

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

**CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon**

BOARD OF EDUCATION

JUNE 30, 2024

	<u>Term Expires</u>
Scott Leeper	June 30, 2025
Mike Knepp – Vice Chair	June 30, 2025
Sabria Arnold	June 30, 2025
Chelsea Williams	June 30, 2027
Seth Taylor – Chair	June 30, 2027

All board members receive mail at the District Office address below.

ADMINISTRATION

Stefanie Garber – Superintendent
Megan VerVaecke – Business Manager
412 West E Street
PO Box 259
Culver, Oregon 97734

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-10
BASIC FINANCIAL STATEMENTS	
Statement of Net Position.....	11
Statement of Activities	12
Balance Sheet – Governmental Funds.....	13
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17-51
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Proportionate Share of the Net Pension Liability (Asset).....	52
Schedule of Contributions – Pension Plan	53
Schedule of Funding Progress and Employer Contributions – OPEB – Health Insurance	54
Schedule of Changes in Other OPEB Liability – Health Insurance Implicit Rate Subsidy	55
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	56
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund	57
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Reconciliation to Fund Financial Statements – General Fund	58
Schedule of Revenues, Expenditures and Changes in Fund Balances – Reconciliation to Fund Financial Statements – Special Revenue Fund.....	59
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balances – Reconciliation to Fund Financial Statements – Debt Service Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund.....	62
Schedule of Revenues, Expenditures and Changes in Fund Balances – Reconciliation to Fund Financial Statements – Capital Projects Fund	63

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Schedule of Bond and Interest Transactions and Balances	64
Schedule of Bond Redemption and Interest Requirements	64
 OTHER FINANCIAL SCHEDULES	
Supplemental Information as Required by the Oregon Department of Education – Form 3211-C, 2018-19	65
Schedule of Expenditures of Federal Awards	66
Notes to the Schedule of Expenditures of Federal Awards	67
 AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATION.....	
	68
 FEDERAL GRANT COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control and Compliance	70
Independent Auditors' Report on Compliance for Each Major Federal Program and Internal Control over Compliance	72
Schedule of Findings and Questioned Costs	75

INDEPENDENT AUDITORS' REPORT



Independent Auditor's Report

To the Board of Directors
Culver School District
Deschutes County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Culver School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Culver School District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – Retiree Health Insurance Account, schedule of changes in total OPEB liability and related ratios – medical benefit, and the schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios – implicit health subsidy, 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds have 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the schedules of revenues, expenditures and changes in fund balances – reconciliation to fund financial statements for the general fund, special revenue fund, debt service fund, capital projects fund, the schedules of revenues, expenditures a changes in fund balances - budgetary schedules for the debt service and capital project funds, the bonded debt obligation schedules and the information required by Oregon Department of Education but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2024 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 18, 2024 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Prior Year Summarized Information

Sensiba LLP previously audited the District's financial statements for the year ended June 30, 2023. In our report dated December 21, 2023, we opined the statements were presented fairly in all material respects. We are not aware of any material modifications that should be made to the comparative information for it to be consistent with the audited financial statements from which it was derived.

Brenda Bartlett

Sensiba LLP
Bend, Oregon

December 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Culver School District No. 4, our discussion and analysis provide an overview of the District's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the District's Financial Statements, which follows this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- At June 30, 2024 the District assets exceeded its liabilities by \$4.7 million.
- The District has \$12.1 million invested in capital assets, net of depreciation.
- Ending Net Position increased by \$259,000 in FY2023-2024 primarily due to an increase in our current assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School District's annual report consists of a series of financial statements that show information for the District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provides information about the activities of the District as a whole and presents a longer-term view of the District's finances. For our government activities, these statements tell how we financed our services in the short-term as well as what remains for future spending.

Our fund financial statements are included later in the financial report. Fund statements also may give you some insights into the District's overall financial health. They report the District's operations in more detail than the government-wide financial statements by providing information about the District's most significant fund, the General Fund.

