875,032
Business Type Activities	-	10,035	10,035
Unrestricted	(20,037,975)	40,036	(19,997,940)
Total Net Position	\$ (2,990,683)	\$ 50,071	\$ (2,940,613)

DOUGLAS EDUCATION SERVICE DISTRICT

Statement of Activities - Governmental Activities

For the Year Ended June 30, 2022

	(Expenses)	Program Revenues		Net (Expense) Revenue and Change in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	
Governmental Activities:						
Instruction						
Special Programs	\$ (15,116,841)	\$ -	\$ 22,527,659	\$ 7,410,818	\$ -	\$ 7,410,818
Total Instruction	(15,116,841)	-	22,527,659	7,410,818	-	7,410,818
Supporting Services						
Students	(7,922,150)	1,585,714	8,416,427	2,079,990	-	2,079,990
Instructional Staff	(2,553,673)	-	293,429	(2,260,244)	-	(2,260,244)
General Administration	(442,329)	-	-	(442,329)	-	(442,329)
Business Services	(1,236,106)	-	82,137	(1,153,969)	-	(1,153,969)
Internal Service	(381,177)	-	-	(381,177)	-	(381,177)
Central Activities	(4,625,686)	-	-	(4,625,686)	-	(4,625,686)
Supplemental Retirement Program	(16,440)	-	-	(16,440)	-	(16,440)
Total Support Services	(17,177,561)	1,585,714	8,791,992	(6,799,855)	-	(6,799,855)
Community Services	(2,534,178)	-	3,634,062	1,099,884	-	1,099,884
Facilities and Acquisition	1,300,038	-	-	1,300,038	-	1,300,038
Interest on Long-Term Debt	(609,316)	-	-	(609,316)	-	(609,316)
Depreciation	(376,481)	-	-	(376,481)	-	(376,481)
Amortization	-	-	-	-	-	-
Apportionment of Funds ESD	(6,347,360)	-	-	(6,347,360)	-	(6,347,360)
Total Governmental Activities:	(40,861,701)	1,585,714	34,953,714	(4,322,273)	-	(4,322,273)
Business Type Activities						
Production Services	(221,572)	283,109	-	-	61,537	61,537
Information Technology	-	-	-	-	-	-
Total Business Type Activities	(221,572)	283,109	-	-	61,537	61,537
Total Government	\$ (41,083,272)	\$ 1,868,823	\$ 34,953,714	\$ (4,322,273)	\$ 61,537	\$ (4,260,736)
General Revenues:						
Local Sources						
Property Taxes, levied for general purposes				5,091,861	-	5,091,861
Interest and Investment Earnings				43,173	-	43,173
Services Provided other Funds				255,260	-	255,260
GASB 68 Pension Income (Expense)				925,059	-	925,059
GASB 75 PERS OPEB RHIA Income (Expense)				(11,706)	-	(11,706)
Miscellaneous				23,527	-	23,527
Unrestricted State and Local Sources				1,741,039	-	1,741,039
Other Intermediate Sources				126,878	-	126,878
State School Fund - General Support				1,632,659	-	1,632,659
State Reimbursement for Water Testing				21,331	-	21,331
Subtotal - General Revenues				9,849,081	-	9,849,081
Change in Net Position				5,526,808	61,537	5,588,346
Net Position, July 1, 2021				(8,517,491)	(11,466)	(8,528,957)
Net Position, June 30, 2022				\$ (2,990,683)	\$ 50,072	\$ (2,940,612)

DOUGLAS EDUCATION SERVICE DISTRICTBalance Sheet
Governmental Funds

June 30, 2022

	Major Funds									Total
	General	Grants	Early	Early	Reimbursement	Facility	FF & C	Debt	Capital	Governmental
	Fund	Fund	Intervention	Learning	Fund	Maintenance	Series	Service	Improvement	Funds
	100	205	207	208	230	296	301	302	401	
ASSETS										
Cash in Bank	\$ 1,806,606	\$ 2,589,521	\$ 3,379,509	\$ 973	\$ 800,579	\$ 460,052	242	109,026	\$ 258,165	\$ 9,404,672
Cash in State Pool	2,395,447	-	-	-	-	-	-	237,264	50,000	2,682,710
Receivables:										
Accounts	3,490	1,640,836	2,978,761	530,819	2,475	-	-	-	-	5,156,381
Property Taxes	420,643	-	-	-	-	-	-	-	-	420,643
Due From Other Funds	200,740	-	-	-	-	-	-	-	-	200,740
Total Assets	\$ 4,826,926	\$ 4,230,356	\$ 6,358,270	\$ 531,791	\$ 803,054	\$ 460,052	\$ 242	\$ 346,290	\$ 308,165	\$ 17,865,146
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	135,218	\$ 151,587	3,892,086	\$ 972	\$ 7,417	\$ 35,264	\$ -	\$ -	235,021	\$ 4,457,563
Accrued Payroll	1,313,165	-	-	-	-	-	-	-	-	1,313,165
Due to Other Funds	-	-	-	200,740	-	-	-	-	-	200,740
Total Liabilities	1,448,382	151,587	3,892,086	201,712	7,417	35,264	-	-	235,021	5,971,468
Deferred Inflows of Resources:										
Deferred Property Taxes	302,092	-	-	-	-	-	-	-	-	302,092
Total Deferred Inflows	302,092	-	-	-	-	-	-	-	-	302,092
Total Liabilities and Deferred Inflows	1,750,474	151,587	3,892,086	201,712	7,417	35,264	-	-	235,021	6,273,560
Fund Balance										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	4,078,769	2,466,184	330,079	-	-	242	346,290	73,145	7,294,709
Assigned	-	-	-	-	-	424,787	-	-	-	424,787
Unassigned	3,076,452	-	-	-	795,637	-	-	-	-	3,872,089
Total Fund Balance	3,076,452	4,078,769	2,466,184	330,079	795,637	424,787	242	346,290	73,145	11,591,586
Total Liabilities & Fund Balance	\$ 4,826,926	\$ 4,230,356	\$ 6,358,270	\$ 531,791	\$ 803,054	\$ 460,052	\$ 242	\$ 346,290	\$ 308,165	\$ 17,865,146

DOUGLAS EDUCATION SERVICE DISTRICT**Reconciliation of the Balance Sheet - Governmental Funds
To the Statement of Net Position****For the Year Ended June 30, 2022**

Total governmental fund balances		\$ 11,591,586
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental Capital Assets	\$ 12,177,879	
Less: Accumulated Depreciation	<u>(2,425,055)</u>	
Total Governmental Capital Assets net of Depreciation		<u>9,752,824</u>
Property taxes will not be available to pay for current-period expenditures and, therefore, are not reported in the funds.		302,092
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		1,231,829
The asset for other postemployment benefits obligation at June 30, 2021 is not recorded in the governmental funds, but is recorded as a prepaid asset and reduces expenses in the government-wide statements.		191,144
Differences between expected and actual experience		
Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period:		8,571,154
Current year PERS OPEB contributions are deferred outflows of resources that will be recognized expense in the subsequent period:		91,313
District's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next five years:		(11,115,368)
District's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next five years as related to PERS OPEB :		(55,659)
Net PERS OPEB asset is not available to pay for current period expenditures and therefore is not reported in the government funds:		161,390
Net Pension liability is not a financial obligation and therefore is not reported in the government funds:		(14,158,378)
Chase Loan Payable	(6,975,000)	
Loan payable for library	-	
Vacation Accual	2,569	
Pension Bonds Payable	<u>(2,582,179)</u>	
Total Long-term liabilities		<u>(9,554,610)</u>
Net Position of Governmental Activities		\$ (2,990,683)

DOUGLAS EDUCATION SERVICE DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

June 30, 2022

	Major Funds									Total Governmental Funds
	General Fund	Grants Project Fund	Early Intervention Fund	Early Learning Fund	Reimbursement Fund	Facility Maintenance Fund	FF & C Series Fund	Debt Service Fund	Capital Improvements Fund	
	100	205	207	208	230	296	301	302	401	
REVENUES:										
Local Sources	\$ 8,447,777	\$ 1,727,141	\$ -	\$ 150,362	\$ 2,412,281	\$ 794,019		\$ 144,234	\$ -	\$ 13,675,814
Intermediate Sources	126,878	1,110,553	-	9,883	-	-	-	-	-	1,247,314
State Sources	1,853,990	3,864,219	17,472,330	1,048,691	-	-	-	-	-	24,039,230
Federal Sources	-	1,511,396	4,049,357	663,563	-	-	-	-	-	6,224,315
Total Revenues	10,228,645	8,213,308	21,521,687	1,872,499	2,412,281	794,019	0	-	-	45,186,673
EXPENDITURES:										
Instruction										
Special Programs	584,592	14,532,249	-	-	-	-	-	-	-	15,116,841
Supporting Services										
Students	3,791,313	1,971,877	-	-	2,165,792	-	-	-	-	7,928,982
Instructional Staff	434,204	1,727,447	293,429	-	98,593	-	-	-	-	2,553,673
General Administration	440,395	1,935	-	-	-	-	-	-	-	442,329
School Administration	-	-	-	-	-	-	-	-	-	-
Business Services	844,195	82,137	-	-	-	289,743	-	-	-	1,216,075
Internal Service	-	-	-	-	-	-	-	-	-	-
Central Activities	2,485,387	2,140,299	-	-	-	-	-	-	-	4,625,686
Technology Services	-	-	-	-	-	-	-	-	-	-
Community Services	674	611,696	-	1,921,808	-	-	-	-	-	2,534,178
Facilities and Acquisition	-	-	-	-	-	-	-	-	4,530,542	4,530,542
Debt Service	-	-	-	-	-	-	624,466	617,239	-	1,241,704
Apportionment of Funds ESD	1,169,711	-	5,177,649	-	-	-	-	-	-	6,347,360
Total Expenditures	9,750,471	21,067,639	5,471,078	1,921,808	2,264,386	289,743	624,466	617,239	4,530,542	46,537,371
Excess (Deficiency) of Revenues Over Expenditures	478,174	(12,854,331)	16,050,609	(49,310)	147,896	504,276	(624,466)	(617,239)	(4,530,542)	(1,350,699)
OTHER FINANCING SOURCES and (USES):										
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Long Term Debt Financing	-	-	-	-	-	-	-	-	-	0
Long Term Debt Financing	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	400,000	13,584,425	-	-	-	15,000	624,708	-	500,000	15,124,133
Operating Transfers Out	(45,000)	(400,000)	(13,584,425)	-	-	(624,708)	-	-	-	(14,654,133)
Sources (Uses)	355,000	13,184,425	(13,584,425)	-	-	(609,708)	624,708	-	500,000	470,000
Excess of Revenues Over (Under) Expenditures & Other Financing Sources	833,174	330,094	2,466,184	(49,310)	147,896	(105,432)	242	617,239	(4,030,542)	(880,699)
BEGINNING FUND BALANCE	2,243,278	3,748,675	-	379,389	647,741	530,219	-	819,295	4,103,687	12,472,284
ENDING FUND BALANCE										
Restricted	-	4,078,769	2,466,184	330,079	-	-	242	346,290	73,145	7,294,709
Assigned	-	-	-	-	-	1,844,203	-	-	-	1,844,203
Unassigned	3,076,452	-	-	-	795,637	-	-	-	-	3,872,089
FUND BALANCE, June 30, 2022	\$ 3,076,452	\$ 4,078,769	\$ 2,466,184	\$ 330,079	\$ 795,637	\$ 424,787	\$ 242	\$ 346,290	\$ 73,145	\$ 11,591,585

DOUGLAS EDUCATION SERVICE DISTRICTReconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2022

Net changes in fund balances - total governmental funds	\$ (880,699)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Current Year Additions	\$ 5,830,580	
Current Year Depreciation	<u>(376,481)</u>	
		<u>5,454,099</u>

Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the statement of activities.

