

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

**WITH
INDEPENDENT AUDITOR'S REPORTS**



Certified Public Accountants, LLP
audit | tax | advisory | wealth management | cfo

**EAGLE POINT SCHOOL DISTRICT NO. 9
Eagle Point, Oregon
June 30, 2021**

BOARD OF DIRECTORS AS OF JUNE 30, 2021

Dan Hodges	Board Chair
Tony Lallo	Board Vice Chair
Nita Lundberg	Member
Emily Mcintire	Member
Dianne Mihocko	Member

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

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

ADMINISTRATIVE STAFF AS OF JUNE 30, 2021

Andrew Kovach	Superintendent
Scott Whitman	Business Manager

EAGLE POINT SCHOOL DISTRICT NO. 9
Eagle Point, Oregon
Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eagle Point School District No. 9 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the District as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund and Major Special Revenue Fund budgetary comparison information, certain other postemployment benefit schedules, and certain pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 applied certain limited procedures to Management's Discussion and Analysis, certain other postemployment benefit schedules, and certain pension schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund and Major Special Revenue Fund budgetary comparison information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund and Major Special Revenue Fund budgetary comparison information are fairly stated in all material aspects, in relation to the basic financial statements as a whole.

Other Supplementary Information

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

The other supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the other supplementary information, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards* and Oregon State Regulations

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2021 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

In accordance with Oregon State Regulation, we have also issued our report dated December 17, 2021 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 17, 2021

EAGLE POINT SCHOOL DISTRICT NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

As management of Eagle Point School District No. 9 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the accompanying notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- In the **government-wide statements**, the assets of the District exceeded its liabilities at June 30, 2021 by \$14.80 million. Of this amount, \$43.85 million is invested in capital assets, \$170 thousand is restricted for debt service, \$1.03 million is restricted for food service, and the negative balance of \$30.25 million, is unrestricted. The majority of this unrestricted negative amount is associated with the District's pension liability of \$49.28 million.
- In the **government-wide statements**, net position increased by \$324 thousand at June 30, 2021.
- In the **government-wide statements**, capital assets decreased by \$390 thousand during the 2021 fiscal year. This decrease is mainly attributed to annual depreciation expense.
- At the end of the fiscal year, fund balance for all **governmental funds** was \$9.83 million, an increase of \$2.40 million (32.24%) in comparison to the prior year. Approximately \$7.10 million of this overall fund balance is unassigned fund balance, available for spending at the District's discretion.
- At the end of the fiscal year, unassigned fund balance for the **General Fund** was \$7.18 million, up from \$4.21 million in the prior year, an increase of 70.70%. Fund balance in the General Fund represents about 17.56% of total General Fund revenues, up from 12.55% in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$14.80 million at June 30, 2021.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 74.62% of total assets. The remaining assets consist mainly of investments, cash, prepaid expenses, and grants, property taxes receivable and OPEB asset.

The District's liabilities include the PERS pension liability and other actuarially determined post-employment benefits of \$53.33 million. Outside of these actuarial disclosure amounts, the largest liability is for the payment of capital leases representing 2.96% of the District's total liabilities. Other liabilities consist almost entirely of payables on accounts.

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

Changes in Net Position for the fiscal years ended June 30, 2021 and 2020 Governmental Activities

	June 30, 2021	June 30, 2020	Increase/(Decrease)
Current assets	\$ 14,857,738	\$ 11,496,133	\$ 3,361,605
Net OPEB asset	657,465	352,964	304,501
Net capital assets	45,614,181	46,004,158	(389,977)
Total assets	61,129,384	57,853,255	3,276,129
Deferred outflow of resources	18,371,094	15,446,093	2,925,001
Current liabilities	5,273,027	7,599,179	(2,326,152)
Net pension liability & OPEB	53,330,845	46,190,794	7,140,051
Long-term obligations	1,101,513	98,341	1,003,172
Total liabilities	59,705,385	53,888,314	5,817,071
Deferred inflow of resources	4,994,170	4,934,048	60,122
Net position:			
Net investment in capital assets	43,848,031	41,692,728	2,155,303
Restricted for education grants	-	97,382	(97,382)
Restricted for debt service	169,879	486,965	(317,086)
Restricted for food service	1,029,232	325,634	703,598
Unrestricted	(30,246,219)	(28,125,723)	(2,120,496)
Total Net Position	\$ 14,800,923	\$ 14,476,986	\$ 323,937

Statement of Activities. As previously stated, all District activities are governmental in nature. During the 2020-21 fiscal year, the District's net position increased by about \$324 thousand, which is an annual increase of approximately \$1.30 million more than the prior year.

Changes in Statement of Activities
for the fiscal years ended June 30, 2021 and 2020
Governmental Activities

	June 30, 2021	June 30, 2020	Increase/(Decrease)
Program Revenues			
Charges for Services	\$ 245,239	\$ 680,298	\$ (435,059)
Operating Grants and Contributions	7,873,385	4,744,478	3,128,907
General Revenues			
Property Taxes	14,718,899	14,317,073	401,826
State School Fund	32,344,443	31,295,858	1,048,585
Other State, Local, and Federal Sources	1,361,271	1,508,002	(146,731)
Earnings on Investments	108,235	269,952	(161,717)
Contributions and Miscellaneous	243,455	699,183	(455,728)
Total Revenues	56,894,927	53,514,844	3,380,083
Expenses			
Instruction	33,232,612	30,966,594	2,266,018
Support Services	21,308,798	21,238,744	70,054
Community Services	1,833,955	1,912,746	(78,791)
Facilities Acquisition	6,242	-	-
Interest on Long-Term Debt	189,383	370,600	(181,217)
Total Expenses	56,570,990	54,488,684	2,076,064
Change in Net Position	<u>\$ 323,937</u>	<u>\$ (973,840)</u>	<u>\$ 1,304,019</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS MD&A

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

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

At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$9.83 million, an increase of about \$2.40 million in comparison with the prior year. About \$7.18 million (73.05%) of the ending fund balance constitutes *unassigned ending fund balance*, which is available for spending at the District's discretion. \$66 thousand is restricted for debt service obligations.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2021, total fund balance was \$8.11 million, up from \$5.63 million in the prior year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 17.88% of total General Fund expenditures. The General Fund made transfers during the year of \$20.26 thousand to the Food Services Fund to supplement operations. The District has managed its general operations over the current and prior years to bring expenditure levels more closely in line with projected on-going state and federal resources in an attempt to avoid large fluctuations in fund balance.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of \$1.65 million, all of which is designated for the specific purposes of the various federal and state grants and other programs accounted for in this fund.

Debt Service Fund: The Debt Service Fund has a total fund balance of \$66 thousand, all of which is restricted for debt service. The net decrease in fund balance during the current fiscal year was \$421 thousand. This fund incurs no expenditures other than debt service payments.

BUDGETARY ACTIVITY

During the fiscal year ended June 30, 2021, adopted, final, budgetary activity amounts are as follows:

	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Change</u>
General Fund				
Instruction	\$ 29,192,006	\$ 29,192,006	\$ 27,654,279	\$ 1,537,727
Support Services	17,426,994	17,421,994	17,199,132	222,862
Debt Service	518,500	518,500	518,452	48
Facilities Acquisition	100,000	100,000	-	100,000
Transfers	20,000	25,000	20,263	4,737
Contingency	1,500,000	1,500,000	-	1,500,000
Total	\$ 48,757,500	\$ 48,757,500	\$ 45,392,126	\$ 3,365,374
	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Change</u>
Special Revenue Fund				
Instruction	\$ 3,750,000	\$ 3,750,000	\$ 1,954,171	\$ 1,795,829
Support Services	3,530,000	3,530,000	3,508,949	21,051
Community Services	2,506,500	2,506,500	1,530,661	975,839
Facilities Acquisition	880,000	880,000	590,604	289,396
Contingency	50,000	50,000	-	50,000
Total	\$ 10,716,500	\$ 10,716,500	\$ 7,584,385	\$ 3,132,115
	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Change</u>
Debt Service Fund				
Debt Service	\$ 3,755,800	\$ 3,755,800	\$ 3,755,800	\$ -
Total	\$ 3,755,800	\$ 3,755,800	\$ 3,755,800	\$ -
	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Change</u>
Trust and Agency Fund				
Community Services	\$ 300,000	\$ 300,000	\$ 116,986	\$ 183,014
Total	\$ 300,000	\$ 300,000	\$ 116,986	\$ 183,014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, and vehicles and equipment. As of June 30, 2021, the District had invested about \$45.6 million in capital assets, net of depreciation.

Additional information on the District's capital assets can be found on page 18 in the Notes to the Financial Statements.

Long-term debt. At the end of the current fiscal year, the District had no bonded debt outstanding, compared to about \$3.56 million in the prior year, consisting of general obligation debt net of unamortized premium/discount and interest on advanced refunding. The District has capital lease amounts due of \$1.77 million.

During the current year, the District's total bonded debt decreased by \$2.93 million, a result of current year principal payments made. The District maintains an "Aa1" rating from Moody's Investor Service for general obligation bonded debt based on the Oregon School Bond Guaranty Program with an underlying rating of "A1".