Government-wide financial statements. These statements present information on the District's finances in a manner similar to private sector business. One of the most important questions asked about the District is, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information on the District as a whole and on its activities in a way that helps answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position. The statement of net position shows the District's assets and liabilities, with the difference between the two reported as net position. All capital assets and long-term liabilities, and general government functions, are shown in the Statement of Net Position.

The Statement of Activities. The statement of activities shows revenue, expenses, and the change in net position for the District as a whole. Revenues and expenses attributable to specific functions are segregated from general revenues, to display the extent to which general revenues support each function.

Fund financial statements. Governmental funds account for the same functions as reported as governmental activities in the government-wide statements. The governmental fund reporting focuses on how money flows in and out of the funds and the balances left at year end that are available for spending. They are reported using the accounting method called “modified accrual” accounting, which measures cash and all other financial assets that can readily convert to cash. This information is essential for preparation of and compliance with annual budgets. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following government statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets, liabilities and net position are compared as follows:

	June 30,	
	2024	2023
Assets		
Current and other assets	\$ 4,069,327	\$ 5,009,918
Capital assets (net)	12,173,714	12,048,920
Total assets	<u>16,243,041</u>	<u>17,058,838</u>
 Deferred Outflows of Resources	 <u>4,128,198</u>	 <u>3,724,542</u>
 Total Assets and Pension Related Deferrals	 <u>\$ 20,371,239</u>	 <u>\$ 20,783,380</u>
 Liabilities		
Other liabilities	\$ 1,644,646	\$ 1,774,867
Long-term liabilities	13,024,204	11,830,749
Total liabilities	<u>14,668,850</u>	<u>13,605,616</u>
 Deferred Inflows of Resources	 <u>949,501</u>	 <u>2,684,120</u>
 Net Position		
Restricted	8,458,793	7,926,579
Unrestricted	(3,705,905)	(3,432,935)
Total net position	<u>\$ 4,752,888</u>	<u>\$ 4,493,644</u>

The District's revenues and expenses for fiscal year 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
REVENUES		
Program revenues		
Charges for services	\$ 260,051	\$ 520,454
Operating grants	2,394,726	2,780,137
General revenues		
Property taxes	3,009,274	2,886,703
State revenue sharing	7,231,687	6,515,781
Miscellaneous	231,642	307,726
Total revenues	<u>13,127,380</u>	<u>13,010,801</u>
EXPENSES		
Instruction	7,051,405	6,624,430
Support services	5,174,484	5,035,847
Community services	509,588	459,965
Interest on long-term debt	132,659	161,347
Total expenses	<u>12,868,136</u>	<u>12,281,589</u>
Change in net position	259,244	729,212
Net position - beginning	4,493,644	3,764,432
Net position - ending	<u>\$ 4,752,888</u>	<u>\$ 4,493,644</u>

Approximately 23% of the District's activities are paid by property taxes, with another 56% from the State of Oregon shared revenues and 19% from various operating grants.

Ending Net Position increased by \$259,000 primarily due to an increase in various revenue sources, including property taxes, and State revenue sharing, with an 1% total increase in revenues. The District's expenses increased 5% due to increased costs for goods and services and an increase in wages and benefits due to collective bargaining agreements.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The focus of government funds is to provide information on near term inflows, outflows, and balances of spendable resources. Unassigned fund balance measures the District net resources for appropriation in the next fiscal year. As of June 30, 2024, total fund balance of the governmental funds was \$2.9 million, of which \$2.2 million is unassigned.

Summary of ending fund balances for the governmental funds for 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
General Fund	\$ 1,931,350	\$ 2,178,779	\$ (247,428)
Special Revenue Fund	451,105	605,714	(154,608)
Debt Service Fund	116,861	76,461	40,400
Capital Projects Fund	467,413	529,073	(61,660)
	<u>\$ 2,966,729</u>	<u>\$ 3,390,027</u>	<u>\$ (423,296)</u>

The Budget adjustment in the General Fund was an increase to the State School Fund in State Sources. These funds were allocated to Instruction, Support, Transfers and Unappropriated function levels. The Budget adjustments in the Special Revenue Fund were made to Federal, State and Local revenue sources received and expected to be spent during the year.