33,223

Interfund transfers to the internal service funds

(470,000)

In statement of Activities, contributions for other postemployment benefits greater than the actuarially determined contribution amount increases the other post-employment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is amount by which net asset obligation decreased:

6,832

The net income of the internal service funds is reported with governmental activities

(162,388)

Changes in net pension liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:

925,059

Changes in net RHIA liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:

(11,706)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases fund liabilities. Similarly, repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Issuance of Long-term Debt		-
Debt principal repaid		632,388

Change in Net Position - Governmental Activities	<u>\$ 5,526,808</u>
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DOUGLAS EDUCATION SERVICE DISTRICT**Statement of Net Position - Proprietary Funds**

June 30, 2022

	Business Type Activities Enterprise Funds Production Services Fund	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 39,604	\$ 1,231,070
Accounts Receivable	2,529	247
Inventory	10,035	-
Total Assets	<u>52,168</u>	<u>1,231,317</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,097	(512)
Due to Other Funds	-	-
Total Liabilities	<u>2,097</u>	<u>(512)</u>
NET POSITION		
Restricted	10,035	-
Unrestricted	<u>40,036</u>	<u>1,231,829</u>
Total Net Position	<u>\$ 50,071</u>	<u>\$ 1,231,829</u>

DOUGLAS EDUCATION SERVICE DISTRICTStatement of Revenues, Expenses and Changes in Net Position
Proprietary Funds

June 30, 2022

	Business Type Activities Enterprise Funds Production Services Fund	Governmental Activities Internal Service Funds
REVENUES:		
Rental Income	\$ 53,230	\$ 255,260
Services Provided Other Funds	229,879	-
	<u>283,109</u>	<u>255,260</u>
EXPENSES:		
Operating:		
Fiscal Service	-	500
Internal Service	-	381,177
Printing, Publishing and	-	19,531
Capital Outlay	-	-
Duplicating Services	221,572	16,440
Total Operating Expenses	<u>221,572</u>	<u>417,648</u>
NONOPERATING REVENUES (EXPENSES)		
GAAP Pension Adjustment	-	-
Total Nonoperating Expenses	<u>-</u>	<u>-</u>
Net Income (Loss) Before Contributions and Transfers	61,537	(162,388)
Operating Transfers In (Out)	-	(470,000)
Change in Net Position	61,537	(632,388)
NET POSITION		
June 30, 2021	<u>(11,466)</u>	<u>1,864,216</u>
NET POSITION		
June 30, 2022	<u>\$ 50,071</u>	<u>\$ 1,231,829</u>

DOUGLAS EDUCATION SERVICE DISTRICTStatement of Cash Flows
Proprietary Funds

For the Year Ended June 30, 2022

	Business Type Activities Enterprise Funds Production Services Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for Services and Other Revenues	\$ 284,956	\$ 471,855
Cash received from other funds	-	-
Cash paid to Employees	(76,444)	-
Cash paid for Employee Benefits	(36,830)	(35,971)
Cash paid for Purchased Services	(50,716)	(27,730)
Cash paid for Supplies and Materials	(56,113)	(381,177)
Cash paid for Other Expenses	(485)	-
Net Cash Provided (Used) by Operating Activities	<u>64,369</u>	<u>26,977</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers Out	(24,766)	(686,176)
Equity Transfer	-	-
Net Cash flows provided by (used in) Noncapital Financing Activities	<u>(24,766)</u>	<u>(686,176)</u>
CASH AND INVESTMENTS, June 30, 2021		<u>1,890,269</u>
CASH AND INVESTMENTS, June 30, 2022	<u>\$ 39,604</u>	<u>\$ 1,231,070</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net operating income	\$ 61,537	\$ (632,388)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Cash Flows reported in other categories:		
Depreciation Expense	-	-
Change in Assets and Liabilities:		
Receivables, net	305	419
Prepaid Assets		
Inventories	1,542	-
Accounts Payable	986	(27,230)
Due to Other Funds	-	686,176
Accrued Compensated Absences		
OPEB Obligation		
Other Accrued Liabilities		
Pension Expense (Income)	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 64,369</u>	<u>\$ 26,977</u>

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Douglas Education Service 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. 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 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. The District has no component units.

A. 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 all the financial activities of the 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, materials, supplies or services provided, (2) operating grants and contributions, and (3) Capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position are 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.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Separate fund financial statements are provided for governmental funds and internal service funds.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

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.

Grants Fund - This fund is used to account for the expenditures and receipts of various state and federal grants along with other projects and special revenue.

Early Intervention Grant Fund - This fund is used to account for the Early Intervention Grant Funds received through State and Federal Sources.

Early Learning Hub Fund - Fund accounts for private sourced contributions and related expenditures.

Reimbursement Fund – This fund is to account for the revenues received from other districts for reimbursement of substitute's wages, business services contracted out to other districts, special education services and superintendent services to outside districts.

FF&C Services Fund – The ESD Board of Directors authorized a Full Faith and Credit Financing Agreement to secure a loan for capital improvements on an existing building, as well as the purchase of an additional building for program use. An assessment on wages paid by each fund provides the revenue to repay the debt, which is transferred to this debt service fund.

Debt Service Fund (PERS) - The ESD Board authorized the bonding of a portion of the ESD's unfunded actuarial liability with the Oregon Public Employees Retirement System. An assessment on wages paid by each fund provides the revenue to repay the debt.

Capital Improvement Fund – This fund is to account for capital improvements for the district. Originally created to account for the remodel (leasehold improvements) of the library building owned by the City of Roseburg for ESD offices.

Facility Maintenance Fund – This fund is used for the eventual maintenance for parts of the facility that would require substantial resources. Departments may allocate transfers from their general fund budgets to this fund for future use.

The District reports the following Enterprise funds:

Production Services Fund - Provides a full-service print shop, operated on a cost recovery basis.

The District reports the following internal service funds:

Unemployment Reserve Fund - This fund accounts for revenues and expenditures for unemployment insurance claims paid to the State of Oregon. The revenues are provided by assessments to wage accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Early Retirement Fund - An early retirement plan was adopted by the ESD Board in the 1984 calendar year. On April 18, 2002, the plan was discontinued for new hires. In the collective

bargaining agreement with DESD, the plan phased out with specific benefits outlined for existing employees. This fund is established to fund the liability for these benefits. The revenues are provided by assessments to wage accounts.

Computer Replacement Fund - This fund accounts for revenue and expenditures related to replacement of technology equipment. The revenues are provided by assessments to other funds.

Facility Reserve Fund – This fund account for revenues and expenditures related to the facility. The revenues are provided by assessments to other funds.

PERS Reserve Fund – This fund is used to offset higher anticipated PERS rates in the future. Monies are transferred to this fund after the required minimum reserve has been met in the PERS Bond Fund.

Government-Wide Financial Statements - The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting*, as is the proprietary financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Under this method of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenue available if collected within 60 days after year end.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Expenditures are recorded when the related fund liability is incurred, except for expenditures for principal and interest on long-term debt which is recognized when due, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Delinquent property taxes and property taxes for which there is an enforceable legal claim which are not collected within 60 days of the fiscal year end, have been recorded as deferred revenue.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Standards Board.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash and Investments

The District's cash and investments include amounts in demand deposits, certificates of deposit, savings accounts, secured market deposit accounts and the State Pool. The District's cash management policies are governed by state statutes which authorize the District to invest in bankers' acceptances, time certificates of deposit, re-purchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. The Local Government Investment Pool is included in the Oregon Short Term Fund which was established by the State Treasurer. The Oregon Short Term Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805-294.895). Cash is stated at cost while investments are stated at fair market value.

D. Property Taxes Receivable

Property taxes receivable which has been collected within sixty days subsequent to the year-end are considered measurable and available and are therefore recognized as revenue in the fund statements. All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue in the fund statements. Both real and personal property taxes attach as an enforceable lien on property as of July 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15, or February 15. Taxes unpaid and outstanding after May 15 are considered delinquent.

Uncollected property taxes are deemed to be substantially collectible or recoverable through liens, therefore, no provision for uncollectibles has been made in the government-wide financial statements.

E. Receivables

Accounts receivable represent federal and state grants and entitlements, as well as various miscellaneous fees and refunds. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectibles has been made.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues.

G. Inventory

Inventories of supplies and materials in the governmental funds are stated at cost. Inventory items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method).

H. Capital Assets

Capital assets which include land and improvements, buildings and improvements, vehicles, furniture, and equipment, are reported in the government-wide financial statements.

Print Shop Equipment	25 years
Buildings and Improvements	50 years
Office Equipment	5 years
Vehicle	5 years

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Proceeds from sales of capital assets are recorded as revenue in the fund originally financing the purchase if identifiable; if not, then the revenue is recorded in the General Fund.

I. Retirement Plan

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures as funded. GASB Statements 68 and 71 have been implemented as of July 1, 2015.

J. Post-Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to participate in the District's group medical insurance plan. Eligible employees in the early retirement plan have a portion of such costs paid by the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)K. Compensated Absences

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

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

L. Fund Balance & Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures for the reporting period. Actual results may differ from those estimates.

2. BUDGETS

Operating budgets are adopted each year for the General and Special Revenue Funds on a modified accrual basis of accounting, consistent with Oregon Budget Laws.

The District begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations for a proposed budget are developed through early spring with the budget committee approving the budget in late spring. Public notices of the budget committee meetings and budget hearing are published generally in late spring with a public hearing being held within 25 days. The budget is adopted, appropriations are made and the tax levy declared no later than June 30 of each year.

2. BUDGETS (Cont'd)

The resolution making appropriations for each fund is enacted in the major program areas of instruction, support services, community and enterprise services, interagency fund transactions, debt service and contingency. Under State law, the appropriation levels become the legal spending control levels for District operations, and, therefore, no greater expenditure of public money may be made for any purpose other than that for which it was appropriated except where specifically provided by statute. Management may, however, make line-item changes at any time within appropriation categories without formal action. If, during the year, the District receives unanticipated revenues that cannot be spent without budget authorization, a supplemental budget is prepared to authorize the spending of the additional revenues. Original and supplemental budgets may be modified by the use of appropriation transfers made within a given fund or from the General Fund to another fund when authorized by Board resolution. The budget data reflected in the combined financial statements and the individual fund financial statements reflect the effects of such approved transfers. All annual appropriations lapse at fiscal year-end.

3. CASH & INVESTMENTSCash DepositsCash Deposits

Deposits with Financial Institutes	\$ 9,482,447
Cash in State Pool	2,682,710
	<u>\$ 12,165,157</u>

The District's cash management policies are governed by state statutes. Statutes authorize the District to invest in bankers' acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. Deposits in excess of \$250,000 are covered by Oregon Revised Statute Chapter 295 which require the depository institution to maintain on deposit securities having a value sufficient to cover all public funds in their institution and must apply and be approved by the State of Oregon. Wells Fargo Bank, NA is an approved financial institution and as such, at June 30, 2022 the District was in compliance.

Investments

The Local Government Investment Pool (LGIP) is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation and does not receive credit quality ratings from nationally recognized statistical rating organizations. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short Term Fund Board. The Governor appoints the members of the Oregon Investment Council and the Oregon Short Term Fund Board. The OSTF financial statements are available at <http://www.ost.state.or.us/>. The fair value of the District's deposit with the LGIP approximates the cost.

The Local Government Investment Pool is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. The Oregon Short Term Fund Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805 to 294.895).

3. CASH & INVESTMENTS (Cont'd)

The District has no formal investment policy to deal with the interest rate risk and credit risk. In practice, the District has limited the investments in the LGIP and Certificates of Deposits that mature within one year. The District may redeem any money invested in the LGIP at any time.

Credit Risk. The LGIP's portfolio concentration of credit risk at June 30, 2022 included:

LGIP credit risk data:

U.S. Government & Agency securities	29.04%
Municipal Government securities	5.38%
Commingled Investment Pool	0.00%
Non-U.S. Government debt	7.74%
Corporate Commercial Paper	8.88%
Corporate obligations	34.04%
Asset-backed securities	14.62%
Certificates of Deposits	0.16%
Cash in Banks	0.14%

Interest Rate Risk. While the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP.