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95% of real market value of all taxable property within its district. The current debt limitation for the District is over \$200 million, which is significantly in excess of the District's outstanding general obligation debts.

Additional information on the District's long-term debt can be found beginning on page 19 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District will continue to monitor costs and projections to match expenditure levels to on-going revenues. Cost cutting and savings measures are always considered to maintain this commitment. The budgeting process for 2022-23 and future years takes projected funding levels into account when establishing and maintaining staffing levels, programs and activities for the District. The District is currently monitoring the impact of COVID-19 pandemic as it relates to state budget forecasting. The District believes it is well positioned to operate under the funding scenarios currently being considered.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**EAGLE POINT SCHOOL DISTRICT NO. 9
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
ASSETS:	
Cash and investments	\$ 10,706,922
Receivables	3,216,371
Prepaid expenses	934,445
Other post employment benefit (RHIA)	657,465
Capital assets, net	
Land	1,921,184
Construction in progress	74,564
Buildings and improvements	39,366,767
Machinery, equipment and vehicles	4,251,666
	<u>61,129,384</u>
TOTAL ASSETS	61,129,384
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pension (OPERS)	18,043,188
Deferred outflows related to other post employment benefits (medical subsidy)	250,903
Deferred outflows related to other post employment benefits (RHIA)	77,003
	<u>18,371,094</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	18,371,094
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	79,500,478
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
LIABILITIES:	
Accounts payable	768,745
Accrued payroll liabilities	2,930,371
Accrued interest payable	7,320
Unearned revenue	856,513
Accrued compensated absences payable	45,441
Other post employment benefit obligation (medical subsidy) (due in more than one year)	4,033,772
Early retirement stipend pension plan obligation (due in more than one year)	14,873
Net pension liability (OPERS) (due in more than one year)	49,282,200
Capital lease payable	
Due within one year	664,637
Due in more than one year	1,101,513
	<u>59,705,385</u>
TOTAL LIABILITIES	59,705,385
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pension (OPERS)	3,605,150
Deferred inflows related to other post employment benefits (medical subsidy)	1,144,069
Deferred inflows related to other post employment benefits (RHIA)	244,951
	<u>4,994,170</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	4,994,170
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	64,699,555
NET POSITION:	
Net investment in capital assets	43,848,031
Restricted for debt service	169,879
Restricted for food service	1,029,232
Unrestricted	(30,246,219)
	<u>14,800,923</u>
TOTAL NET POSITION	\$ 14,800,923

**EAGLE POINT SCHOOL DISTRICT NO. 9
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 33,232,612	\$ 168,620	\$ 2,214,978	\$ (30,849,014)
Supporting services	21,308,798	35,901	3,696,005	(17,576,892)
Community services	1,833,955	40,718	1,948,542	155,305
Facilities acquisition	6,242	-	13,860	7,618
Interest expense	189,383	-	-	(189,383)
Total government activities	\$ 56,570,990	\$ 245,239	\$ 7,873,385	(48,452,366)

General revenues:

Property taxes levied for general purposes	11,491,787
Property taxes levied for debt service	3,227,112
State school fund - general support	32,344,443
Common school fund	413,055
Federal forest fees	40,723
Unrestricted state and local sources	907,493
Earnings on investments	108,235
Gain/(Loss) on sale of assets	(63,443)
Contributions and donations	4,244
Miscellaneous	302,654
Total general revenues	48,776,303

CHANGE IN NET POSITION 323,937

NET POSITION - July 1, 2020 14,476,986

NET POSITION - June 30, 2021 \$ 14,800,923

FUND FINANCIAL STATEMENTS

**EAGLE POINT SCHOOL DISTRICT NO. 9
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Total
ASSETS:				
Cash and investments	\$ 9,263,614	\$ 1,424,651	\$ 18,657	\$ 10,706,922
Receivables	1,182,087	1,883,062	151,222	3,216,371
Prepays	934,445	-	-	934,445
TOTAL ASSETS	\$ 11,380,146	\$ 3,307,713	\$ 169,879	\$ 14,857,738
LIABILITIES:				
Accounts payable	\$ 214,574	\$ 554,171	\$ -	\$ 768,745
Accrued payroll liabilities	2,682,531	247,840	-	2,930,371
Unearned revenue	-	856,513	-	856,513
TOTAL LIABILITIES	2,897,105	1,658,524	-	4,555,629
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	369,227	-	104,201	473,428
TOTAL DEFERRED INFLOWS OF RESOURCES	369,227	-	104,201	473,428
Fund Balances:				
Nonspendable				
Prepaid expense	934,445	-	-	934,445
Restricted				
Debt service	-	-	65,678	65,678
Food service	-	1,029,232	-	1,029,232
Committed				
Food service	-	-	-	-
Assigned				
Technology	-	188,146	-	188,146
Energy conservation-SB 1149	-	333,252	-	333,252
Other student programs	-	176,642	-	176,642
Unassigned	7,179,369	(78,083)	-	7,101,286
TOTAL FUND BALANCES	8,113,814	1,649,189	65,678	9,828,681
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 11,380,146	\$ 3,307,713	\$ 169,879	\$ 14,857,738

**EAGLE POINT SCHOOL DISTRICT NO. 9
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2021**

TOTAL FUND BALANCES		\$	9,828,681
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	78,234,956	
Accumulated depreciation		<u>(32,620,775)</u>	45,614,181
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.			473,428
The other post employment benefit asset (RHIA) is not reported with the governmental funds as it is not available nor payable currently.			657,465
The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available payable currently.			13,376,924
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:			
Accrued interest payable	\$	(7,320)	
Capital lease payable		(1,766,150)	
Pension liability (Stipend)		(14,873)	
Pension liability (OPERS)		(49,282,200)	
Other post employment obligation benefits (medical subsidy)		(4,033,772)	
Compensated absences payable		<u>(45,441)</u>	<u>(55,149,756)</u>
TOTAL NET POSITION			\$ <u>14,800,923</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total
REVENUES				
Property taxes and other taxes	\$ 11,693,383	\$ -	\$ 3,322,770	\$ 15,016,153
Intergovernmental	33,912,662	7,614,268	-	41,526,930
Charges for services	389,542	40,718	-	430,260
Local grants and contributions	5,668	50,744	-	56,412
Investment earnings	96,215	277	11,743	108,235
Miscellaneous	114,410	188,244	-	302,654
TOTAL REVENUES	46,211,880	7,894,251	3,334,513	57,440,644
EXPENDITURES				
Current				
Instruction	27,654,279	1,954,171	-	29,608,450
Support services	17,199,132	3,508,949	-	20,708,081
Enterprise and community services	-	1,530,661	-	1,530,661
Facilities acquisition	-	590,604	-	590,604
Debt service	518,452	-	3,755,800	4,274,252
TOTAL EXPENDITURES	45,371,863	7,584,385	3,755,800	56,712,048
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	840,017	309,866	(421,287)	728,596
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	1,667,809	-	-	1,667,809
Transfers in/(out)	(20,263)	20,263	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,647,546	20,263	-	1,667,809
NET CHANGE IN FUND BALANCE	2,487,563	330,129	(421,287)	2,396,405
FUND BALANCE, July 1, 2020	5,626,251	1,319,060	486,965	7,432,276
FUND BALANCE, June 30, 2021	\$ 8,113,814	\$ 1,649,189	\$ 65,678	\$ 9,828,681

**EAGLE POINT SCHOOL DISTRICT NO. 9
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

NET CHANGE IN FUND BALANCE	\$	2,396,405
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:</p>		
Expenditures for capital assets	\$ 2,611,272	
Less current year depreciation	<u>(2,937,806)</u>	(326,534)
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount of repayments:</p>		
Capital lease repayments	\$ 641,845	
Debt principal repaid	<u>3,560,000</u>	4,201,845
<p>Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:</p>		
Amortization of premium (discount)	\$ 33,876	
Amortization of interest on advance refunding	<u>(22,632)</u>	11,244
<p>Governmental funds report the proceeds from long term debt financing as income, while in the Statement of Activities the proceeds are eliminated and included in the Statement of Net Position as a liability.</p>		
		(1,667,809)
<p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due. This is the amount by which the interest paid exceeded the interest expense.</p>		
Interest paid	\$ 221,466	
Less: Interest expense	<u>(200,626)</u>	20,840
<p>Governmental funds report proceeds from the sale of capital assets as revenue. However, only the net gain (loss) on the sale is reported in the Statement of Activities.</p>		
Cost basis of assets sold	\$ (368,690)	
Accumulated depreciation	<u>305,247</u>	(63,443)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		(297,254)
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.</p>		
		(3,317)
<p>The change in the net post employment benefit obligation (OPEB) RHIA is not recognized in the governmental funds</p>		
		182,499
<p>The change in the net post employment benefit obligation (OPEB) (medical subsidy) is not recognized in the governmental funds.</p>		
		81,419
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. (OPERS and stipend)</p>		
		<u>(4,211,958)</u>
CHANGE IN NET POSITION	\$	<u>323,937</u>