	<u>Original Appropriation</u>	<u>Increase</u>	<u>Decrease</u>	<u>Final Appropriation</u>
General Fund				
Instruction	\$ 6,142,334	\$ -	\$ 8,851	\$ 6,133,483
Support Services	4,124,674	174,855	-	4,299,529
Interfund Transfers	110,000	14,000	-	124,000
Contingencies	100,000	-	-	100,000
	<u>\$ 10,477,008</u>	<u>\$ 188,855</u>	<u>\$ 8,851</u>	<u>\$ 10,657,012</u>

	<u>Original Appropriation</u>	<u>Increase</u>	<u>Decrease</u>	<u>Final Appropriation</u>
Special Revenue Fund				
Instruction	\$ 1,165,111	\$ 150,793	\$ -	\$ 1,315,904
Support Services	1,326,664	182,700	-	1,509,364
Enterprise Services	459,846	56,479	-	516,325
	<u>\$ 2,951,621</u>	<u>\$ 389,972</u>	<u>\$ -</u>	<u>\$ 3,341,593</u>

CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 1,737,297	\$ 1,737,297
Buildings, net of depreciation	9,532,417	9,652,155
Equipment, net of depreciation	704,258	659,468
Leased equipment, net of amortization	17,265	29,453
IT subscriptions, net of amortization	182,476	164,180
Total capital assets	<u>\$12,173,713</u>	<u>\$12,242,553</u>

See footnote 6 for further information on capital assets, including current year activity.

During the year, the District's investment in Capital Assets increased by \$401,000 which were primarily funded through grants. Of that amount, \$164,000 was new equipment. The largest purchase was to purchase new interactive displays for various classrooms in the District. The District was also able to acquire a 7 passenger SUV as an additional transportation vehicle to help with transportation of our EICIS, foster and McKinney Vento students. Other purchase of equipment included a new lawn mower for Facilities. With the help of the High School Success grant, the District was also able to purchase a new CNC Router table and Laser table for us in our CTE program.

The remaining \$237,000 investment in capital assets was used for repairs to the North Gym wood floor after a severe storm flooded the gym and did extensive damage to the floor. Proceeds to fund this capital improvement came from the insurance claim that was filed when the damage occurred.

IT subscriptions and leased equipment are now classified as capital assets under the new GASB 96 standard, also known as right of use assets. The District implemented the new standard in the 2022-2023 fiscal year and originally recognized an additional \$193,633 in capital assets. For the 2023-2024 fiscal year, the District recognized an additional \$6,108 in right of use assets for a total of \$199,741 as of June 30, 2024. These assets are mainly subscription-based IT programs that are used for supplemental curriculum in the classroom.

See footnote 7 for further information on Right of Use liabilities including current year activity.

LONG-TERM DEBT

At the end of the year, the District had a total long-term debt outstanding of \$4.5 million. This is a decrease of \$810k from the prior year. As part of the GASB 96 standard, the District recognized an additional \$39k in long term debt as part of the analysis of right to use IT subscriptions. This was in addition to the \$193k that was recognized during the implementation in the 2022-2023 fiscal year. Of the \$4.5 million outstanding in long-term debt, \$811k is due within one year, of which \$715k is the payment due on the District's 2014 General Obligation Bond. In the current fiscal year, the District paid down \$836k of the total debt owed.

See footnote 8 for further information on the District's long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary economic factor influencing the District's operating fund is the stability of funding from the State of Oregon's State School Fund. For the year ended June 30, 2024, the State School Fund – General Support provided approximately 74% of the District's program resources. Local property taxes provided approximately an additional 22%. In recent years, staffing shortages and increased demands from the State have led to higher requests during bargaining sessions throughout the state and the region. The significant reliance on State funding, coupled with the Oregon Department of Education's increasing mandates is challenging, especially in a smaller District. The increased wages and demands on schools have gained a lot of traction in the last couple of years forcing the State to look at Current Service Level calculations for the upcoming Legislative Sessions. This could mean less instability for Districts in the future. Until then, the District continues to depend on its cash carryover in order to meet the growing demands of the District along with the State and Federal mandates.