LGIP investments as of June 30, 2022:

mature within 93 days	67.74%
mature within 94 days to one year	12.64%
mature one year and beyond	19.62%

4. CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2022 follows:

	July 01, 2021	Additions	Deletions	June 30, 2022
<u>Governmental Activities</u>				
Assets Not Being Depreciated:				
Land	\$ 51,996	\$ -	\$ -	\$ 51,996
Assets Being Depreciated:				
Vehicles	202,862	-	-	202,862
Buildings & Improvements	5,123,610	4,545,038	-	9,668,648
Equipment	968,833	1,285,542	-	2,254,375
Total Depreciable Assets	6,295,305	5,830,580	-	12,125,885
Depreciation				
Vehicles	(153,687)	(9,600)	-	(163,287)
Building Improvements	(1,243,947)	(127,258)	-	(1,371,205)
Equipment	(650,940)	(239,623)	-	(890,563)
Total Depreciation	(2,048,574)	(376,481)	-	(2,425,055)
Net Value of Capital Assets				-
Being Depreciated	4,246,731	5,454,099	-	9,700,830
Total Governmental Activities				
Net Value of Capital Assets	<u>\$ 4,298,727</u>	<u>\$5,454,099</u>	<u>\$ -</u>	<u>\$ 9,752,826</u>

Douglas Education Service District

Notes to

Financial Statements

at

June 30, 2022

5. LONG-TERM DEBT

Pension bonds - issued April 2003, due in installments of \$166,131 to \$682,824, including interest paid at 1.5% to 6.27% through 2028	<u>Issue</u>	<u>June 30, 2022</u>
	<u>\$4,597,617</u>	<u>\$ 2,582,180</u>

The district paid \$514,410 in the fiscal year ending June 30, 2022. The payment included interest of \$391,354 and principal of \$123,056.

The pension bonds will be paid from revenues in the debt service fund generated by charges to other funds.

Future maturities for the pension bonds are as follows:

Governmental Activities

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	122,180	442,231	564,411
2024	455,000	139,411	594,411
2025	510,000	113,884	623,884
2026	565,000	84,916	649,916
2027	630,000	52,824	682,824
2028	300,000	17,040	317,040
Total	<u>\$2,582,180</u>	<u>\$ 850,306</u>	<u>\$3,432,486</u>

5a. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS - GASB 88

The District borrowed funds in April of 2018 to remodel a building owned by the City of Roseburg that was previously used as a library.

Long Term Note Payable for Remodel of Library - issued April 2018, due in installments of \$12,625.11, including interest paid at 4% through 2033	<u>Original Issue</u>	<u>Outstanding June 30, 2021</u>
	<u>\$ 1,700,000</u>	<u>\$ -</u>

The district borrowed funds in December 2020 for capital improvements through J.P. Morgan Chase Bank.

Long Term Note Payable for Capital Improvements of \$7,706,000 to \$8,570,882, including interest paid at 1.75% through 2035.	<u>Original Issue</u>	<u>Outstanding June 30, 2022</u>
	<u>\$ 7,706,000</u>	<u>\$ 7,311,525</u>

5a. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS - GASB 88 – Cont'd

Future maturities for the loan are as follows:

Governmental Activities			
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	503,000	122,062	625,062
2024	512,000	113,260	625,260
2025	520,000	113,884	633,884
2026	529,000	95,200	624,200
2027	539,000	85,943	624,943
2028-2035	4,708,525	336,525	5,045,050
Total	<u>\$ 7,311,525</u>	<u>\$ 866,874</u>	<u>\$ 8,178,399</u>

6. PENSION PLAN

General Information about the Pension Plan

Plan Description

Employees of the district are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/section/financialreports/fmancials.aspx>.

Benefits Provided

1. Tier One/Tier Two Retirement Benefit ORS 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, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. 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.

6. PENSION PLAN (Cont'd)

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including 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 when determining the monthly benefit.

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

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

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

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.

6. PENSION PLAN (Cont'd)
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. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. **OPSRP Individual Account Program (OPSRP IAP)**
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 lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation as subsequently modified by 2021 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2022 were \$3,081,737, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 22.48 percent for Tier One/Tier Two General Service Member, 19.37 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

6. PENSION PLAN (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the district reported a liability of \$14,158,378 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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 entities, actuarially determined. At June 30, 2020, the district's proportion was 0.11831 percent, which was decreased from its proportion of 0.11840 measured as of June 30, 2019.

For the year ended June 30, 2021, the district's recognized pension income of \$925,059.

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

OPSRP Individual Account Program (OPSRP IAP)

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 1,325,317	\$ -
Changes of assumptions	3,544,268	37,261
Net difference between projected and actual earnings on investments	-	10,481,337
Changes in proportion	146,518	388,571
Difference between employer contributions and proportionate share of contributions	473,314	208,196
Total(prior to post-MD contributions)	5,489,417	11,115,365
Contributions subsequent to the MD	3,081,737	
Total	<u>\$ 8,571,154</u>	<u>\$ 11,115,365</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows	Deferred Inflows
Amortization Period	Amortization Period
FY2022	FY2022 \$ 895,490
FY2023	FY2023 1,082,755
FY2024	FY2024 1,533,204
FY2025	FY2025 2,474,461
FY2026 359,957	FY2026 -
Thereafter -	Thereafter -
<u>\$ 359,957</u>	<u>\$ 5,985,910</u>

6. PENSION PLAN (Cont'd)**Actuarial Assumptions**

The employer contribution rates effective July 1, 2021, through June 30, 2022 and effective July 1, 2021, through June 30, 2023, were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

Actuarial Assumptions (Cont'd)

period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	2.40%
Inflation Rate	6.90%
Long-term expected rate of return	6.90%
Discount Rate	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	<p>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.</p> <p>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.</p> <p>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.</p>

(Source: June 30, 2021 PERS CAFR)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and

6. PENSION PLAN (Cont'd)

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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2019.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.0%
Debt Securities	20.0%
Public Equity	32.5%
Private Equity	17.5%
Real Estate	12.5%
Alternatives Portfolio	15.0%
Risk Parity	2.5%
Total	<u>100.0%</u>

(Source: June 30, 2021 PERS CAFR; p.104)

6. PENSION PLAN (Cont'd)**Long-term Expected Rate of Return (Con't)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compound Annual Return</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds- Multi Strategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Maco	5.62%	5.06%
US Cash	-2.50%	1.76%
<hr/>		
Total	<u>100%</u>	
<hr/>		
Assumed Inflation - Mean	2.40%	1.65%

(Source: June 30, 2021 PERS CAFR; p. 74)

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that

the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) 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 PERS:

- 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% funded position by the end of the amortization period if future experience follows assumption.

Depletion Date Projection

- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate 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.

6. PENSION PLAN (Cont'd)

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 6.9 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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 6.9 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 (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Discount Rate (6.9%)	1% Increase (7.9%)
District's proportionate share of the net pension liability (asset)	\$ 27,803,667	\$ 14,158,378	\$ 2,742,223

Pension Plan Fiduciary Net Position

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

Changes in Plan Provisions During the Measurement Period

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

Changes in Plan Provisions During the Measurement Period Con't)

OPERS members who have accrued benefits before and after the effective periods of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms were reflected in the current valuation.

6. PENSION PLAN (Cont'd)

6. PENSION PLAN (Cont'd)**Changes in Plan Provisions Subsequent to Measurement Date (GASB 68)**

Subsequent to the June 30, 2018 measurement date, Oregon Senate Bill 1049 was passed. The bill re-amortized Tier 1 and Tier 2 Unfunded Accrued Liabilities, on a one-time basis, from 22-years after which point the amortization schedule for these two benefit plans revert to 20-years on January 2, 2020.

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75)**Plan Description:**

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

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

At June 30, 2022, the District reported a net OPEB asset of \$161,390 for its proportionate share of the net OPEB liability. The OPEB asset was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021, the District's proportion was 0.4699 percent, up from 0.1187 percent at June 30, 2020. OPEB expense for the year ended June 30, 2021 was \$23,527.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income) \$(26,395)

Net amortization of employer-specific deferred amounts from:

- Changes in proportionate share (per paragraph 64 of GASB 75) 39,494

-Differences between employer contributions and employer's proportionate share of system contributions -

Employer's Total OPEB Expense/(Income) \$ 13,099

Components of Deferred Outflows/Inflows of Resources

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,490
Changes of assumptions	3,176	2,401
Net difference between projected and actual earnings on investments	-	38,355
Changes in proportionate share	88,137	10,413
Difference between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	91,313	55,659
Contributions subsequent to the MD	-	-
Total	<u>\$ 91,313</u>	<u>\$ 55,659</u>

The amount of contributions subsequent to the measurement date will be included as a reduction/increase of the net OPEB liability/(asset) in the fiscal year ended June 30, 2020.

Amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense as follows:

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

<u>Year ending June 30</u>	<u>Amount</u>
1st Fiscal Year	\$ 27,971
2nd Fiscal Year	28,554
3rd Fiscal Year	(3,757)
4th Fiscal Year	(12,116)
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ 40,652</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 21, 2021 and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Methods and Assumptions

Experience Study Report	2018, published July 24, 2019
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
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, 2021 PERS CAFR)

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

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 in the 2019 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Discount Rate:

The discount rate used to measure the total OPEB liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumption 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.

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compound Annual Return</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds- Multi Strategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Maco	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	<u>100%</u>	
Assumed Inflation - Mean	2.40%	1.65%

(Source: June 30, 2021 PERS CAFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate - The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9 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 (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate.

	<u>1% Decrease (5.9%)</u>	<u>Discount Rate (6.9%)</u>	<u>1% increase (7.9%)</u>
District's proportionate share of the net RHIA liability (asset)	\$(142,726)	\$(161,390)	\$(177,334)

Changes Subsequent to the Measurement Date

The current assumed rate is 6.9 percent and has been in effect since January 1, 2021.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEBs)Early Retirement

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The Early Retirement Fund also accounts for resources and payment of post-employment health care benefits for early retirees.

Post-Employment Health Care Benefits

Plan Description - The District, as a result of collective bargaining agreements, offers post-employment health care benefits for all employees who have completed 10 years of continuous service and are between age 58 and 65, are eligible for full PERS benefits, and elected to retire prior to December 31, 2005.

For these retirees, benefits are fully paid by the District and are available until the retiree is eligible for Medicare.

Effective January 1, 2006, the District's retiree insurance became \$300 per month for major medical coverage. The amount contributed by the District increased by the same percentage as the District's contribution toward regular bargaining unit employees' insurance premiums, up to a maximum of 5% on each insurance anniversary date.

Contributions - Contributions are financed by a transfer from the General Fund. Transfers from the General Fund in fiscal years 2022 and 2021 were \$0 and \$0, respectively. Expenditures are recorded on the pay-as-you-go basis. The cost of these benefits in fiscal years 2022 and 2021 amounted to approximately \$28,832 and \$28,643, respectively.

Post-Employment Health Insurance Subsidy

The District implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (OPEB) for the fiscal year ended June 30, 2010. This implementation allows the District to report its liability for other post-Employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

Plan Description - The District operates a single-employer retiree benefit plan that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses.

There are 15 total active members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

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. 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 contribution.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEBs) (Cont'd)

Funding Policy - The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Annual OPEB Cost and Net OPEB Asset - The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2022	2021	2020	2019
Actual Contribution	\$ -	\$ -	\$ -	\$ -
Actual Expense	(16,440)	(28,832)	(28,643)	(22,362)
Excess Contribution	(16,440)	(28,832)	(28,643)	(22,362)
Annual Required Contribution	6,832	4,890	2,194	2,257
Actual Expense	(16,440)	(28,832)	(28,643)	(22,362)
Net Annual OPEB (ARC-Actual Expense)	9,608	23,942	26,449	20,105
Net Increase in OPEB Asset	(6,832)	(4,890)	(2,194)	(2,257)
Net Assets at Beginning of Year	197,976	202,866	205,060	207,317
	\$ 191,144	\$ 197,976	\$ 202,866	\$ 205,060

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2022 and 2021, were as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Prior Year and Current Year Contributions
2015	\$ 97,239	\$ 118,711
2016	\$ 97,239	\$ 5,225
2017	\$ 4,353	\$ -
2018	\$ 1,369	\$ -
2019	\$ 2,257	\$ -
2020	\$ 2,194	\$ -
2021	\$ 4,890	\$ -
2022	\$ 6,832	\$ -

Actuarial Methods and Assumptions. The actuarial cost method used to determine the cost and liabilities for this plan was the aggregate cost method. Under this method, the unfunded value of all benefits expected to be paid from the plan is spread over the expected working career of all participants in such a way that annual costs are expected to remain level.