**EAGLE POINT SCHOOL DISTRICT NO. 9
 STATEMENT OF NET POSITION
 FIDUCIARY FUND
 YEAR ENDED JUNE 30, 2021**

	Private Purpose Trust Fund
	<u> </u>
ASSETS:	
Cash and investments	\$ 156,942
	<u> </u>
TOTAL ASSETS	<u>156,942</u>
NET POSITION:	
Held in trust for:	
Scholarships	156,942
	<u> </u>
TOTAL NET POSITION	<u>\$ 156,942</u>

**EAGLE POINT SCHOOL DISTRICT NO. 9
STATEMENT OF CHANGE IN NET POSITION
FIDUCIARY FUND
FISCAL YEAR ENDED JUNE 30, 2021**

	Private Purpose Trust Fund
	<u> </u>
ADDITIONS:	
Donations	\$ 127,827
	<u> </u>
TOTAL ADDITIONS	127,827
	<u> </u>
DEDUCTIONS:	
Community services	<u> 116,986</u>
	<u> </u>
TOTAL DEDUCTIONS	116,986
	<u> </u>
CHANGE IN NET POSITION	10,841
	<u> </u>
NET POSITION, July 1, 2020	146,101
	<u> </u>
NET POSITION, June 30, 2021	\$ 156,942
	<u> </u>

NOTES TO BASIC FINANCIAL STATEMENTS

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

Eagle Point School District No. 9 (the District), Eagle Point, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by accounting principles generally accepted in the United States of America (GAAP), all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

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

Basis of Presentation

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

There are stated minimum criteria for the determination of major funds: percentage of assets, liabilities, revenues or expenditures/expenses among others. The District reports the following major governmental funds:

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

General Fund – This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund and includes the District's athletic activity and Student Body fundraising activities.

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

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

Additionally, the District reports the following fund type:

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

Measurement Focus and Basis of Accounting

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

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

Cash and Investments

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

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Investments (continued)

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

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

Property Taxes Receivable

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

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

Accounts and Other Receivables

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

Grants

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

Capital Assets

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

Buildings and Improvements	10 to 50 years
Machinery/Equipment/Vehicles	3 to 30 years

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Retirement Plan

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

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

Post-Employment Health Care Benefits

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

Compensated Absences

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The District has two types of deferred inflows. One arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue related to property taxes, is reported only in the governmental funds balance sheet.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Long-term Debt

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

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

Net Position and Fund Balances

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

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

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

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

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

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

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

Committed – Includes items committed by the District's Board of Directors, by formal board action.

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

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

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

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Interfund Transactions

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

Budget

A budget is prepared and legally adopted for each governmental fund type and fiduciary fund type on the modified accrual basis of accounting. The budgetary basis of accounting is different than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary and GAAP basis of accounting are that capital outlay and other long-term assets, and debt principal and other long-term liabilities, are included as budgeted expenditures in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

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

During the fiscal year ended June 30, 2021, the District was in compliance with Local Budget Law.

Use of Estimates

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

Adoption of New GASB Pronouncement

During the fiscal year ended June 30, 2021, the District implemented the following GASB Pronouncement.

GASB Statement No. 84, *Fiduciary Activities*. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. The implementation of this pronouncement had no effect on the District's net position.

GASB Statement No. 90, *Majority Equity Interests*. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the District for fiscal year ending June 30, 2021. The implementation of this pronouncement had no effect on the District's net position.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2021:

GASB Statement No. 87, *Leases*. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2022.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for fiscal year ending June 30, 2022.

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

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District 's financial statements.

Note 2 – Cash and Investments

Cash and investments are comprised of the following as of June 30, 2021:

Petty cash	\$ 1,201
Carrying amount of demand deposits	2,746,780
Carrying amount of investments	8,115,883
Total cash and investments	<u>\$ 10,863,864</u>

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

Statement of Net Position	
Cash and investments	\$ 10,706,922
Statement of Fiduciary Net Position	
Cash and investments	156,942
Total cash and investments	<u>\$ 10,863,864</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 2 – Cash and Investments (continued)

Deposits. The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2021. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For the fiscal year ended June 30, 2021, the carrying amounts of the District's deposits in various financial institutions were \$2,746,780 and the bank balances were \$3,085,657. All deposits are held in the name of the District. Of the bank balance, \$250,000 is considered to be covered by federal depository insurance. The balance of \$2,835,657 is not covered by FDIC insurance but is considered to be collateralized by the State of Oregon shared liability structure for participating bank depositories in Oregon.

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

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

Investments. Eagle Point School District No. 9 invests funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. The LGIP is not rated.

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

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

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. As of June 30, 2021 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 2 – Cash and Investments (continued)

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

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

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

Disclosures about Fair Value of Assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

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

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

	Totals as of 06/30/21	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Investments Measured at Fair Value:					
Local Government Investment Pool	\$8,115,883	\$ -	\$ -	\$ -	\$ 8,115,883
	<u>\$8,115,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,115,883</u>

Note 3 – Receivables

Receivables are comprised of the following as of June 30, 2021:

	Property Taxes	Grants/Other	Total
General Fund	\$ 527,132	\$ 654,955	\$ 1,182,087
Special Revenue Fund	-	1,883,062	1,883,062
Debt Service Fund	151,222	-	151,222
	<u>\$ 678,354</u>	<u>\$ 2,538,017</u>	<u>\$ 3,216,371</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 4 – Capital Assets

The changes in capital assets for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Transfers/ Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,923,984	\$ -	\$ (2,800)	\$ 1,921,184
Construction-in-Progress	39,152	74,564	(39,152)	74,564
Total capital assets not being depreciated	<u>1,963,136</u>	<u>74,564</u>	<u>(41,952)</u>	<u>1,995,748</u>
Capital assets being depreciated:				
Buildings and Improvements	65,975,426	729,645	(326,738)	66,378,333
Machinery/Equipment/Vehicles	8,053,812	1,807,063	-	9,860,875
Total	<u>74,029,238</u>	<u>2,536,708</u>	<u>(326,738)</u>	<u>76,239,208</u>
Less accumulated depreciation for:				
Buildings and Improvements	(25,803,320)	(1,513,493)	305,247	(27,011,566)
Machinery/Equipment/Vehicles	(4,184,896)	(1,424,313)	-	(5,609,209)
Total	<u>(29,988,216)</u>	<u>(2,937,806)</u>	<u>305,247</u>	<u>(32,620,775)</u>
Total capital assets, net:				
Land	1,923,984	-	(2,800)	1,921,184
Construction-in-Progress	39,152	74,564	(39,152)	74,564
Buildings and Improvements	40,172,106	(783,848)	(21,491)	39,366,767
Machinery/Equipment/Vehicles	<u>3,868,916</u>	<u>382,750</u>	<u>-</u>	<u>4,251,666</u>
Total	<u>\$ 46,004,158</u>	<u>\$ (326,534)</u>	<u>\$ (63,443)</u>	<u>\$ 45,614,181</u>

Depreciation expense for the fiscal year was \$2,937,806 and is allocated to the various functions.

Instruction	\$ 1,768,210
Supporting Services	1,076,446
Community Services	<u>93,150</u>
	<u>\$ 2,937,806</u>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 5 – Deferred Inflow / Unearned Revenue

Governmental funds, under the modified accrual basis of accounting, accrue revenue for revenue amounts unearned or unavailable. Government-wide reporting use full accrual accounting and report only unearned revenue. Unavailable revenue (deferred inflows) result in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenue result in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of available (deferred inflow) and unearned revenue in the governmental funds consisted of the following:

Fund Type	Property Tax Unavailable	Grants/Other Unearned	Total
General Fund	\$ 369,227	\$ -	\$ 369,227
Special Revenue fund	-	856,513	856,513
Debt Service Fund	104,201	-	104,201
Total	<u>\$ 473,428</u>	<u>\$ 856,513</u>	<u>\$ 1,329,941</u>

Note 6 – Long-Term Obligations

Capital Lease Payable

Various lease agreements have been entered into with interest rates varying from 3.89% to 1.55%. These agreements qualify as capital leases for accounting purposes and were recorded at the present value of future minimum lease payments as of the inception date in the Statement of Net Position.

Bus Capital Lease

On June 10, 2017, the District entered into a 5-year lease agreement for five Blue Bird buses. The annual lease payment includes an implied interest of 2.6%. A final payment of \$100,398 will be made in September 2021. The amount capitalized for the buses were \$706,904, with accumulated depreciation of \$220,166 as of June 30, 2021. Interest expense in the current year was \$4,178.

iPad Capital Lease

On November 2, 2018, the District entered into a 3-year lease agreement for Apple iPads. A final lease payment of \$518,452, which included interest at an implied rate of 3.89% was made on July 15, 2020. The amount capitalized for the Apple iPads was \$1,497,895, with accumulated depreciation of \$1,248,246 as of June 30, 2021. Interest expense in the current year was \$3,454.