Salaries and benefit costs are expected to increase approximately 7% in 2024-2025, due to new contractual obligations and substantial increases in benefit costs. The increase is based on staff receiving a 4.0% COLA and full experience step, plus the new expense of the Oregon Paid Family Leave Insurance. The District will also see an increase in unemployment costs due to the new law that allows qualified classified staff to file for unemployment during break periods. The District estimated a potential increase of \$80,000 to the budget because of the new law. The health insurance benefits cap also increased \$50 per month per employee. The District will use its increase in the State School Fund and cash carryover in order to meet these obligations.

The District's enrollment saw a slight increase in the 2023-2024 school year. Enrollment is expected to remain at the current level for the 2024-2025 school year. Total enrollment was 660 at the end of the 2023-2024 school year. The District's budget committee and School Board considered all of these factors while preparing the District's budget for 2024-2025 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Culver School District's finances for all those interested. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to Culver School District, PO Box 259, Culver, Oregon 97734.

BASIC FINANCIAL STATEMENTS

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2024 AND SUMMARIZED INFORMATION FOR JUNE 30, 2023

	2024	2023
ASSETS		
Current Assets		
Cash and investments	\$ 3,082,861	\$ 3,342,929
Property taxes receivable	134,247	138,893
Grants receivable	548,627	792,775
Accounts receivable	150,808	278,657
Prepaid expenses		
Supply inventory	13,544	15,753
Net other postemployment benefit asset - RHIA	139,240	247,278
Non-Current Capital Assets		
Right of use assets, net of amortization	199,741	193,633
Non-depreciable assets	1,737,297	1,737,297
Depreciable assets, net of depreciation	10,236,676	10,311,623
TOTAL ASSETS	16,243,041	17,058,838
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferrals - PERS	4,022,218	3,651,426
Other postemployment benefit obligation - IR Subsidy	50,361	58,055
Other postemployment benefit obligation - RHIA	55,619	15,061
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,128,198	3,724,542
LIABILITIES		
Current liabilities		
Accounts payable	71,855	242,890
Payroll liabilities	753,729	739,933
Interest payable	7,222	9,968
Due within one year: Bonds, notes, leases	811,840	782,076
Noncurrent liabilities		
Net other postemployment benefit liability - IR Subsidy	126,991	156,764
Net pension liability - PERS	9,168,873	7,102,736
Accrued compensated absences	34,917	37,373
Bond premium	230,306	288,643
Due in more than one year: Bonds, notes, leases	3,463,117	4,245,233
TOTAL LIABILITIES	14,668,850	13,605,616
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - grant funds	25,201	88,635
Pension related deferrals - PERS	807,669	2,446,724
Other postemployment benefit obligation - IR Subsidy	91,370	54,166
Other postemployment benefit obligation - RHIA	25,261	94,595
TOTAL DEFERRED INFLOWS OF RESOURCES	949,501	2,684,120
NET POSITION		
Net investment in capital assets	7,668,451	6,926,601
Restricted		
Restricted for Capital Projects	467,413	529,073
Restricted for OPEB RHIA	169,598	167,744
Restricted for Debt Service	116,861	76,461
Restricted for Private Donations	36,470	226,700
Unrestricted	(3,705,905)	(3,432,935)
TOTAL NET POSITION	\$ 4,752,888	\$ 4,493,644

See notes to financial statements

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024 AND SUMMARIZED INFORMATION FOR JUNE 30, 2023