In the June 30, 2010 actuarial valuation, (the last actuarial valuation performed) the entry age actuarial cost method was used. It is not deemed necessary to continue to have the actuarial valuation completed each year due to the cost to benefit valuation of the information it would provide compared to the current method of having the District's CFO perform the calculation. The original actuarial

7. OTHER POST-EMPLOYMENT BENEFITS (OPEBs) (Cont'd)

assumptions included a discount rate of 1% and a 100% assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 5%

inflation for the current year, and future years. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for School Districts.

8. CLAIMS AND LITIGATION

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 here are no contingent liabilities that require disclosure or recognition in accordance with FASB Statement No. 5. 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.

9. RISK

To reduce the risk of loss from liability, fire, theft, accident, medical costs, errors and omissions, the District maintains various commercial insurance. No settlements exceeded insurance coverage in each of the three preceding years.

10. INTERFUND TRANSFERS

The transfers between funds were operational in nature. The following is a summary of interfund transfers reported in the fund financial statements:

<u>INTERFUND</u>		
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 400,000	\$ 45,000
Grants Project Fund	13,584,425	400,000
Early Intervention Fund	-	13,584,425
FF & C Series Fund	624,708	-
Facility Maintenance Fund	15,000	624,708
FF&C Series Fund	-	-
Capital Improvement Fund	500,000	-
Unemployment Fund	186,176	-
Facility Reserve Fund	30,000	500,000
PERS Reserve Fund	-	186,176
	<u>\$ 15,340,309</u>	<u>\$ 15,340,309</u>

11. GASB STATEMENT NO. 54

GASB Statement 54 requires analysis and presentation of fund balance in five categories. The fund balance categories are:

- Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.
- Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- Committed – Includes items committed by the District's Board of Education, by formal board action.
- Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Director of Finance Operations.
- Unassigned – This is the residual classification used for those balances not assigned to another company.

Below is a schedule of ending fund balance, based on GASB Statement No. 54

	General Fund	Grant Fund	Early Intervention Fund	Early Learning Fund	Reimbursement Fund	FF & C Series Fund	Debt Service Fund	Capital Improvement Fund	Facility Maintenance Fund	Total Governmental Funds
Fund Balances:										
<u>Restricted:</u>										
Grant Fund	\$ -	\$ 4,078,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,078,769
Early Intervention	-	-	2,466,184	-	-	-	-	-	-	2,466,186
Early Learning	-	-	-	330,079	-	-	-	-	-	330,079
Reimbursement	-	-	-	-	-	-	-	-	-	-
Capital Improvement Fund	-	-	-	-	-	-	-	73,145	-	73,145
Debt Service Fund	-	-	-	-	-	242	346,290	-	-	346,532
	-	4,078,769	2,466,184	330,079	-	242	346,290	73,145	-	7,294,709
<u>Assigned to:</u>										
Production Service Fund	-	-	-	-	-	-	-	-	-	0
Information Technology	-	-	-	-	-	-	-	-	-	0
Facility Maintenance Fund	-	-	-	-	-	-	-	-	424,787	424,787
	-	-	-	-	-	-	-	-	424,787	424,787
<u>Unassigned:</u>	3,076,452	-	-	-	795,637	-	-	-	-	3,872,089
Total Fund Balances	<u>\$ 3,076,452</u>	<u>\$ 4,078,769</u>	<u>\$ 2,466,184</u>	<u>\$ 330,079</u>	<u>\$ 795,637</u>	<u>\$ 242</u>	<u>\$ 346,290</u>	<u>\$ 73,145</u>	<u>\$ 424,787</u>	<u>\$11,591,585</u>

GASB 54 implementation required Board approved action to authorize commitments of fund balance. There were no commitments made for the last fiscal year.

The Board of Education also authorized the Superintendent and the Business Manager to make assignments of ending fund balance. Assignments of fund balance can be done at any time, including after the fiscal year-end date.

Finally, GASB 54 requires a spending policy, as it related to ending fund balance. The spending policy states in what order fund balance categories are spent. The Board of Education approved the following fund balance order of spending policy:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

12. TAX ABATEMENT (GASB 77)

Douglas County, Oregon has entered into tax abatement programs with businesses that operate and/or own property within the country. These programs reduce the amount of property taxes assessed and it results in Douglas Education Service District not receiving \$15,447 in property tax revenue for 2021-2022. However, the District's tax decrease from property tax abatement is offset with an increase from state school support effectively making a zero-net effect in funding.

13. SUBSEQUENT EVENTS

Management of the District has evaluated events and transactions occurring after June 30, 2022 through the date the financial statements were available for issuance, for recognition auditor disclosure in the financial statements. As of December 28, 2022 there no reportable subsequent events.

Supplementary Information

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the General Fund****For the Year Ended June 30, 2022**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Tax Levy-Current Year & Offsets	4,885,582	4,790,000	\$ 4,790,000	\$ 95,582
Tax Levy-Prior Years	156,783	250,000	250,000	(93,217)
Tax Levy-Property Sales/TaxLein	3,887	-	-	3,887
Payments in Lieu of Property Taxes	12,387	50,000	50,000	(37,613)
Earnings on Investments	43,173	60,000	60,000	(16,827)
Services Provided Other Districts	1,475,914	1,093,650	1,093,650	382,264
Recovery of Prior Year Expenditures	21,257	10,000	10,000	11,257
Services Provided to Other Funds	243,868	231,958	231,958	11,910
Fees Charged to Grants	1,585,714	1,100,000	1,100,000	485,714
Miscellaneous	19,213	52,000	52,000	(32,787)
Total Local Sources	<u>8,447,777</u>	<u>7,637,608</u>	<u>7,637,608</u>	<u>810,169</u>
Intermediate Sources:				
Other Intermediate Sources	126,878	-	-	126,878
Total Intermediate Sources	<u>126,878</u>	<u>-</u>	<u>-</u>	<u>126,878</u>
State Sources:				
State School Fund-General Support	1,632,659	1,687,036	1,687,036	(54,377)
State Reimbursement for Water Testing	10,931	-	-	10,931
Other Restricted Grants-In-Aid	10,400	-	-	10,400
Total State Sources	<u>1,653,990</u>	<u>1,687,036</u>	<u>1,687,036</u>	<u>(33,046)</u>
Total Revenues	<u>10,228,645</u>	<u>9,324,644</u>	<u>9,324,644</u>	<u>904,001</u>
EXPENDITURES: Schedule C-2	<u>9,795,471</u>	<u>11,024,644</u>	<u>10,969,645</u>	<u>(1,174,174)</u>
Excess of Revenues Over (Under) Expenditures	433,174	(1,700,000)	(1,645,001)	2,078,175
OTHER FINANCING SOURCES (USES):				
Operating Transfer In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total Other Financing Sources	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	833,174	(1,300,000)	(1,245,001)	2,078,175
FUND BALANCE, June 30 2021	<u>2,243,278</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>943,278</u>
FUND BALANCE, June 30, 2022	<u>\$ 3,076,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,076,452</u>

DOUGLAS EDUCATION SERVICE DISTRICT

Budgetary Comparison of General Fund Expenditures
For the Year Ended June 30, 2022

	Salaries	Employees Benefits	Purchased Services	Supplies and Materials
INSTRUCTION:				
Regular Programs:				
Learning Centers - Complex Needs	\$ 177,071	\$ 102,224	\$ 8,293	\$ 1,207
Less Restrictive Programs for Students with Disabilities				
Remediation				
Treatment and Habilitation	186,098	96,903	5,195	7,599
Total Instruction	<u>363,170</u>	<u>199,128</u>	<u>13,488</u>	<u>8,807</u>
SUPPORT SERVICES:				
Students:				
Nursing Services	161,238	57,978	18,145	2,470
Other Health Services	-	-	-	-
Psychological Testing Services	30,516	18,890	203	-
Service Area Direction	-	-	-	-
Speech Pathology Services	1,381,442	743,900	479,587	99,507
Other Speech Pathology and Audiology Services	18,421	14,441	606	-
Other Student Treatment Services	301,831	72,900	114,053	518
Service Direction, Student Support Services	149,960	94,366	19,256	6,510
POI Coordinator	-	-	-	-
Total Students	<u>2,043,409</u>	<u>1,002,475</u>	<u>631,849</u>	<u>109,005</u>
Instructional Staff:				
Improvement of Instruction Services	129,387	78,866	49,350	2,060
Service Area Direction	82,938	36,994	12,553	30,640
Complex Needs Service	-	-	0	-
Educational Services - Other	-	-	11,392	-
Educational Media Services	-	-	0	-
Media Library	-	-	-	-
Instructional Staff Development	-	-	-	-
Total Instructional Staff	<u>212,325</u>	<u>115,860</u>	<u>73,295</u>	<u>32,700</u>
General Administration:				
Board of Education Services	-	-	22,738	10,039
Office of the Superintendent	180,560	144,513	31,935	11,328
Total General Administration	<u>180,560</u>	<u>144,513</u>	<u>54,673</u>	<u>21,367</u>
School Administration:				
Other support Services-School Administration				
Business:				
Direction of Business Support Services	-	-	-	-
Fiscal Services	523,120	238,827	53,187	5,221
Operations and Maintenance of Plant Services	-	-	-	-
Warehousing and Distributing Services	13,649	5,798	7,234	714
Printing, Publishing, and Duplication Services	-	-	-	-
Total Business	<u>536,769</u>	<u>244,625</u>	<u>60,421</u>	<u>5,935</u>
Central Activities:				
Information Technology	136,250	44,957	24,271	383
Office of the Superintendent	-	-	-	-
Staff Services	433,473	250,555	59,039	59,917
Technology Services	547,381	359,819	204,068	364,429
Records Management Services	-	-	-	-
Other Support Services-Central	-	-	-	-
Total Central Activities	<u>1,117,104</u>	<u>655,330</u>	<u>287,379</u>	<u>424,729</u>
Total Supporting Services	<u>4,090,166</u>	<u>2,162,802</u>	<u>1,107,617</u>	<u>593,736</u>
ENTERPRISE & COMMUNITY SERVICES:				
Community Services	-	-	674	-
Total Enterprise and Community Services	<u>-</u>	<u>-</u>	<u>674</u>	<u>-</u>
Other Financing Uses				
Operating Transfer Out	-	-	-	-
Apportionment of Funds by ESD	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CONTINGENCIES:				
Operating Contingency	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 4,453,336</u>	<u>\$ 2,361,930</u>	<u>\$ 1,121,779</u>	<u>\$ 602,542</u>

(1) Level of Budget Appropriation

Capital Outlay	Other	Transfers	Total Actual	Original Budget	Final Budget	Over (Under) Budget
\$ -	\$ -	-	\$ 288,795			
			-			
-	-	-	295,797			
-	-	-	584,592	645,122	\$ 695,122 (1)	\$ (110,530)
	419	-	240,250			
-	-	-	-			
-	-	-	49,609			
-	-	-	-			
-	4,081	-	2,708,516			
-	-	-	33,468			
-	-	-	489,302			
-	75	-	270,167			
-	-	-	-			
-	4,575	-	3,791,313			
-	25	-	259,687			
-	0	-	163,125			
-	-	-	-			
-	-	-	11,392			
-	-	-	-			
-	-	-	-			
-	25	-	434,204			
-	16,157	-	48,933			
-	23,126	-	391,462			
-	39,283	-	440,395			
-	-	-	-			
-	-	-	-			
-	(3,554)	-	816,801			
-	-	-	-			
-	-	-	27,394			
-	-	-	-			
-	(3,554)	-	844,195			
-	180	-	206,042			
-	-	-	-			
-	665	-	803,648			
-	-	-	1,475,697			
-	-	-	-			
-	845	-	2,485,387			
-	41,173	-	7,995,494	8,174,136	8,074,136	(78,642)
-	-	-	674	0	0 (1)	674
-	-	-	674	0	0	674
-	-	45,000	45,000	45,000	45,000	-
-	-	1,169,711	1,169,711	1,169,710	1,364,711	(195,000)
-	-	1,214,711	1,214,711	1,214,710	1,409,711	(195,000)
-	-	-	-	990,676	790,676	(790,676)
\$ -	\$ 41,173	\$ 1,214,711	\$ 9,795,471	\$ 11,024,644	\$ 10,969,645	\$ (1,174,174)