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

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 6 – Long-Term Obligations (continued)

Capital Lease Payable (continued)

The following is the combined scheduled payment amounts for the capital leases:

Year Ended	Principal	Interest	Total
2022	\$ 664,637	\$ 7,797	\$ 672,434
2023	549,223	17,155	566,378
2024	552,290	8,643	560,933
	<u>\$ 1,766,150</u>	<u>\$ 33,595</u>	<u>\$ 1,799,745</u>

Bonds Payable

On April 1, 2005, the District issued \$25.1 million in General Obligation Bonds with an average interest rate of 5.28 percent to advance refund \$25.58 million of outstanding 2000 Series Bond with an average interest rate of 5.21 percent. The net proceeds of \$24.84 million (after payment of \$253 thousand in underwriting fees, insurance and other issuance costs) plus an additional \$2.66 million original issue premium were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust through an escrow agent to provide for future debt service payments on the 2000 Series Bond. As a result, a portion of the 2000 Series bond is considered to be defeased and the liability has been removed from the government-wide Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1.87 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2021 using the effective-interest method. The District completed the advance refunding to reduce its total debt service payments over 16 years by \$1.2 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$868 thousand. The agreement contains a provision that in an event of default the bonds are secured by the Oregon School Bond Guaranty, to the extent they are available or sufficient, and further insured by a financial guaranty policy issued by MBIA Insurance Corporation. The Bonds matured on June 15, 2021. Interest expense on these bonds for the fiscal year was \$187,753. Amortization of interest on advance refunding and bond premium of (\$11,244) are included on the Statement of Activities in interest expense.

The changes in long-term obligations for year ended June 30, 2021 are as follows:

Issue Date:	Original Issue	Outstanding July 1, 2020	New Debt Issued	Matured & Redeemed	Outstanding June 30, 2021	Due Within One Year	Interest Rate
GO Bond							
April 1, 2005	<u>\$ 25,095,000</u>	\$ 3,560,000	\$ -	\$ (3,560,000)	\$ -	\$ -	5.50%
Unamortized Interest on Advance Refunding		(22,632)	-	22,632	-	-	
Unamortized premium/(discount)		33,876	-	(33,876)	-	-	
Capital Leases							
Various equipment and vehicles		740,186	1,667,809	641,845	1,766,150	664,637	1.55%-3.89%
Total long-term obligations		<u>\$ 4,311,430</u>	<u>\$ 1,667,809</u>	<u>\$ (2,929,399)</u>	<u>\$ 1,766,150</u>	<u>\$ 664,637</u>	

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 7 – Compensated Absences

	Balance June 30, 2020	Earned	Used	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 42,124	\$ 194,748	\$ 191,431	\$ 45,441	\$ 45,441

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

Note 8 – Interfund Transactions

Interfund transfers during the fiscal year ended June 30, 2021, were as follows:

	Transfers	
	In	Out
General Fund	\$ -	\$ 20,263
Special Revenue Fund		
Food Service Program	20,263	-
	<u>\$ 20,263</u>	<u>\$ 20,263</u>

The District made a transfer from the General Fund of \$20,263 to the Food Service Program to supplement current operations.

Note 9 – Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

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

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

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

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

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

For fiscal year ended June 30, 2021, District contributions for Licensed retirees are limited to \$940 per month.

Funding Policy – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The amount paid by the District for the benefit for the year ended June 30, 2021 was \$205,560.

Employees Covered by Benefit Terms – The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees entering employment subsequent to June 30, 2005. As a result, the total plan members receiving the explicit benefit will decrease over time. At June 30, 2021, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit	30
Active plan members	481
	511

Total OPEB Liability –The districts total OPEB liability of \$4,033,772 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of July 1, 2020.

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

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	2.25% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 6.0% and 3.5% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Participation	100% are assumed to remain enrolled at retirement if eligible for District paid health benefits, and 85% if not eligible for District-paid health benefits
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

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

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

Changes in the Total OPEB Liability –

OPEB Liability at June 30, 2020	\$4,779,635
Changes for the year:	
Service cost	270,204
Interest	110,075
Differences between expected and actual experience	(518,060)
Assumptions or other input	(292,835)
Benefit payments	<u>(315,247)</u>
OPEB Liability at June 30, 2021	<u><u>\$4,033,772</u></u>

Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2021, the District recognized a reduction in OPEB expense of \$81,419 and reported the following deferred outflows of resources and deferred inflows of resources related to the single employer defined benefit health care plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 857,841
Changes of assumptions or other input	<u>250,903</u>	<u>286,228</u>
Total	<u><u>\$ 250,903</u></u>	<u><u>\$ 1,144,069</u></u>

The \$81,419 was treated as a reduction of payroll related expense in the Statement of Activities and allocated in Instruction, Supporting Services, and Community Services using allocation percentages of 55%, 40%, and 5% respectively.

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2022	\$ (146,451)
2023	(146,451)
2024	(146,451)
2025	(146,451)
2026	(146,451)
Thereafter	<u>(160,911)</u>
Total	<u><u>\$ (893,166)</u></u>

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

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

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

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

District's OPEB Asset/(Liability)	1% Decrease (1.25%)	Current Discount (2.25%)	1% Increase (3.25%)
Single Employer Defined Benefit Health Care Plan	\$ (4,268,535)	\$ (4,033,772)	\$ (3,810,887)

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

District's OPEB Asset/(Liability)	1% Decrease 2.5%, trending up to 5.0%, then back down to 3.5%	Current Trend Rate 3.5%, trending up to 6.0%, then back down to 4.5%	1% Increase 4.5%, trending up to 7.0%, then back down to 5.5%
Single Employer Defined Benefit Health Care Plan	\$ (3,726,872)	\$ (4,033,772)	\$ (4,388,312)

Changes in Assumptions and Methods

- Premium increase rates were modified to reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

Retirement Health Insurance Account (RHIA)

Plan Description – As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003.

Funding Policy - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

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

Retirement Health Insurance Account (RHIA) (continued)

Contributions - Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2021 for the OPEB program were: Tier1/Tier 2 – 0.06%, and OPSRP general service – 0.00%. The District contributed \$3,888 for the year ended June 30, 2021.

Pension Plan Comprehensive Annual Financial Report (CAFR)

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

<https://www.oregon.gov/pers/documents/financials/cafr/2020-cafr.pdf>

Actuarial Valuation - The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 10 Pension and Retirement Plans*, except for the table listed below:

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable

The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.

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

At June 30, 2021, the District reported an asset of \$657,465 for its proportionate share of the total RHIA asset. The asset was measured as of June 30, 2020, and the total pension asset used to calculate the asset was determined by an actuarial valuation as of December 31, 2018. The District’s proportion of the RHIA asset was based on a projection of the District’s long-term share of contributions to the plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District’s proportion was approximately 0.32266622 percent.

For the year ended June 30, 2021, the District recognized a reduction of OPEB expense of \$182,499. The \$182,499 was treated as a reduction of payroll related expense in the Statement of Activities and allocated in Instruction, Supporting Services, and Community Services using allocation percentages of 55%, 40%, and 5% respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:	\$ -	\$ 67,212
Changes of assumptions:	-	34,948
Net difference between projected and actual earnings on investments:	73,115	-
Change in proportionate share:	-	142,791
Contributions subsequent to the MD	3,888	-
Total	\$ 77,003	\$ 244,951

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

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

Retirement Health Insurance Account (RHIA) (continued)

\$3,888 reported as deferred outflows of resources related to RHIA OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2022.

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

Year Ended June 30	Deferred Outflow/Inflow of Resources	
2022	\$	(140,723)
2023		(81,203)
2024		27,028
2025		23,062
2026		-
Thereafter		-
Total	\$	(171,836)

Sensitivity for the District’s Proportionate Share of the Net RHIA OPEB Asset to Changes in Discount Rate – The following presents the District’s proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net RHIA OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

District’s Net Pension Asset/(Liability)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Retirement Health Insurance Account	\$ 530,793	\$ 657,465	\$ 765,776

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

Changes in Assumptions. The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in *Note 10 Pension and Retirement Plans*.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans

Early Retirement Stipend Pension Plan

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

Funding Policy – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the District for the benefit for the period ended June 30, 2021 was \$8,800. There are no assets accumulated in a trust.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the stipend benefit terms:

Inactive employees	4
Active plan members	2
	6
	6

Total Stipend Pension Liability – The districts total stipend pension liability of \$14,873 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of July 1, 2020.

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

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	2.25% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 6.0% and 3.5% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Participation	100% are assumed to remain enrolled at retirement if eligible for District paid health benefits, and 85% if not eligible for District-paid health benefits
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

Early Retirement Stipend Pension Plan (continued)

Changes in the Stipend Pension Liability –

Stipend Pension Liability at June 30, 2020	\$	26,386
Changes for the year:		
Service cost		543
Interest		513
Differences between expected and actual experience		(5,126)
Assumptions or other input		807
Benefit payments		(8,250)
Stipend Pension Liability at June 30, 2021	\$	14,873

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

District's Stipend Pension Asset/(Liability)	1% Decrease (1.25%)	Current Discount (2.25%)	1% Increase (3.25%)
Single Employer Stipend	\$ (15,834)	\$ (14,873)	\$ (13,933)

Stipend Pension Expense – For the year ended June 30, 2021, the District recognized a reduction of stipend pension expense of \$11,512. The \$11,512 was treated as a reduction of payroll related expense in the Statement of Activities and allocated in Instruction, Supporting Services, and Community Services using allocation percentages of 55%, 40%, and 5% respectively. At June 30, 2021, the District reported no deferred outflows or inflows associated with its stipend pension plan.