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the Grants Fund**

For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Tuition from Individuals	\$ 45,981			
Contributions from Donations & Private Sources	799,586			
Services Provided Other Funds	26,500			
Services Provided Other Local Education Agencies	683,442			
Miscellaneous Income	171,632			
Total Local Sources	<u>1,727,141</u>	<u>1,938,092</u>	<u>1,938,092</u>	<u>(210,951)</u>
Intermediate Sources:				
Other Intermediate Sources	253,455			
Restricted Revenue	0			
Assessment & Testing Other Governmental	857,098			
Total Intermediate Sources	<u>1,110,553</u>	<u>1,638,628</u>	<u>1,638,628</u>	<u>(528,075)</u>
State Sources:				
Other Restricted Grants In-aid	3,864,219			
Total State Sources	<u>3,864,219</u>	<u>5,926,594</u>	<u>5,926,594</u> (1)	<u>(2,062,375)</u>
Federal Sources:				
Restricted Revenue From the Federal Government Through the State	1,511,396			
Total Federal Sources	<u>1,511,396</u>	<u>4,225,340</u>	<u>4,225,340</u>	<u>(2,713,944)</u>
Total Revenues	<u>8,213,308</u>	<u>13,728,654</u>	<u>13,728,654</u>	<u>(5,515,346)</u>
EXPENDITURES: Schedule C-4	<u>21,467,639</u>	<u>32,706,733</u>	<u>32,780,320</u>	<u>(11,312,681)</u>
Excess of Revenues Over (Under) Expenditures	(13,254,331)	(18,978,079)	(18,978,079)	5,797,335
OTHER FINANCING SOURCES (USES):				
Operating Transfer In	13,584,425	14,401,359	14,401,359	(816,934)
Operating Transfer (Out)	-	-	-	-
Total Other Financing Sources	<u>13,584,425</u>	<u>14,401,359</u>	<u>14,401,359</u>	<u>(816,934)</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	330,094	(4,576,720)	(4,576,720)	4,980,401
FUND BALANCE, June 30 2021	<u>3,748,675</u>	<u>4,576,720</u>	<u>4,576,720</u>	<u>(828,045)</u>
FUND BALANCE, June 30, 2022	<u>\$ 4,078,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,152,356</u>
(1) Level of Budget Appropriation				

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison of Grants & Projects Fund Expenditures**

For the Year Ended June 30, 2022

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
INSTRUCTION:				
Special Programs:				
Early Intervention	\$ 6,254,554	\$ 3,554,789	\$ 2,071,016	\$ 157,867
Alternative Education	459,093	269,007	30,256	32,662
Designated Programs	82,595	50,426	1,184	9,800
Total Instruction	<u>6,796,242</u>	<u>3,874,222</u>	<u>2,102,456</u>	<u>200,329</u>
SUPPORT SERVICES:				
Students:				
Attendance & Social Work Services	190,209	75,672	13,237	13,064
Guidance Services	252,460	148,332	16,641	4,508
Health Services	174,695	97,789	2,781	24,085
Other Student Treatment Service	373,149	277,217	11,289	-
Service Direction	87,620	50,207	1,358	-
Total Students	<u>1,078,133</u>	<u>649,215</u>	<u>45,305</u>	<u>41,658</u>
Instructional Staff:				
Improvement of Instruction Services	232,739	114,307	453,798	127,048
Assessment and Testing	-	-	36	-
Instructional Staff Development	341,560	179,379	164,973	9,152
Total Instructional Staff	<u>574,298</u>	<u>293,686</u>	<u>618,807</u>	<u>136,200</u>
General Administration				
Office of Superintendent Services	-	-	-	1,935
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935</u>
Business & Operations:				
Operations & Maintenance	46,209	34,857	1,071	-
Total Business	<u>46,209</u>	<u>34,857</u>	<u>1,071</u>	<u>-</u>
Central Activities:				
Planning, Grant Writing Services	-	-	-	-
Administrators	104,670	54,417	3,365	25,171
Technology Services	83,877	31,558	2,467	507,532
Total Central Activities	<u>188,546</u>	<u>85,975</u>	<u>5,832</u>	<u>532,704</u>
Total Support Services	<u>1,887,186</u>	<u>1,063,733</u>	<u>671,015</u>	<u>712,496</u>
ENTERPRISE & COMMUNITY SERVICES:				
Community Services	<u>332,388</u>	<u>146,361</u>	<u>41,985</u>	<u>57,694</u>
TRANSFERS:				
Transfers of Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING CONTINGENCY				
Planned Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 9,015,816</u>	<u>\$ 5,084,316</u>	<u>\$ 2,815,456</u>	<u>\$ 970,519</u>
(1) Level of Budget Appropriation				

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Transfers</u>	<u>Total Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ 258,010	\$ 1,216,903		\$13,513,140			
-	71,130		862,147			
-	12,957		156,962			
<u>258,010</u>	<u>1,300,990</u>	<u>-</u>	<u>14,532,249</u>	<u>20,565,619</u>	<u>\$ 20,565,619</u>	<u>(1) \$ (6,033,370)</u>
	21,624		313,805			
-	113,549		535,489			
-	22,394	-	321,743			
-	-		661,655			
-	-		139,185			
<u>-</u>	<u>157,567</u>	<u>-</u>	<u>1,971,877</u>			
-	61,567		989,458			
-	-		36			
-	42,889		737,953			
<u>-</u>	<u>104,456</u>	<u>-</u>	<u>1,727,447</u>			
-	-	-	1,935			
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935</u>			
-	-		82,137			
<u>-</u>	<u>-</u>	<u>-</u>	<u>82,137</u>			
-	0		-			
-	-		187,623			
<u>1,317,217</u>	<u>2,576</u>		<u>1,945,227</u>			
<u>1,317,217</u>	<u>10,024</u>	<u>-</u>	<u>2,140,299</u>			
<u>1,317,217</u>	<u>272,047</u>	<u>-</u>	<u>5,923,694</u>	<u>10,055,592</u>	<u>10,474,941</u>	<u>(1) (4,551,247)</u>
-	33,269	-	611,696	980,539	980,539	(1) (368,843)
-	-	400,000	400,000	400,000	54,238	345,762
-	-	-	-	704,983	704,983	(1) (704,983)
<u>\$ 1,575,227</u>	<u>\$ 1,606,305</u>	<u>\$ 400,000</u>	<u>\$ 21,467,639</u>	<u>\$ 32,706,733</u>	<u>\$ 32,780,320</u>	<u>\$ (11,312,681)</u>

DOUGLAS EDUCATION SERVICE DISTRICT

Budgetary Comparison for the Regional EI/ECSE Fund

For the Year Ended June 30, 2022

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Other Objects</u>
REVENUES:					
Local Sources:					
Contributions from Donations & Private Sources					
Total Local Sources					
State Sources:					
Restricted Grants In-aid:					
Other State Grants					
EI/ECSE State					
Total State Sources					
Federal Sources:					
Restricted Through the State					
from Federal Government					
EI/ECSE Federal					
Total Federal Sources					
TOTAL REVENUES					
EXPENDITURES:					
Support Services:					
Instructional Staff:					
Improvement of Instructional Staff	<u>\$ 166,130</u>	<u>\$ 95,283</u>	<u>\$ 7,788</u>	<u>\$ -</u>	<u>\$ 24,228</u>
Excess of Revenues Over					
(Under) Expenditures					
OTHER FINANCING SOURCES:					
Operating Transfers (In)/Out					
Apportionment of Funds by ESD					
Total Other Financing Sources					
Excess of Revenues Over (Under) Expenditures					
and Other Financing Sources					
FUND BALANCE, June 30 2021					
FUND BALANCE, June 30, 2022					
(1) Level of Budget Appropriation					

<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,891,714	0	0	4,891,714
12,580,616	16,316,314	16,662,076	(4,081,460)
<u>17,472,330</u>	<u>16,316,314</u>	<u>16,662,076</u>	<u>810,254</u>
4,049,357	2,144,691	2,144,691	1,904,666
<u>4,049,357</u>	<u>2,144,691</u>	<u>2,144,691</u>	<u>1,904,666</u>
<u>21,521,687</u>	<u>18,461,005</u>	<u>18,806,767</u>	<u>2,714,920</u>
<u>293,429</u>	<u>270,003</u>	<u>270,003</u>	<u>23,426</u>
21,228,258	18,191,002	18,536,764	2,691,494
13,584,425	-	-	
5,177,649	-	-	
<u>18,762,074</u>	<u>18,191,002</u>	<u>18,536,764</u>	<u>(1) 225,310</u>
2,466,184	-	-	2,916,804
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,466,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,916,804</u>

DOUGLAS EDUCATION SERVICE DISTRICT

Budgetary Comparison for the Early Learning Hub Fund

For the Year Ended June 30, 2022

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
REVENUES:				
Local Sources:				
Tuition from Individuals				
Contributions from Donations & Private Sources				
Services Provided Other Local Education Agencies				
Miscellaneous Income				
Total Local Sources				
Intermediate Sources:				
Other Intermediate Sources				
State Sources:				
Restricted Grants In-aid:				
ELH/Pre-K State				
Healthy Families - Medicaid				
Total State Sources				
Federal Sources:				
Restricted Through the State				
from Federal Government				
EI/ECSE Federal				
EI/ECSE Federal - ARRA				
Total Federal Sources				
TOTAL REVENUES				
EXPENDITURES:				
Enterprise and Community Services:				
Community Services	<u>\$ 938,177</u>	<u>\$ 560,392</u>	<u>\$ 225,311</u>	<u>\$ 64,377</u>
Excess of Revenues Over (Under) Expenditures				
OPERATING CONTINGENCY				
Planned Reserve				
Excess of Revenues Over (Under) Expenditures and Other Financing Sources				
FUND BALANCE, June 30 2021				
FUND BALANCE, June 30, 2022				
(1) Level of Budget Appropriation				

Other Objects	Actual	Original Budget	Final Budget	Over (Under) Budget
	\$ 7,140			
	95,000		\$ -	
	-		-	
	48,222		-	
	<u>150,362</u>	<u>130,000</u>	<u>130,000</u>	<u>20,362</u>
	9,883			
	<u>9,883</u>			
	1,048,691	3,158,044	3,158,044	(2,109,353)
	<u>1,048,691</u>	<u>3,158,044</u>	<u>3,158,044</u>	<u>(2,109,353)</u>
	663,563	-	-	663,563
	<u>663,563</u>	<u>-</u>	<u>-</u>	<u>663,563</u>
	<u>1,872,499</u>	<u>3,288,044</u>	<u>3,288,044</u>	<u>(1,415,545)</u>
<u>\$ 133,551</u>	<u>1,921,808</u>	<u>3,578,094</u>	<u>4,328,789</u>	<u>(2,406,981)</u>
	(49,310)	(290,050)	(1,040,745)	991,435
	<u>-</u>	<u>35,479</u>	<u>35,479</u>	<u>-</u>
	(49,310)	(325,529)	(1,076,224)	991,435
	<u>379,389</u>	<u>325,529</u>	<u>325,529</u>	<u>53,860</u>
<u>\$</u>	<u>330,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,045,295</u>

DOUGLAS EDUCATION SERVICE DISTRICT

Budgetary Comparison for the Reimbursement Fund

For the Year Ended June 30, 2022

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>
REVENUES:						
Local Sources:						
Contributions from Donations & Private Sources						
Services Other Districts Within State						
Miscellaneous Revenue						
Total Local Sources						
EXPENDITURES:						
Support Services:						
Instructional Staff:						
Attendance and Social Work	-	-	-	-	-	-
Guidance Services	20,790	6,347	3,288	10	-	-
Nurse Services	302,425	160,756	38,240	50	-	419
Psychological Services	183,831	97,447	3,795	22,982	-	-
Other Student Treatment Services	431,579	284,486	29,064	5,030	-	-
Service Direction	446,255	128,998	-	-	-	-
Improvement of Instruction Services	9,512	6,184	183	-	-	-
Assessment and Testing	45,805	33,183	2,839	887	-	-
Total Support Services Expenditures	<u>1,440,198</u>	<u>717,400</u>	<u>77,410</u>	<u>28,959</u>	<u>-</u>	<u>419</u>
TOTAL EXPENDITURES	<u>\$ 1,440,198</u>	<u>\$ 717,400</u>	<u>\$ 77,410</u>	<u>\$ 28,959</u>	<u>\$ -</u>	<u>\$ 419</u>
Excess of Revenues Over (Under) Expenditures						
OPERATING CONTINGENCY						
Planned Reserve						
Excess of Revenues Over (Under) Expenditures and Other Financing Sources						
FUND BALANCE, June 30 2021						
FUND BALANCE, June 30, 2022						
(1) Level of Budget Appropriation						