Changes in Assumptions and Methods

- Premium increase rates were modified to reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

Oregon Public Employees Retirement System (OPERS) Pension Plan

Plan Description – Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 23A, and Internal Revenue Service Code Section 401(a).

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

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

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

Beginning January 1, 2004, OPERS active Tier 1 and Tier 2 members became members of the Individual Account Program (IAP) of OPSRP. OPERS members retain their existing Regular or Variable accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of OPERS and is administered by the Board. The OPERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Tier 1/Tier 2 Retirement Benefit (Chapter 238)

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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

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

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

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

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

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

Benefit Changes After Retirement – Members may choose to continue participation in their Variable Account after retiring and may experience annual benefit fluctuations covered by changes in the fair value of the underlying global equity investments of that account.

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

OPSRP Pension Program (Chapter 238A)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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

Death Benefits – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

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

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

Funding Policy – OPERS' funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

OPSRP Pension Program (Chapter 238A) (continued)

Contributions – OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

This funding policy applies to the OPERS Defined Benefit Plan. Employer contributions during the period July 1, 2020 through June 30, 2021 were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. For this period, employer contribution rates were 32.03% for Tier 1/Tier 2 employees and 26.58% for OPSRP general service employees. Employer contributions for the year ended June 30, 2021 were \$6,225,422, excluding amounts to fund employer specific liabilities.

Pension Plan Comprehensive Annual Financial Report (CAFR) –

OPERS prepares their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial Valuation – The employer contribution rates effective July 1, 2020, through June 30, 2021, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience study	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return ¹	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

Discount Rate – The discount rate used to measure the total pension liability was 7.2 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.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

Assumed Asset Allocation -

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	2.50%
Total	100.00%

Investment Rate of Return –To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the OPERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core fixed income	9.60%	4.07%
Short-term bonds	9.60%	3.68%
Bank/leveraged loans	3.60%	5.19%
High yield bonds	1.20%	5.75%
Large/Mid cap US equities	16.17%	6.30%
Small cap US equities	1.35%	6.68%
Micro cap US equities	1.35%	6.79%
Developed foreign equities	13.48%	6.91%
Emerging market equities	4.24%	7.69%
Non-US small cap equities	1.93%	7.25%
Private equities	17.50%	8.33%
Real estate (property)	10.00%	5.55%
Real Eestate (REITS)	2.50%	6.69%
Hedge fund of funds - diversified	1.50%	4.06%
Hedge fund - event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
Total	100.00%	
Assumed inflation - mean		2.50%

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

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

At June 30, 2021, the District reported a net pension liability of \$49,282,200 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 (measurement date), the District's proportion was approximately 0.22582233 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$4,223,470. Pension expense was generated during the measurement period primarily as a result of less than anticipated investment returns at the OPERS level. The \$4,223,470 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 55%, 40% and 5%, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,169,013	\$ -
Changes of assumptions	2,644,820	92,669
Net difference between projected and actual earnings on investments	5,794,946	-
Changes in proportionate share	-	3,512,481
Difference in proportion and contribution differences	1,208,987	-
District's contributions subsequent to the measurement date	6,225,422	-
Total	\$ 18,043,188	\$ 3,605,150

\$6,225,422 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2022.

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2022	\$ 1,629,898
2023	2,600,527
2024	2,353,196
2025	1,676,852
2026	(47,857)
Thereafter	-
Total	\$ 8,212,616

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

Sensitivity for the District’s Proportionate Share of the Net Pension Liability to Changes in Discount Rate –

The following presents the District’s proportionate share of the net pension asset (liability) calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

District’s Net Pension Asset/(Liability)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Defined Benefit Pension	\$ (73,179,996)	\$ (49,282,200)	\$ (29,242,789)

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2017 valuation are noted below. Additional detail and list of changes can be found in the 2018 Experience Study for the System, which can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

- Update the explicit assumptions regarding administrative expenses for Tier 1/Tier 2 and OPSRP.
- Update the assumed RHIPA cost subsidy trend rates.
- Adjust mortality assumptions to use the new “Pub-2010” base tables and a standard update to the mortality improvement scale, which is based on 60-year unisex average Social Security experience.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience; reduce percentage of future retirees assumed to elect a partial lump sum; increase percentage of members assumed to purchase credited service at retirement.
- Increase the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Update pre-retirement termination of employment assumptions for two member categories.
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability to more closely match recent experience.
- Increase the Tier 1 unused vacation cash out assumption for most member categories, reflecting recent experience.
- Adjust the Tier 1/Tier 2 unused sick leave assumption for five member categories to more closely reflect recently observed experience.
- Decrease the healthy participation assumption for the RHIA retiree healthcare program, reflecting recent experience.
- Decrease the RHIPA participation assumption for most service bands, reflecting recent experience.
- Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL in the calculation of actuarially determined contribution rates for the 2021-2023 biennium. No additional changes are recommended for most actuarial methods, including the actuarial cost method, amortization method, and rate collar.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 10 – Pension and Retirement Plans (continued)

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

- When allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers, base 90% of the allocation on length of service with each employer (100% for police & fire members) and base the rest on the member account balance associated with each employer. The percentage allocation for general service has increased 5% since the prior experience study. This movement illustrates the continued migration of projected future Tier 1/Tier 2 retirement benefits away from the Money Match calculation, which is based on account balances, toward the ongoing Full Formula approach, which is based on final average salary.

Defined Contribution Plan - Individual Account Program (IAP)

Pension Benefits – Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code section 401(a).

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

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

Contributions – Starting July 1, 2020, Senate Bill 1049 required member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. OPERS estimates that approximately \$125 million in member contributions will be redirected in fiscal year 2020-21.

During 2021, the District, as an employee benefit, paid the employees portion of the contribution. Employer contributions for the year ended June 30, 2021 were \$1,377,122, of which \$1,095,541 was deposited into the individual member's accounts.

Note 11 – Tax Abatements

As of June 30, 2021, Jackson County provides tax abatements through four programs: Enterprise Zone, Commerical Facilities, Under Constrction, Food Processor, and Solar.

For the fiscal year ended June 30, 2021, the District's abated property taxes totaled \$36 under these programs.

EAGLE POINT SCHOOL DISTRICT NO. 9
Notes to Basic Financial Statements
June 30, 2021

Note 12 – Contingencies

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial. The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

Note 13 – Current Vulnerability Due to Certain Concentrations

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

Note 14 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year.

Note 15 – Uncertainties

On March 13, 2020, the President of the United States declared a State of Emergency associated with the COVID-19 global pandemic. The impact of the State of Emergency and full ramifications to the economy and the District are not determinable at this time.

Note 16 – Commitments

The District has a construction obligation with Vitus Construction for the Seismic Rehabilitation Project for facility improvements at Eagle Point High School. The original contract amount was \$2,490,020. For the year ended June 30, 2021, work was completed towards the project in the amount of \$74,564.

Note 17 – Subsequent Events

Management of the District has evaluated events and transactions occurring after June 30, 2021 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements. Based on management's knowledge, there were no additional events and/or transactions that required recognition and disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		Positive (Negative)
REVENUES				
Local sources:				
Property taxes	\$ 11,302,500	\$ 11,302,500	\$ 11,693,383	\$ 390,883
Charges for services	857,000	857,000	389,542	(467,458)
Donations	20,000	20,000	5,668	(14,332)
Interest on investments	225,000	225,000	96,215	(128,785)
Miscellaneous	205,000	205,000	114,410	(90,590)
Intermediate sources:				
Intergovernmental	1,175,000	1,175,000	907,493	(267,507)
State sources:				
Basic school support	32,100,000	32,100,000	32,338,671	238,671
Intergovernmental	423,000	423,000	587,003	164,003
Federal sources:				
Intergovernmental	50,000	50,000	79,495	29,495
TOTAL REVENUE	46,357,500	46,357,500	46,211,880	(145,620)
EXPENDITURES				
Current:				
Instruction	29,192,006	29,192,006	27,654,279	1,537,727
Support services	17,426,994	17,421,994	17,199,132	222,862
Debt service	518,500	518,500	518,452	48
Facilities acquisition and construction	100,000	100,000	-	100,000
Contingency	1,500,000	1,500,000	-	1,500,000
TOTAL EXPENDITURES	48,737,500	48,732,500	45,371,863	3,360,637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,380,000)	(2,375,000)	840,017	3,215,017
OTHER FINANCING SOURCES (USES):				
Proceeds from the issuance of debt	-	-	1,667,809	1,667,809
Transfers out	(20,000)	(25,000)	(20,263)	4,737
TOTAL OTHER FINANCING SOURCES (USES)	(20,000)	(25,000)	1,647,546	1,672,546
NET CHANGE IN FUND BALANCE	(2,400,000)	(2,400,000)	2,487,563	4,887,563
FUND BALANCE, July 1, 2020	4,900,000	4,900,000	5,626,251	726,251
FUND BALANCE, June 30, 2021	\$ 2,500,000	\$ 2,500,000	\$ 8,113,814	\$ 5,613,814