<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ 394,000	\$ 179,000	\$ 179,000	\$ 215,000
2,017,689	3,637,110	3,994,610	(1,976,921)
593			
<u>2,412,281</u>	<u>3,816,110</u>	<u>4,173,610</u>	<u>(1,976,921)</u>
-			
30,435			
501,890			
308,055			
750,159			
575,253			
15,879			
<u>82,715</u>			
<u>2,264,386</u>	<u>3,834,211</u>	<u>4,191,711</u> (1)	<u>(1,927,326)</u>
<u>2,264,386</u>	<u>3,834,211</u>	<u>4,191,711</u> (1)	<u>(1,927,326)</u>
147,896	(18,101)	(18,101)	165,997
-	204,899	204,899	(204,899)
147,896	(223,000)	(223,000)	165,997
<u>647,741</u>	<u>223,000</u>	<u>223,000</u>	<u>424,741</u>
<u>\$ 795,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590,738</u>

DOUGLAS EDUCATION SERVICE DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Facility Maintenance Fund

For the Year Ended June 30, 2022

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Other Objects	Actual	Original & Final Budget	& Final Budget	Over (Under) Budget
REVENUES:									
Local Sources:									
Rentals						\$ 4,314	\$ 210,000		\$ (205,686)
Services Provided Other Funds						789,705	1,021,412		(231,707)
Total Local Sources						<u>794,019</u>	<u>1,231,412</u>	<u>1,231,412</u>	<u>(437,393)</u>
EXPENDITURES:									
Support Services:									
Building Acquisition, Construction, and Improvement	\$ 70,619	\$ 42,096	\$ 90,141	\$ 26,354	\$ 34,397	\$ 289,743			
Total Support Services	<u>70,619</u>	<u>42,096</u>	<u>90,141</u>	<u>26,354</u>	<u>34,397</u>	<u>289,743</u>	<u>489,367</u>	<u>489,367</u>	<u>(199,624)</u>
Total Expenditures	<u>\$ 70,619</u>	<u>\$ 42,096</u>	<u>\$ 90,141</u>	<u>\$ 26,354</u>	<u>\$ 34,397</u>	<u>289,743</u>	<u>489,367</u>	<u>489,367</u>	<u>(199,624)</u>
Excess of Revenues Over (Under) Expenditures						504,276	742,045	742,045	(237,769)
OTHER FINANCING SOURCES (USES):									
Operating Transfer Out						624,708	(624,708)	(624,708)	1,249,416
Operating Transfer In						(15,000)	15,000	15,000	(30,000)
Bond Proceeds						-	-	-	-
Total Other Financing Sources (Uses)						<u>609,708</u>	<u>(609,708)</u>	<u>(609,708)</u>	<u>1,249,416</u>
OPERATING CONTINGENCY Planned Reserve						-	242,337	242,337	242,337
Excess of Revenues Over (Under) Expenditures and Other Financing Sources						(105,432)	(110,000)	(110,000)	4,568
FUND BALANCE, June 30 2021						<u>530,219</u>	<u>110,000</u>	<u>110,000</u>	-
FUND BALANCE, June 30, 2022						<u>\$ 424,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,568</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICE DISTRICT

Schedules of Required Supplementary Information
Relating to the Oregon Public Employees Retirement System Net Pension Liability
For the Fiscal Year Ended June 30, 2022

Schedule of Proportionate Share of Net Pension Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPERS net pension liability (asset) - calculated	\$ 11,966,480,213	\$ 21,823,439,162	\$ 17,297,604,986	\$ 15,148,682,951	\$ 13,480,038,072	\$ 15,012,321,763	\$ 5,741,461,073	\$ (2,266,714,469)
District's proportion of the net pension liability (asset)	0.11831688%	0.11840406	0.12197299%	0.12231093%	0.11610577%	0.12406504%	0.13063936%	0.13516762%
District's proportionate share of the net pension liability (asset)	\$ 14,158,378	\$ 25,839,838	\$ 21,098,406	\$ 18,528,495	\$ 15,651,102	\$ 18,625,043	\$ 7,500,608	\$ (3,063,864)
District's PERS covered payroll	\$ 13,353,996	\$ 13,148,324	\$ 13,997,392	\$ 13,330,797	\$ 12,514,688	\$ 11,743,865	\$ 11,010,780	\$ 9,902,184
District's proportionate share of the net pension liability (asset) as a percentage of its PERS covered payroll	106.02%	196.53%	150.73%	138.99%	125.06%	158.59%	68.12%	-30.94%

Schedule of Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,081,737	\$ 3,420,927	\$ 3,135,839	\$ 2,485,065	\$ 2,214,942	\$ 1,356,199	\$ 1,197,777	\$ 1,316,707
Contributions in relation to the contractually required contribution	\$ (3,081,737)	\$ (3,420,927)	\$ (3,135,839)	\$ (2,485,065)	\$ (2,214,942)	\$ (1,356,199)	\$ (1,197,777)	\$ (1,316,707)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's PERS covered payroll	\$ 13,353,996	\$ 13,148,324	\$ 13,997,392	\$ 13,330,797	\$ 12,514,688	\$ 8,350,527	\$ 11,010,780	\$ 9,902,184
Contributions as a percentage of PERS covered payroll	23.08%	26.02%	22.40%	18.64%	17.70%	16.24%	\$0	NA

Note: The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available until a 10 year trend has been compiled.

DOUGLAS EDUCATION SERVICE DISTRICT**Required Supplementary Information****For the Fiscal Year Ended June 30, 2022****RHIA****Schedule C-10****SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll
2022	0.04699773 %	(161,390)	\$ 13,353,996	(1.2) %
2021	0.12197299	(242,215)	13,148,324	(1.8)
2020	0.11840406	(188,390)	13,997,392	(1.3)
2019	0.09419465	(105,147)	13,330,797	(0.8)
2018	0.09325436	(38,919)	12,514,688	(0.3)
2017	0.09125974	24,783	11,743,865	0.2

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

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

DOUGLAS EDUCATION SERVICES DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
FF & C Service Fund

For the Year Ended June 30, 2022

	Other Objects	Actual	Original & Final Budget	Over (Under) Budget
REVENUES:				
Local Sources				
Earnings on Investments		\$ -		\$ -
Recovery of Prior Years Expense		-		-
Services Provided Other Funds		-		-
Total Revenues		<u>-</u>	<u></u>	<u>-</u>
EXPENDITURES:				
Debt Service				
Debt Service - Principal	494,000	494,000	237,000	257,000
Debt Service - Interest	130,466	130,466	64,056	66,409
Total Debt Service	<u>624,466</u>	<u>624,466</u>	<u>301,056</u>	<u>(1) 323,409</u>
OTHER FINANCING SOURCES:				
Long Term Debt Financing				
Operating Transfers (In) Out		624,708	301,056	-
Apportionment of Funds by ESD		-		-
Total Other Financing Sources		<u>624,708</u>	<u></u>	<u></u>
Excess of Revenues Over (Under) Expenditures		242	-	-
FUND BALANCE, June 30 2021		<u>-</u>	<u></u>	<u>-</u>
FUND BALANCE, June 30, 2022		<u>\$ 242</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICES DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Debt Service Fund

For the Year Ended June 30, 2022

	<u>Purchased Services</u>	<u>Other Objects</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources					
Earnings on Investments			53	\$ -	\$ 53
Services Provided Other Funds			144,181	186,210	(42,029)
Total Revenues			<u>144,234</u>	<u>186,210</u>	<u>(41,976)</u>
EXPENDITURES:					
Debt Service					
Debt Service - Principal	\$ -	\$ 122,544	122,544		
Debt Service - Interest	-	416,867	416,867		
Debt Service - Professional Fees	<u>77,828</u>	<u>-</u>	<u>77,828</u>		
Total Debt Service	<u>77,828</u>	<u>539,411</u>	<u>617,239</u>	<u>539,411 (1)</u>	<u>77,828</u>
Excess of Revenues Over (Under) Expenditures			(473,004)	(353,201)	(119,803)
FUND BALANCE, June 30 2021			<u>819,295</u>	<u>841,800</u>	<u>(22,506)</u>
FUND BALANCE, June 30, 2022			<u>\$ 346,290</u>	<u>\$ 488,599</u>	<u>\$ (142,309)</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICE DISTRICT

Budgetary Comparison for the Capital Improvements Fund

For the Year Ended June 30, 2022

	<u>Salaries</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>
REVENUES:					
Local Sources:					
Contributions from Donations & Private Sources					
Services Other Districts Within State					
Total Local Sources					
TOTAL REVENUES					
EXPENDITURES:					
Facilities Acquisition and Construction					
Building Acquisitions & Construction	\$ -	\$ 98,877	\$ 72,976	\$ 4,344,085	\$ 14,604
TOTAL EXPENDITURES	\$ -	\$ 98,877	\$ 72,976	\$ 4,344,085	\$ 14,604
Excess of Revenues Over (Under) Expenditures					
OTHER FINANCING SOURCES:					
Long Term Debt Financing					
Operating Transfers (In) Out					
Apportionment of Funds by ESD					
Total Other Financing Sources					
OPERATING CONTINGENCY					
Planned Reserve					
Excess of Revenues Over (Under) Expenditures and Other Financing Sources					
FUND BALANCE, June 30 2021					
FUND BALANCE, June 30, 2022					
(1) Level of Budget Appropriation					

<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -
4,530,542	4,400,000	4,400,000	130,542
4,530,542	4,400,000	4,400,000 (1)	130,542
(4,530,542)	(4,400,000)	(4,400,000)	(130,542)
\$ -			\$ -
(500,000)	(500,000)	(500,000)	-
-	-	-	-
(500,000)	(500,000)	(500,000)	-
-	-	-	-
(4,030,542) #	(3,900,000) #	(4,900,000) #	(130,542)
4,103,687	3,900,000	3,900,000	203,687
\$ 73,145	\$ -	\$ (1,000,000)	\$ 73,145

DOUGLAS EDUCATION SERVICE DISTRICT

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

For the Year Ended June 30, 2022

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
REVENUES:				
Rental Income				
Services Provided Other Funds				
Miscellaneous Revenue				
Total Revenues				
EXPENDITURES:				
Printing, Publishing and				
Duplicating Services	<u>\$ 76,445</u>	<u>36,830</u>	<u>\$ 50,716</u>	<u>\$ 57,098</u>
Total Expenditures	<u>\$ 76,445</u>	<u>\$ 36,830</u>	<u>\$ 50,716</u>	<u>\$ 57,098</u>
Excess of Revenues Over (Under) Expenditures				
FUND BALANCE, June 30 2021				
FUND BALANCE, June 30, 2022				
(1) Level of Budget Appropriation				
Adjustment from budgetary basis to generally accepted accounting basis:				
Net Change in fund balances per above				61,535
Add: Capital Outlay				-
Contributed Capital				-
Less: Depreciation and Amortization				-
Net income as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position				<u>61,535</u>

Other Objects	Actual	Original & Final Budget	Over (Under) Budget
	\$ 53,230	\$ 30,000	\$ 23,230
	229,879	261,600	(31,721)
	-	-	-
	<u>283,109</u>	<u>291,600</u>	<u>(8,491)</u>
\$ 485	221,574	216,600 (1)	4,974
<u>\$ 485</u>	<u>221,574</u>	<u>216,600</u>	<u>4,974</u>
	61,535	75,000	(13,465)
	<u>(11,466)</u>	<u>(75,000)</u>	<u>63,534</u>
	<u>\$ 50,069</u>	<u>\$ -</u>	<u>\$ 50,069</u>

DOUGLAS EDUCATION SERVICE DISTRICTCombining Statement of Net Position
Internal Service Funds-By Fund Type