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive (Negative)
REVENUES				
Local sources:				
Charges for services	\$ 235,000	\$ 235,000	\$ 40,718	\$ (194,282)
Donations	-	-	50,744	50,744
Interest on investments	-	-	277	277
Miscellaneous	250,000	250,000	188,244	(61,756)
Taxes				
State sources:				
Basic school support	-	-	5,772	5,772
Intergovernmental	4,855,000	4,855,000	2,289,619	(2,565,381)
Federal sources:				
Intergovernmental	5,021,500	5,021,500	5,318,877	297,377
TOTAL REVENUE	10,371,500	10,371,500	7,894,251	(2,477,249)
EXPENDITURES				
Current				
Instruction	3,750,000	3,750,000	1,954,171	1,795,829
Support services	3,530,000	3,530,000	3,508,949	21,051
Enterprise and community services	2,506,500	2,506,500	1,530,661	975,839
Facilities acquisition and construction	880,000	880,000	590,604	289,396
Contingency	50,000	50,000	-	50,000
TOTAL EXPENDITURES	10,716,500	10,716,500	7,584,385	3,132,115
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(345,000)	(345,000)	309,866	654,866
OTHER FINANCING SOURCES (USES):				
Transfers in	20,000	20,000	20,263	263
TOTAL OTHER FINANCING SOURCES (USES)	20,000	20,000	20,263	263
NET CHANGE IN FUND BALANCE	(325,000)	(325,000)	330,129	655,129
FUND BALANCE, July 1, 2020	775,000	775,000	1,319,060	544,060
FUND BALANCE, June 30, 2021	\$ 450,000	\$ 450,000	\$ 1,649,189	\$ 1,199,189

EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

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

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

Eagle Point School District 9 Pension Contributions

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

Note to schedule:

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2017 valuation are outlined briefly in Note 9 in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published on July 24, 2019, and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

Other Information:

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

JACKSON COUNTY SCHOOL DISTRICT NO. 9
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB (RHIA)
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

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

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

Eagle Point School District Contributions

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

Note to schedule:

Significant Methods and Assumptions:

A summary of assumption changes implemented since the December 31, 2017 valuation are outlined briefly in Note 10 in the notes to the basic financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published on July 24, 2019, and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

Other Information:

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2018, as a result, only four years of information is presented.

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

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

Notes to Schedule:

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

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

Changes in benefit terms:

None noted.

Other information:

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

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

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

Notes to Schedule:

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

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

Changes in benefit terms:

None noted.

Other information:

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

OTHER SUPPLEMENTARY INFORMATION

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
REVENUES				
Local sources:				
Property taxes	\$ 3,215,800	\$ 3,215,800	\$ 3,322,770	\$ 106,970
Interest on investments	40,000	40,000	11,743	(28,257)
TOTAL REVENUES	3,255,800	3,255,800	3,334,513	78,713
EXPENDITURES				
Debt service	3,755,800	3,755,800	3,755,800	-
TOTAL EXPENDITURES	3,755,800	3,755,800	3,755,800	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(500,000)	(500,000)	(421,287)	78,713
FUND BALANCE, July 1, 2020	500,000	500,000	486,965	(13,035)
FUND BALANCE, June 30, 2021	\$ -	\$ -	\$ 65,678	\$ 65,678

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Local sources:				
Donations	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 127,827</u>	<u>\$ (72,173)</u>
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>127,827</u>	<u>(72,173)</u>
EXPENDITURES				
Current:				
Enterprise and community services	<u>300,000</u>	<u>300,000</u>	<u>116,986</u>	<u>183,014</u>
TOTAL EXPENDITURES	<u>300,000</u>	<u>300,000</u>	<u>116,986</u>	<u>183,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(100,000)</u>	<u>(100,000)</u>	<u>10,841</u>	<u>110,841</u>
FUND BALANCE, July 1, 2020	<u>100,000</u>	<u>100,000</u>	<u>146,101</u>	<u>46,101</u>
FUND BALANCE, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,942</u>	<u>\$ 156,942</u>

OTHER FINANCIAL SCHEDULES

SCHOOL DISTRICT FINANCIAL
ACCOUNTING SUMMARIES

**2020-2021 DISTRICT AUDIT REVENUE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Revenue from Local Sources	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	15,002,366	11,682,954		3,319,412				
1120 Local Option Ad Valorem Taxes Levied by District	-							
1130 Construction Excise Tax	-							
1190 Penalties and Interest on Taxes	13,787	10,429		3,358				
1200 Revenue from Local Governmental Units Other Than Districts	-							
1311 Regular Day School Tuition - From Individuals	-							
1312 Regular Day School Tuition - Other Dist Within State	-							
1313 Regular Day School Tuition - Other Districts Outside	-							
1320 Adult/Continuing Education Tuition	-							
1330 Summer School Tuition	-							
1411 Transportation Fees - From Individuals	-							
1412 Transportation Fees - Other Dist Within State	7,464	7,464						
1413 Transportation Fees - Other Districts Outside	-							
1420 Summer School Transportation Fees	-							
1500 Earnings on Investments	108,235	96,215	277	11,743				
1600 Food Service	40,718		40,718					
1700 Extracurricular Activities	140,631	140,631						
1800 Community Services Activities	-							
1910 Rentals	20,525	20,525						
1920 Contributions and Donations From Private Sources	184,239	5,668	50,744					127,827
1930 Rental or Lease Payments From Private Contractors	-							
1940 Services Provided Other Local Education Agencies	35,900	35,900						
1950 Textbook Sales and Rentals	-							
1960 Recovery of Prior Years' Expenditure	19,332	19,250	82					
1970 Services Provided Other Funds	-							
1980 Fees Charged to Grants	185,021	185,021						
1990 Miscellaneous	283,323	95,161	188,162					
Total Revenue from Local Sources	16,041,541	12,299,218	279,983	3,334,513	-	-	-	127,827
Revenue from Intermediate Sources								
	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	-							
2102 General ESD Revenue	-							
2103 Excess ESD Local Revenue	-							
2105 Natural Gas, Oil, and Mineral Receipts	-							
2110 Intermediate "I" Tax	-							
2199 Other Intermediate Sources	907,493	907,493						
2200 Restricted Revenue	-							
2800 Revenue in Lieu of Taxes	-							
2900 Revenue for/on Behalf of the District	-							
Total Revenue from Intermediate Sources	907,493	907,493	-	-	-	-	-	-
Revenue from State Sources								
	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	32,173,127	32,173,127						
3102 State School Fund - School Lunch Match	5,772		5,772					
3103 Common School Fund	-							
3104 State Managed County Timber	413,055	413,055						
3106 State School Fund - Accrual	-							
3199 Other Unrestricted Grants-in-Aid	-							
3204 Driver Education	-							
3222 State School Fund (SSF) Transportation Equipment	165,544	165,544						
3299 Other Restricted Grants-in-Aid	2,463,567	173,948	2,289,619					
3800 Revenue in Lieu of Taxes	-							
3900 Revenue for/on Behalf of the District	-							
Total Revenue from State Sources	35,221,065	32,925,674	2,295,391	-	-	-	-	-
Revenue from Federal Sources								
	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	-							
4200 Unrestricted Revenue From the Federal Government Through the State	4,536	4,536						
4201 Transportation Fees for Foster Children	-							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	-							
4300 Restricted Revenue From the Federal Government	-							
4500 Restricted Revenue From the Federal Government Through the State	5,248,978	34,236	5,214,742					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	-							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	-							
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-							
4801 Federal Forest Fees	40,723	40,723						
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	104,135		104,135					
Total Revenue from Federal Sources	5,398,372	79,495	5,318,877	-	-	-	-	-
Revenue from Other Sources								
	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	1,667,809	1,667,809						
5200 Interfund Transfers	20,263		20,263					
5300 Sale of or Compensation for Loss of Fixed Assets	-							
5400 Resources - Beginning Fund Balance	7,578,377	5,626,251	1,319,060	486,965				146,101
Total Revenue from Other Sources	9,266,449	7,294,060	1,339,323	486,965	-	-	-	146,101
Grand Total	66,834,920	53,505,940	9,233,574	3,821,478	-	-	-	273,928