June 30, 2022

	Unemployment Fund	Early Retirement Fund	Computer Replacement Fund	Facility Reserve Fund	PERS Reserve Fund	Total Internal Service Funds
ASSETS						
Cash in General Checking	\$ 322,259	\$ 341,313	\$ 9,402	\$ 510,936	\$ -	\$ 1,183,910
Cash in State Pool	47,160	-	-	-	-	47,160
Account Receivable	-	247	-	-	-	247
Total Assets	<u>\$ 369,418</u>	<u>\$ 341,560</u>	<u>\$ 9,402</u>	<u>\$ 510,936</u>	<u>\$ -</u>	<u>\$ 1,231,317</u>
LIABILITIES & NET POSITION						
LIABILITIES:						
Accounts Payable	\$ -	(512)	\$ -	\$ -	\$ -	\$ (512)
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>(512)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(512)</u>
NET POSITION:						
Total Net Position	<u>369,419</u>	<u>342,072</u>	<u>9,402</u>	<u>510,936</u>	<u>(0)</u>	<u>1,231,829</u>
Total Liabilities & Net Position	<u>\$ 369,419</u>	<u>\$ 341,560</u>	<u>\$ 9,402</u>	<u>\$ 510,936</u>	<u>\$ (0)</u>	<u>\$ 1,231,317</u>

DOUGLAS EDUCATION SERVICE DISTRICTCombining Schedule of Revenues, Expenditures and Changes in Net Position
Internal Service Funds-By Fund Type

For the Year Ended June 30, 2022

	Unemployment Fund	Early Retirement Fund	Computer Replacement Fund	Facility Reserve Fund	PERS Reserve Fund	Total Internal Service Funds
REVENUES:						
Local Sources	\$ 122,761	\$ -	\$ 132,499	\$ -	\$ -	\$ 255,260
Total Revenues	<u>122,761</u>	<u>-</u>	<u>132,499</u>	<u>-</u>	<u>-</u>	<u>255,260</u>
EXPENDITURES:						
Fiscal Service	500	-	-	-	-	500
Internal Service	-	-	381,177	-	-	381,177
Other Fiscal Services	19,531	-	-	-	-	19,531
Capital Outlay	-	-	-	-	-	-
Supplemental Retirement Program	-	16,440	-	-	-	16,440
Total Expenditures	<u>20,031</u>	<u>16,440</u>	<u>381,177</u>	<u>-</u>	<u>-</u>	<u>417,648</u>
Excess of Receipts Over (Under) Expenditures	102,730	(16,440)	(248,678)	-	-	(162,388)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	186,176	-	-	30,000	-	216,176
Operating Transfer Out	-	-	-	(500,000)	(186,176)	(686,176)
Total Other Financing Sources	<u>186,176</u>	<u>-</u>	<u>-</u>	<u>(470,000)</u>	<u>(186,176)</u>	<u>(470,000)</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	288,906	(16,440)	(248,678)	(470,000)	(186,176)	(632,388)
NET POSITION, June 30, 2021	<u>80,512</u>	<u>358,512</u>	<u>258,080</u>	<u>980,936</u>	<u>186,176</u>	<u>1,864,216</u>
NET POSITION, June 30, 2022	<u>\$ 369,419</u>	<u>\$ 342,072</u>	<u>\$ 9,402</u>	<u>\$ 510,936</u>	<u>\$ (0)</u>	<u>\$ 1,231,829</u>

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the Unemployment Fund****For the Year Ended June 30, 2022**

	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources					
Services Provided Other Funds			\$ 122,761	\$ 186,210	\$ (63,449)
Total Revenues			<u>122,761</u>	<u>186,210</u>	<u>(63,449)</u>
EXPENDITURES:					
Internal Service					
Fiscal Services	\$ -	\$ 500	\$ 500		
Other Fiscal Services	19,531	-	19,531		
Total Expenditures	<u>\$ 19,531</u>	<u>\$ 500</u>	<u>20,031</u>	<u>402,500</u> (1)	<u>(382,469)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers in			186,176	186,176	-
Total Other Financing Sources			<u>186,176</u>	<u>186,176</u>	<u>-</u>
OPERATING CONTINGENCY					
Planned Reserve			-	69,886	(69,886)
Excess of Revenues Over (Under) Expenditures			288,906	(100,000)	388,906
NET POSITION, June 30 2021			<u>80,512</u>	<u>100,000</u>	<u>(19,488)</u>
NET POSITION, June 30, 2022			<u>\$ 369,419</u>	<u>\$ 0</u>	<u>\$ 369,418</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the Early Retirement Fund****For the Year Ended June 30, 2022**

	<u>Employee Benefits</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Total Revenues		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:				
Support Services				
Supplemental Retirement Program	16,440	\$ 16,440	35,000	\$ (18,560)
Total Expenditures	<u>\$ 16,440</u>	<u>16,440</u>	<u>35,000</u>	<u>(1) (18,560)</u>
OPERATING CONTINGENCY				
Planned Reserve		<u>-</u>	<u>300,000</u>	<u>(300,000)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In		<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources		<u>-</u>	<u>-</u>	<u>(1) -</u>
Excess of Revenues Over (Under) Expenditures		(16,440)	(335,000)	318,560
NET POSITION, June 30 2021		<u>358,512</u>	<u>335,000</u>	<u>23,512</u>
NET POSITION, June 30, 2022		<u>\$ 342,072</u>	<u>\$ -</u>	<u>\$ 342,072</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the Computer Replacement Fund**

For the Year Ended June 30, 2022

	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources				
Services Provided Other Funds		\$ 132,499	\$ 93,260	\$ 39,239
Total Revenues		<u>132,499</u>	<u>93,260</u>	<u>39,239</u>
EXPENDITURES:				
Support Services				
Internal Service	\$ 381,177	381,177	-	381,177
Total Expenditures	<u>\$ 381,177</u>	<u>381,177</u>	<u>-</u>	<u>(1) 381,177</u>
OPERATING CONTINGENCY				
Planned Reserve		-	93,260	(93,260)
Excess of Revenues Over (Under) Expenditures		(248,678)	-	(248,678)
NET POSITION, June 30 2021		<u>258,080</u>	<u>-</u>	<u>258,080</u>
NET POSITION, June 30, 2022		<u>\$ 9,402</u>	<u>\$ -</u>	<u>\$ 9,402</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the Facility Reserve Fund**

For the Year Ended June 30, 2022

	<u>Purchased Services</u>	<u>Supplies & Materials</u>	<u>Capital Outlay</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:						
Total Revenues				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:						
Building, Acquisition, and Construction						
Capital Outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>150,000</u>	<u>\$ (150,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>150,000</u> (1)	<u>(150,000)</u>
Excess of Revenues Over (Under) Expenditures				-	(150,000)	150,000
OTHER FINANCING SOURCES (USES):						
Operating Transfers In				30,000	30,000	-
Operating Transfer Out				(500,000)	(500,000)	
Total Other Financing Sources				<u>(470,000)</u>	<u>(470,000)</u> (1)	<u>-</u>
OPERATING CONTINGENCY						
Planned Reserve					<u>330,000</u>	<u>(830,000)</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources				(470,000)	(950,000)	480,000
NET POSITION, June 30 2021				<u>980,936</u>	<u>950,000</u>	<u>30,936</u>
NET POSITION, June 30, 2022				<u>\$ 510,936</u>	<u>\$ -</u>	<u>\$ 510,936</u>

(1) Level of Budget Appropriation

DOUGLAS EDUCATION SERVICE DISTRICT**Budgetary Comparison Schedule for the PERS Reserve Fund****For the Year Ended June 30, 2022**

	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:			
Local Sources			
Services Provided Other Funds	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES:			
Support Services	-	-	-
Staff Services - Other	-	-	(1) -
Excess of Revenues Over (Under) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	(186,176)	(186,176)	-
Total Other Financing Sources	(186,176)	(186,176)	(1) -
OPERATING CONTINGENCY			
Planned Reserve	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	(186,176)	(186,176)	-
NET POSITION, June 30 2021	186,176	186,176	-
NET POSITION, June 30, 2022	\$ (0)	\$ (0)	\$ -

(1) Level of Budget Appropriation

2021-22 DOUGLAS ESD AUDIT REVENUE SUMMARY

Revenue from Local Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$5,058,638						
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0					
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition		\$53,121					
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$43,173		\$53				
1600 Food Service							
1700 Extracurricular Activities							
1800 Community Services Activities							
1910 Rentals		\$4,314			\$53,230		
1920 Contributions and Donations From Private Sources	\$0	\$1,288,586					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies	\$1,475,914	\$2,701,131			\$229,879		
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$21,257						
1970 Services Provided Other Funds	\$243,868	\$816,205	\$144,181			\$255,260	
1980 Fees Charged to Grants	\$1,585,714						
1990 Miscellaneous	\$19,213	\$220,446					
Total Revenue from Local Sources	\$8,447,777	\$5,083,802	\$144,234	\$0	\$283,109	\$255,260	\$0
Revenue from Intermediate Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds							
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "R" Tax							
2199 Other Intermediate Sources	\$126,878	\$263,338					
2200 Restricted Revenue		\$0					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District		\$857,098					
Total Revenue from Intermediate Sources	\$126,878	\$1,120,435	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$1,632,659						
3102 State School Fund - School Lunch Match							
3103 Common School Fund							
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$10,931	\$0					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$10,400	\$9,804,624					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District		\$12,580,616					
Total Revenue from State Sources	\$1,653,990	\$22,385,240	\$0	\$0	\$0	\$0	\$0
Revenue from Federal Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State		\$6,224,315					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$0					
4801 Federal Forest Fees							
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District							
Total Revenue from Federal Sources	\$0	\$6,224,315	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources				\$0			
5200 Interfund Transfers	\$400,000	\$13,599,425	\$624,708	\$500,000		\$216,176	
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$2,243,278	\$5,306,025	\$819,295	\$4,103,687	-\$11,466	\$1,864,216	
Total Revenue from Other Sources	\$2,643,278	\$18,905,450	\$1,444,003	\$4,603,687	-\$11,466	\$2,080,392	\$0
Grand Totals	\$12,871,923	\$53,719,243	\$1,588,237	\$4,603,687	\$271,643	\$2,335,653	\$0

2021-22 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Schedule G-2

Fund: 100 General Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$288,795	\$177,071	\$102,224	\$8,293	\$1,207		\$0	
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0						
1260 Treatment and Habilitation	\$295,797	\$186,098	\$96,903	\$5,195	\$7,599			
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$584,592	\$363,170	\$199,128	\$13,488	\$8,807	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$240,250	\$161,238	\$57,978	\$18,145	\$2,470		\$419	
2140 Psychological Services	\$49,609	\$30,516	\$18,890	\$203				
2150 Speech Pathology and Audiology Services	\$2,741,984	\$1,399,863	\$758,341	\$480,193	\$99,507	\$0	\$4,081	
2160 Other Student Treatment Services	\$489,302	\$301,831	\$72,900	\$114,053	\$518			
2190 Service Direction, Student Support Services	\$270,167	\$149,960	\$94,368	\$19,256	\$6,510		\$75	
2210 Improvement of Instruction Services	\$434,204	\$212,325	\$115,860	\$73,295	\$32,700		\$25	
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0		\$0	
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0				\$0			
2310 Board of Education Services	\$48,933			\$22,738	\$10,039		\$16,157	
2320 Executive Administration Services	\$391,462	\$180,560	\$144,513	\$31,935	\$11,328		\$23,126	
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0				
2520 Fiscal Services	\$816,801	\$523,120	\$238,827	\$53,187	\$5,221	\$0	-\$3,554	
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0		\$0	
2550 Student Transportation Services	\$0							
2570 Internal Services	\$27,394	\$13,649	\$5,798	\$7,234	\$714			
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$208,042	\$136,250	\$44,957	\$24,271	\$383		\$180	
2640 Staff Services	\$803,648	\$433,473	\$250,555	\$59,039	\$59,917		\$665	
2660 Technology Services	\$1,475,697	\$547,381	\$359,819	\$204,068	\$364,429	\$0	\$0	
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0		\$0	
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0		\$0	
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$7,995,494	\$4,090,166	\$2,162,802	\$1,107,617	\$593,736	\$0	\$41,173	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$674			\$674				
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$674	\$0	\$0	\$674	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$45,000							\$45,000
5300 Apportionment of Funds by ESD	\$1,169,711							\$1,169,711
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$1,214,711	\$0	\$0	\$0	\$0	\$0	\$0	\$1,214,711
Grand Total	\$9,795,471	\$4,453,336	\$2,381,930	\$1,121,779	\$602,542	\$0	\$41,173	\$1,214,711

2021-22 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Schedule G-3

Fund: 200 Special Revenue Funds

Instructional Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0	\$0	\$0					
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$13,513,140	\$6,254,554	\$3,554,789	\$2,071,016	\$157,867	\$258,010	\$1,216,903	
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$862,147	\$459,093	\$269,007	\$30,256	\$32,662	\$0	\$71,130	
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$156,962	\$82,595	\$50,426	\$1,184	\$9,800		\$12,957	
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instructional Expenditures	\$14,532,249	\$6,796,242	\$3,874,222	\$2,102,456	\$200,329	\$258,010	\$1,300,990	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$313,805	\$190,209	\$75,872	\$13,237	\$13,064		\$21,624	
2120 Guidance Services	\$565,924	\$273,250	\$154,678	\$19,929	\$4,518		\$113,549	
2130 Health Services	\$823,633	\$477,120	\$258,544	\$41,021	\$24,136		\$22,813	
2140 Psychological Services	\$308,055	\$183,831	\$97,447	\$3,795	\$22,982			
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$1,411,814	\$804,728	\$561,703	\$40,353	\$5,030		\$0	
2190 Service Direction, Student Support Services	\$714,438	\$533,876	\$179,205	\$1,358	\$0	\$0	\$0	
2210 Improvement of Instruction Services	\$1,298,765	\$408,381	\$215,773	\$461,769	\$127,048	\$0	\$85,795	
2220 Educational Media Services	\$0			\$0			\$0	
2230 Assessment & Testing	\$82,751	\$45,805	\$33,183	\$2,875	\$887			
2240 Instructional Staff Development	\$737,953	\$341,560	\$179,379	\$164,973	\$9,152		\$42,889	
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$1,935				\$1,935			
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0	\$0	\$0	\$0				
2540 Operation and Maintenance of Plant Services	\$371,879	\$116,827	\$76,953	\$91,212	\$26,354	\$26,136	\$34,397	
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$7,448						\$7,448	
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0		\$0	
2630 Information Services	\$0	\$0	\$0	\$0	\$0			
2640 Staff Services	\$187,623	\$104,670	\$54,417	\$3,365	\$25,171			
2660 Technology Services	\$1,945,227	\$83,877	\$31,558	\$2,467	\$507,532	\$1,317,217	\$2,576	
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$8,771,251	\$3,564,133	\$1,918,512	\$846,353	\$767,809	\$1,343,353	\$331,090	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$2,533,504	\$1,270,565	\$706,753	\$267,296	\$122,071		\$166,820	\$0
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$2,533,504	\$1,270,565	\$706,753	\$267,296	\$122,071	\$0	\$166,820	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0						\$0	
5200 Transfers of Funds	\$14,609,133							\$14,609,133
5300 Apportionment of Funds by ESD	\$5,177,649							\$5,177,649
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$19,786,782	\$0	\$0	\$0	\$0	\$0	\$0	\$19,786,782
Grand Total	\$45,623,787	\$11,630,940	\$6,499,487	\$3,216,106	\$1,090,210	\$1,601,363	\$1,798,899	\$19,786,782

2021-22 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Schedule G-4

Fund: 300 Debt Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-8	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$1,241,704			\$77,828			\$1,163,876	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$1,241,704	\$0	\$0	\$77,828	\$0	\$0	\$1,163,876	\$0
Grand Total	\$1,241,704	\$0	\$0	\$77,828	\$0	\$0	\$1,163,876	\$0

2021-22 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Schedule G-5

Fund: 400 Capital Improvement Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2680 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$4,530,542	\$0	\$98,877	\$72,976	\$4,344,085	\$14,604	\$0	
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$4,530,542	\$0	\$98,877	\$72,976	\$4,344,085	\$14,604	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$4,530,542	\$0	\$98,877	\$72,976	\$4,344,085	\$14,604	\$0	\$0

2021-22 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Schedule G-6

Fund: 500 Enterprise Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1298 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$221,574	\$76,445	\$36,830	\$50,716	\$57,098		\$485	
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0	\$0	\$0	\$0	\$0			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$221,574	\$76,445	\$36,830	\$50,716	\$57,098	\$0	\$485	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$221,574	\$76,445	\$36,830	\$50,716	\$57,098	\$0	\$485	\$0

2021-22 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Schedule G-7

Fund: 600 Internal Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-8	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1280 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$20,031		\$19,531	\$500				
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$381,177				\$381,177			
2610 Direction of Central Support Services	\$0							
Planning, Research, Development, Evaluation Services, Grant								
2620 Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$16,440		\$16,440					
Total Support Services Expenditures	\$417,648	\$0	\$35,971	\$500	\$381,177	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0			\$0	\$0	\$0		
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$686,176							\$686,176
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$686,176	\$0	\$0	\$0	\$0	\$0	\$0	\$686,176
Grand Total	\$1,103,824	\$0	\$35,971	\$500	\$381,177	\$0	\$0	\$686,176

INDEPENDENT AUDITOR'S REPORT

REQUIRED BY OREGON STATE REGULATIONS



INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Douglas Education Service District
Roseburg, OR 97470

We have audited the basic financial statements of Douglas Education Service District, as of and for the year ended June 30, 2022, and have issued our report thereon dated December 28, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States,

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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 162-010-000 through 162-010-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 INTERNAL CONTROL

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

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

Restriction on Use

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

Neuner Davidson & Co

Jeffrey Cooley, CPA
Roseburg, Oregon
December 28, 2022

Single Audit Requirements



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

Board of Directors
Douglas Education Service District
1409 NE Diamond Lake Blvd #110
Roseburg, OR 97470

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas Education Service District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2022.

Internal Control over Financial Reporting

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

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

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

**Douglas Education Service District
GAS Report of Internal Control and Compliance**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas Education Service District's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance on 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 of the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Neuner Davidson & Co

Jeffrey Cooley, CPA
Roseburg, Oregon
December 28, 2022



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

Board of Directors
Douglas Education Service District
1409 NE Diamond Lake Blvd #110
Roseburg, OR 97470

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Douglas Education Service 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 Douglas Education Service District's major federal programs for the year ended June 30, 2022. Douglas Education Service 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, Douglas Education Service 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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Douglas Education Service 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 Douglas Education Service 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 Douglas Education Service 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

Douglas Education Service District Independent Auditor's Report on Compliance

requirements referred to above occurred, whether due to fraud or error, and express an opinion on Douglas Education Service 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 intention. 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 intention 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 Douglas Education Service 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 Douglas Education Service 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 Douglas Education Service 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 Douglas Education Service District 's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

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

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

Douglas Education Service District
Independent Auditor's Report on Compliance

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.

Neuner Davidson & Co
Roseburg, Oregon
December 28, 2022

DOUGLAS EDUCATION SERVICE DISTRICT

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Organization	Federal CFDA Number	Grant Period		ODE Grant #	Grant Amount	2021-22 Revenues	2021-22 Expenditures
			Beginning	Ending				
SPECIAL EDUCATION CLUSTER (IDEA)								
<u>U.S. Department of Education</u>								
Services for Orthopedic Imp	Oregon Dept of Education	84.027	7/1/21	6/30/23	21980	200,000	88,233	88,233
Oregon Technology Access Program	Oregon Dept of Education	84.027	7/1/21	6/30/23	21962	209,044	158,718	158,718
Passed through Douglas ESD as contracts to other agencies:								
Special Education	Oregon Dept of Education	84.027	7/1/20	6/30/21		2,365,465	2,365,465	2,365,465
Special Education-Preschool Grants	Oregon Dept of Education	84.173	7/1/20	6/30/21		474,633	474,633	474,633
Total Special Education Cluster (IDEA)							3,087,049	3,087,049
OTHER PROGRAMS								
<u>U.S. Department of Education</u>								
Youth Transition Program Revenue	Oregon Dept of Education	84.126A	7/1/21	6/30/23	160711 A1	467,521	260,651	260,651
DHS Voc Rehab	Oregon Dept of Education	84.126	7/1/21	6/30/23			127,073	127,073
Title 1 N&D - LTCT	Oregon Dept of Education	84.013	7/1/19	6/30/21				
Perkins Reserve Fund 20-21	Oregon Dept of Education	84.048	7/1/20	9/30/21	57615	58,143	11,964	11,964
Perkins Basic Fund 20-21	Oregon Dept of Education	84.048	7/1/20	9/30/21	57585	99,860	3,827	3,827
Perkins Reserve Fund 21-22	Oregon Dept of Education	84.048	7/1/21	9/30/22	66183	149,467	53,084	53,084
Perkins Basic Fund 21-22	Oregon Dept of Education	84.048	7/1/19	9/30/20	66139	94,057	94,057	94,057
ESSER II	Oregon Dept of Education	84.425D	3/13/20	11/14/23	65021	1,189,121	426,547	426,547
Passed through Douglas ESD as contracts to other agencies:								
Federal IDEA, Spec Purpose Funds, Part C	Oregon Dept of Education	84.181	7/1/21	6/30/22		1,209,258	1,209,258	1,209,258
Total U.S. Department of Education							2,186,461	2,186,461
<u>U.S. Department of Federal Highway Administration</u>								
Passed Through ODOT Transportation Safety Division								
Safe Routes to School		20.205	10/1/19	9/1/22	101-6825	244,995	57,076	57,076
<u>U.S. Department of Health and Human Services</u>								
Passed Through State Department of Education:								
ESSA Preschool Development Grant	Oregon Dept of Education	94.434	7/1/21	6/30/22	66174	52,000	52,000	52,000
Child Care CCDF	Oregon Dept of Education	93.575	7/1/21	6/30/23	68041	553,129	548,266	548,266
Title IV-B2 Family Pres & Support Hubs	Oregon Dept of Education	93.556	10/1/21	6/30/23	70552	37,455	7,366	7,366
Title IV-B2 Family Pres & Support Hubs	Oregon Dept of Education	93.556	10/1/21	6/30/23	69049	10,431	10,431	10,431
Title IV-B2 Family Pres & Support Hubs	Oregon Dept of Education	93.556	10/1/21	6/30/23	69065	9,498	9,498	9,498
Title IV-B2 Family Pres & Support Hubs	Oregon Dept of Education	93.556	10/1/21	9/30/23	70536	41,133	36,002	36,002
Total U.S. Department of Health and Human Services							663,563	663,563
Total Other Programs							2,907,100	2,907,100
TOTAL FEDERAL ASSISTANCE							\$ 5,994,149	\$ 5,994,149

Note: Total does not reflect \$230,166 Medicaid K-12 school based health service reimbursements coded as federal source in budgetary funds for state reporting requirements.

Douglas Education Service District

Notes to Schedule of Expenditures of Federal Awards June 30, 2022

Note 1. **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Douglas Education Service District and is presented on the modified accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. **Sub-recipients**

Of the federal expenditures presented in the schedule, Douglas Education Service District provided no federal awards to sub-recipients.

Douglas Education Service District
Auditors Comments
For the Fiscal Year ended June 30, 2022

Summary of the Auditor's Results

The audit report issued December 28, 2022, on the general purpose financial statements of Douglas Education Service District as of and for the year ended June 30, 2022, was an unqualified opinion. The audit did not disclose any reportable conditions in internal control for either major or nonmajor programs, nor did the audit disclose any noncompliance which may be material to the financial statements. The audit report on compliance for major programs was an unqualified opinion. There were no audit findings required to be reported in accordance with 2 CFR section 200.216(a).

The major programs identified by Douglas Education Service District were:

Special Education – Cluster – Idea 84.027, 84.173

The threshold used to distinguish between Type A and Type B programs was \$750,000. The District did qualify as a low-risk auditee under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Findings required to be reported in accordance with generally accepted government auditing standards (GAGAS):

No Findings.

Findings and questioned costs for Federal awards:

Current Year:

No Findings or Questioned Costs.

Summary Schedule of Prior Audit Findings:

No Findings or Questioned Costs

Other Supplementary Information

SUPPLEMENTAL INFORMATION, 2021-2022

School District Business Managers and Auditors:

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

Parts A is needed for computing Oregon's full allocation for ESEA, Title I & other Federal Funds for Education.

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

Objects 325 & 326	
Function 2540	\$ 20,246
Function 2550	\$ 0

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

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

\$ 0