**2020-2021 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	8,980,409	5,204,543	3,419,313	145,779	210,774			
1113	Elementary Extracurricular	3,155				3,155			
1121	Middle/Junior High Programs	3,774,318	2,247,816	1,311,009	63,319	152,174			
1122	Middle/Junior High School Extracurricular	86,526	38,362	14,710	9,896	12,870	10,688		
1131	High School Programs	4,507,624	2,711,335	1,606,343	83,538	99,529	6,700	179	
1132	High School Extracurricular	670,980	276,854	106,818	74,026	147,967	62,130	3,185	
1140	Pre-Kindergarten Programs	209,924	118,100	89,283	1,798	743			
1210	Programs for the Talented and Gifted	8,935			4,313	4,622			
1220	Restrictive Programs for Students with Disabilities	1,014,348	594,148	361,528	40,463	18,209			
1226	Home Instruction	4,372	3,002	1,370					
1250	Less Restrictive Programs for Students with Disabilities	3,685,278	2,151,160	1,475,890	33,980	24,248			
1260	Treatment and Habilitation	84,564			84,564				
1271	Remediation	224				224			
1272	Title I	-							
1280	Alternative Education	526,555	251,789	158,876	56,461	59,429			
1288	Charter Schools	3,073,502			3,073,502				
1291	English Second Language Programs	934,657	579,813	337,879	8,211	8,754			
1292	Teen Parent Program	-							
1293	Migrant Education	-							
1294	Youth Corrections Education	-							
1299	Other Programs	-							
1300	Adult/Continuing Education Programs	-							
1400	Summer School Programs	88,908	60,475	23,782		4,651			
Total Instruction Expenditures		27,654,279	14,237,397	8,906,801	3,679,850	747,349	79,518	3,364	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	881,697	477,322	350,051	34,515	19,809			
2120	Guidance Services	292,359	175,585	111,380	194	5,200			
2130	Health Services	48,705			45,875	2,830			
2140	Psychological Services	257,811	147,256	86,223	8,336	15,996			
2150	Speech Pathology and Audiology Services	116,419	63,385	50,429	483	1,195		927	
2160	Other Student Treatment Services	100,383	5,430	2,201	92,723	29			
2190	Service Direction, Student Support Services	211,601	128,130	79,296	1,995	1,288		892	
2210	Improvement of Instruction Services	352,373	190,978	114,421	1,021	45,566		387	
2220	Educational Media Services	2,203,327	297,306	221,030	36	1,684,855		100	
2230	Assessment & Testing	1,725				1,725			
2240	Instructional Staff Development	328,012	158,239	92,919	72,970	3,884			
2310	Board of Education Services	60,803			53,459	812		6,532	
2320	Executive Administration Services	366,253	214,209	142,038	2,458	4,871		2,677	
2410	Office of the Principal Services	3,545,882	2,155,650	1,305,559	15,978	64,231		4,464	
2490	Other Support Services - School Administration	-							
2510	Direction of Business Support Services	-							
2520	Fiscal Services	619,622	323,038	216,815	24,510	42,894		12,365	
2540	Operation and Maintenance of Plant Services	4,115,847	1,194,294	766,271	1,430,698	274,149	105,019	345,416	
2550	Student Transportation Services	1,678,751	723,315	506,058	74,010	168,419		206,949	
2570	Internal Services	-							
2610	Direction of Central Support Services	-							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	-							
2630	Information Services	3,958	1,124	477	2,357				
2640	Staff Services	552,115	258,387	152,764	74,849	64,926		1,189	
2660	Technology Services	1,247,129	449,346	278,663	265,030	248,472		5,618	
2670	Records Management Services	-							
2680	Interpretation and Translation Services	-							
2690	Other Support Services - Central	-							
2700	Supplemental Retirement Program	214,360	8,800	205,560					
Total Support Services Expenditures		17,199,132	6,971,794	4,682,155	2,201,497	2,651,151	105,019	587,516	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-							
3200	Other Enterprise Services	-							
3300	Community Services	-							
3500	Custody and Care of Children Services	-							
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-							
4120	Site Acquisition and Development Services	-							
4150	Building Acquisition, Construction, and Improvement Services	-							
4180	Other Capital Items	-							
4190	Other Facilities Construction Services	-							
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	518,452	-	-	-	-	-	518,452	-
5200	Transfers of Funds	20,263	-	-	-	-	-	-	20,263
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		538,715	-	-	-	-	-	518,452	20,263
Grand Total		45,392,126	21,209,191	13,588,956	5,881,347	3,398,500	184,537	1,109,332	20,263

**2020-2021 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	498,377	170,397	92,277	146,037	89,666			
1113	Elementary Extracurricular	-							
1121	Middle/Junior High Programs	312,142	149,479	63,403	37,949	61,311			
1122	Middle/Junior High School Extracurricular	276,553	86,572	55,518		134,463			
1131	High School Programs	7,133				7,133			
1132	High School Extracurricular	-							
1140	Pre-Kindergarten Programs	-							
1210	Programs for the Talented and Gifted	-							
1220	Restrictive Programs for Students with Disabilities	-							
1250	Less Restrictive Programs for Students with Disabilities	147,006	90,313	54,304	1,522	867			
1260	Treatment and Habilitation	-							
1271	Remediation	-							
1272	Title I	319,208	204,499	97,269	7,312	10,128			
1280	Alternative Education	98,955	34,676	13,732	50,178	369			
1291	English Second Language Programs	2,709	113	44		2,552			
1292	Teen Parent Program	-							
1293	Migrant Education	15,187	8,667	3,896	2,624				
1294	Youth Corrections Education	-							
1299	Other Programs	83,831			79,600			4,231	
1300	Adult/Continuing Education Programs	-							
1400	Summer School Programs	193,070	37,816	14,116	12,585	125,521		3,032	
Total Instruction Expenditures		1,954,171	782,532	394,559	337,807	432,010	-	7,263	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	542,767	226,682	130,231	69,961	60,441		55,452	
2120	Guidance Services	130,961	75,538	55,423					
2130	Health Services	12,056				12,056			
2140	Psychological Services	-							
2150	Speech Pathology and Audiology Services	577,474	193,540	131,513	252,421				
2160	Other Student Treatment Services	35,092	24,636	10,456					
2190	Service Direction, Student Support Services	-							
2210	Improvement of Instruction Services	240,387	102,842	46,932	1,873	5,398		83,342	
2220	Educational Media Services	-							
2230	Assessment & Testing	-							
2240	Instructional Staff Development	958,364	529,043	317,383	67,725	14,516		29,697	
2310	Board of Education Services	-							
2320	Executive Administration Services	-							
2410	Office of the Principal Services	19,389	16,313	1,804		1,272			
2490	Other Support Services - School Administration	-							
2510	Direction of Business Support Services	-							
2520	Fiscal Services	3,621	2,554	1,067					
2540	Operation and Maintenance of Plant Services	626,824	11,483	1,127	289,068	137,868	174,564	12,714	
2550	Student Transportation Services	34,938	24,867	10,071					
2570	Internal Services	-							
2610	Direction of Central Support Services	-							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-							
2630	Information Services	-							
2640	Staff Services	-							
2660	Technology Services	327,076	1,530	150	119,233	206,163			
2670	Records Management Services	-							
2680	Interpretation and Translation Services	-							
2690	Other Support Services - Central	-							
2700	Supplemental Retirement Program	-							
Total Support Services Expenditures		3,508,949	1,209,028	706,157	800,281	437,714	174,564	181,205	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	1,524,795	4,022	1,445	39,999	1,469,268		10,061	
3200	Other Enterprise Services	-							
3300	Community Services	5,866	64	26		5,776			
3500	Custody and Care of Children Services	-							
Total Enterprise and Community Services Expenditures		1,530,661	4,086	1,471	39,999	1,475,044	-	10,061	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-							
4120	Site Acquisition and Development Services	-							
4150	Building Acquisition, Construction, and Improvement Services	590,604				6,243	584,361		
4180	Other Capital Items	-							
4190	Other Facilities Construction Services	-							
Total Facilities Acquisition and Construction Expenditures		590,604	-	-	-	6,243	584,361	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-							
5200	Transfers of Funds	-							
5300	Apportionment of Funds by ESD	-							
5400	PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Total		7,584,385	1,995,646	1,102,187	1,178,087	2,351,011	758,925	198,529	-

**2020-2021 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	-							
1113	Elementary Extracurricular	-							
1121	Middle/Junior High Programs	-							
1122	Middle/Junior High School Extracurricular	-							
1131	High School Programs	-							
1132	High School Extracurricular	-							
1140	Pre-Kindergarten Programs	-							
1210	Programs for the Talented and Gifted	-							
1220	Restrictive Programs for Students with Disabilities	-							
1250	Less Restrictive Programs for Students with Disabilities	-							
1260	Treatment and Habilitation	-							
1271	Remediation	-							
1272	Title I	-							
1280	Alternative Education	-							
1291	English Second Language Programs	-							
1292	Teen Parent Program	-							
1293	Migrant Education	-							
1294	Youth Corrections Education	-							
1299	Other Programs	-							
1300	Adult/Continuing Education Programs	-							
1400	Summer School Programs	-							
Total Instruction Expenditures		-	-	-	-	-	-	-	-
Support Services Expenditures									
		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	-							
2120	Guidance Services	-							
2130	Health Services	-							
2140	Psychological Services	-							
2150	Speech Pathology and Audiology Services	-							
2160	Other Student Treatment Services	-							
2190	Service Direction, Student Support Services	-							
2210	Improvement of Instruction Services	-							
2220	Educational Media Services	-							
2230	Assessment & Testing	-							
2240	Instructional Staff Development	-							
2310	Board of Education Services	-							
2320	Executive Administration Services	-							
2410	Office of the Principal Services	-							
2490	Other Support Services - School Administration	-							
2510	Direction of Business Support Services	-							
2520	Fiscal Services	-							
2540	Operation and Maintenance of Plant Services	-							
2550	Student Transportation Services	-							
2570	Internal Services	-							
2610	Direction of Central Support Services	-							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Ser	-							
2630	Information Services	-							
2640	Staff Services	-							
2660	Technology Services	-							
2670	Records Management Services	-							
2680	Interpretation and Translation Services	-							
2690	Other Support Services - Central	-							
2700	Supplemental Retirement Program	-							
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures									
		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-							
3200	Other Enterprise Services	-							
3300	Community Services	-							
3500	Custody and Care of Children Services	-							
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures									
		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-							
4120	Site Acquisition and Development Services	-							
4150	Building Acquisition, Construction, and Improvement Services	-							
4180	Other Capital Items	-							
4190	Other Facilities Construction Services	-							
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures									
		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	3,755,800						3,755,800	
5200	Transfers of Funds	-							
5300	Apportionment of Funds by ESD	-							
5400	PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures		3,755,800	-	-	-	-	-	3,755,800	-
Grand Total		3,755,800	-	-	-	-	-	3,755,800	-

**2020-2021 DISTRICT AUDIT EXPENDITURE SUMMARY
EAGLE POINT SCHOOL DISTRICT 9**

Fund: 700 Trust and Agency Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	-							
1113	Elementary Extracurricular	-							
1121	Middle/Junior High Programs	-							
1122	Middle/Junior High School Extracurricular	-							
1131	High School Programs	-							
1132	High School Extracurricular	-							
1140	Pre-Kindergarten Programs	-							
1210	Programs for the Talented and Gifted	-							
1220	Restrictive Programs for Students with Disabilities	-							
1250	Less Restrictive Programs for Students with Disabilities	-							
1260	Treatment and Habilitation	-							
1271	Remediation	-							
1272	Title I	-							
1280	Alternative Education	-							
1291	English Second Language Programs	-							
1292	Teen Parent Program	-							
1293	Migrant Education	-							
1294	Youth Corrections Education	-							
1299	Other Programs	-							
1300	Adult/Continuing Education Programs	-							
1400	Summer School Programs	-							
Total Instruction Expenditures		-	-	-	-	-	-	-	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	-							
2120	Guidance Services	-							
2130	Health Services	-							
2140	Psychological Services	-							
2150	Speech Pathology and Audiology Services	-							
2160	Other Student Treatment Services	-							
2190	Service Direction, Student Support Services	-							
2210	Improvement of Instruction Services	-							
2220	Educational Media Services	-							
2230	Assessment & Testing	-							
2240	Instructional Staff Development	-							
2310	Board of Education Services	-							
2320	Executive Administration Services	-							
2410	Office of the Principal Services	-							
2490	Other Support Services - School Administration	-							
2510	Direction of Business Support Services	-							
2520	Fiscal Services	-							
2540	Operation and Maintenance of Plant Services	-							
2550	Student Transportation Services	-							
2570	Internal Services	-							
2610	Direction of Central Support Services	-							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Ser	-							
2630	Information Services	-							
2640	Staff Services	-							
2660	Technology Services	-							
2670	Records Management Services	-							
2680	Interpretation and Translation Services	-							
2690	Other Support Services - Central	-							
2700	Supplemental Retirement Program	-							
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-							
3200	Other Enterprise Services	-							
3300	Community Services	116,986			116,986				
3500	Custody and Care of Children Services	-							
Total Enterprise and Community Services Expenditures		116,986	-	-	116,986	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-							
4120	Site Acquisition and Development Services	-							
4150	Building Acquisition, Construction, and Improvement Services	-							
4180	Other Capital Items	-							
4190	Other Facilities Construction Services	-							
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-							
5200	Transfers of Funds	-							
5300	Apportionment of Funds by ESD	-							
5400	PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Total		116,986	-	-	116,986	-	-	-	-

SUPPLEMENTAL INFORMATION, 2020-2021

School District Business Managers and Auditors:

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

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

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

	Objects 325 & 326 & *327
Function 2540	\$876,651
Function 2550	\$ 7,204

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

\$ 14,978

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

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

We have audited the basic financial statements Eagle Point School District No. 9 (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 17, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

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

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

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment under ORS 328.245.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds under ORS Chapter 294.
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State School Fund Distribution Factors.

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

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.

We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Restrictions on Use

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



Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 17, 2021

**Items Required by the
Uniform Guidance for Federal Award Programs**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Eagle Point School District No. 9 (the District) as of and for the year ended June 30, 2021 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 17, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 17, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Eagle Point School District No. 9's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above.

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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.



Jeny L. Grupe CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 17, 2021

EAGLE POINT SCHOOL DISTRICT NO. 9
JACKSON COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2021

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL AL NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Education			
Direct Award U.S. Department of Education			
Indian Education Grants to Local Educational Agencies			
Title VII Indian Education	84.060	192441	\$ 83,831
Total AL 84.060			<u>83,831</u>
Passed through Oregon Department of Education:			
TITLE I - Grants to Local Education Agencies			
Title I-A	84.010	53256	137,042
Title I-A	84.010	58252	1,060,370
ESSA	84.010	54297	103,225
Total AL 84.010			<u>1,300,637</u>
COVID-19 - Education and Stabilization Fund			
Governor's Emergency Education Relief Fund	84.425C	60930	161,399
Elementary and Secondary School Emergency Relief Fund	84.425D	57799	864,550
Total AL 84.425			<u>1,025,949</u>
Special Education Cluster (IDEA)			
IDEA 611	84.027	53843	102,603
IDEA 611	84.027	56638	9,586
IDEA Enhancement	84.027	60648	594,523
Total Special Education Cluster (IDEA)			<u>706,712</u>
Supporting Effective Instruction			
Title II-A	84.367	53518	72,668
Title II-A	84.367	58746	74,772
Total AL 84.367			<u>147,440</u>
Special Education State Personnel Development Grant			
Effective Behavioral and Instructional Support Systems (EBISS)	84.323	47586	19,058
Total AL 84.323			<u>19,058</u>
Student Support and Academic Enrichment Program			
Title IV	84.424	54508	35,559
Total AL 84.424			<u>35,559</u>
English Language Acquisition State Grants			
Title III	84.365	53414	4,962
Title III	84.365	58466	35,826
Passed through Southern Oregon ESD:			
English Language Acquisition State Grants			
Title I-C Migrant Education	84.365	N/A	73,978
Total AL 84.365			<u>114,766</u>
		Total U.S. Department of Education	\$ 3,433,952
U.S. Department of Agriculture			
Passed through Oregon Department of Education:			
Foster Care - Title IVE	93.658	N/A	\$ 4,536
Total AL 93.658			<u>\$ 4,536</u>
		Total U.S. Department of Health and Human Services	\$ 4,536

**EAGLE POINT SCHOOL DISTRICT NO. 9
 JACKSON COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended June 30, 2021**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL AL NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Agriculture			
Passed through Oregon Department of Education:			
Child Nutrition Cluster			
National School Breakfast	10.553	N/A	\$ 3,051
National School Lunch	10.555	N/A	8,185
Commodities	10.555	N/A	104,155
COVID-19 Summer Food Service Program for Children	10.559	N/A	48,074
Summer Food Service Program for Children	10.559	N/A	1,612,127
Total Child Nutrition Cluster			<u>1,775,592</u>
Child and Adult Care Food Program	10.558	N/A	91,830
Total AL 10.558			<u>91,830</u>
Fresh Fruit and Vegetable Program	10.582	N/A	51,739
Total AL 10.582			<u>51,739</u>
Passed through Southern Oregon Education Service District:			
Schools and Roads - Grants to States	10.665	N/A	40,723
Total Forest Service Schools and Roads Cluster			<u>40,723</u>
			Total U.S. Department of Agriculture
			\$ 1,959,884
			Total Expenditures of Federal Awards
			\$ 5,398,372

EAGLE POINT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
Year Ended June 30, 2021

NOTE A – BASIS OF PRESENTATION:

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Eagle Point School District No. 9 (the District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, and changes in fund balance of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE C – FOOD DISTRIBUTION:

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the year ended June 30, 2021, the District received food commodities totaling \$104,155.

NOTE D – INDIRECT COST RATE:

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

NOTE E – SCHOOLS AND ROADS – GRANTS TO STATES:

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

NOTE F – SUBRECIPIENTS:

The District did not have any awards that were passed through to subrecipients for the year ended June 30, 2021.

**EAGLE POINT SCHOOL DISTRICT NO. 9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

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

Title 1 Grants to Local Education Agencies	AL # 84.010
Education Stabilization Fund	AL # 84.425
8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. Eagle Point School District No. 9 qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2021-001 Audit Adjustments and Reporting

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

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

Cause: Internal controls in place did not ensure that the capital lease was calculated and reported accurately.

Effect: Prior to adjustment, the capital lease, and associated revenue and expense, for the District were misstated.

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

View of Responsible Officials and Corrective Action Planned: The District does not dispute this condition. The District staff and management were not aware of the GASB 62 requirement to record the present value of the lease at the inception of the lease versus the receipt of leased equipment. The District will monitor future capital leases to ensure the present value is recorded at the inception of the lease in accordance with GASB 62.

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

None