FUNCTIONS	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities	
	Expenses	Charges for Services	Operating Grants and Contributions	2024	2023
	Instruction	\$ 7,051,405	\$ 240,364	\$ 2,087,520	\$ (4,723,521)
Support Services	5,174,484	19,648	307,206	(4,847,630)	(4,716,041)
Community Services	509,588	39	-	(509,549)	(458,297)
Interest on long-term debt	132,659	-	-	(132,659)	(161,347)
Total governmental activities	12,868,136	260,051	2,394,726	(10,213,359)	(8,980,998)
General revenues:					
Property taxes levied for general purposes				2,128,740	2,029,556
Property taxes levied for debt service				880,534	857,147
Construction excise tax				14,573	35,555
State revenue sharing				7,231,687	6,515,781
Income Not Restricted to Specific Programs					
Local sources				55,524	148,624
Intermediate sources				13,247	15,347
Gain (Loss) on disposal of capital assets				(15,184)	-
Interest and investment earnings				163,482	108,200
Total general revenues				10,472,603	9,710,210
CHANGE IN NET POSITION				259,244	729,212
Net Position - beginning				4,493,644	3,764,432
Net Position - ending				\$ 4,752,888	\$ 4,493,644

See notes to financial statements

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2024 AND SUMMARIZED INFORMATION FOR JUNE 30, 2023

<u>ASSETS</u>	General	Special Revenues	Debt Service	Capital Projects	Totals	
					2024	2023
Cash and investments	\$ 2,076,927	\$ 428,071	\$ 110,450	\$ 467,413	\$ 3,082,861	\$ 3,342,929
Property taxes receivable	94,697	-	39,550	-	134,247	138,893
Accounts receivable	48,991	101,817	-	-	150,808	278,657
Interfund receivable	600,685	-	-	-	600,685	720,675
Grants receivable	-	548,627	-	-	548,627	792,775
Supply inventory	-	13,544	-	-	13,544	15,753
Total assets	<u>\$ 2,821,300</u>	<u>\$ 1,092,059</u>	<u>\$ 150,000</u>	<u>\$ 467,413</u>	<u>\$ 4,530,772</u>	<u>\$ 5,289,682</u>
<u>LIABILITIES</u>						
Liabilities						
Accounts payable	\$ 56,787	\$ 15,068	\$ -	\$ -	\$ 71,855	\$ 242,890
Interfund payable	-	600,685	-	-	600,685	720,675
Payroll liabilities	753,729	-	-	-	753,729	739,933
Total liabilities	<u>810,516</u>	<u>615,753</u>	<u>-</u>	<u>-</u>	<u>1,426,269</u>	<u>1,703,498</u>
<u>DEFERRED INFLOWS</u>						
Deferred revenue - grant funds	-	25,201	-	-	25,201	88,635
Unavailable revenue - property taxes	79,434	-	33,139	-	112,573	107,522
Total deferred inflows	<u>79,434</u>	<u>25,201</u>	<u>33,139</u>	<u>-</u>	<u>137,774</u>	<u>196,157</u>
<u>FUND BALANCES</u>						
Nonspendable	-	13,544	-	-	13,544	15,753
Restricted for:						
Private donations	-	36,470	-	-	36,470	226,700
Energy program	-	106,781	-	-	106,781	79,859
Debt service	-	-	116,861	-	116,861	76,461
Capital projects	-	-	-	467,413	467,413	529,073
Expenditure of grant funds	-	-	-	-	-	88,635
Assigned for:						
Appropriated ending fund balance	1,006,882	-	-	-	1,006,882	1,287,639
Textbook replacement	-	44,435	-	-	44,435	41,530
Asset replacement	-	27,772	-	-	27,772	26,143
Employee pension fund	-	88,870	-	-	88,870	83,659
Student body funds	-	135,176	-	-	135,176	133,738
Unassigned	924,468	(1,943)	-	-	922,525	800,837
Total fund balances	<u>1,931,350</u>	<u>451,105</u>	<u>116,861</u>	<u>467,413</u>	<u>2,966,729</u>	<u>3,390,027</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,821,300</u>	<u>\$ 1,092,059</u>	<u>\$ 150,000</u>	<u>\$ 467,413</u>	<u>\$ 4,530,772</u>	<u>\$ 5,289,682</u>

See notes to financial statements

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 2,966,729
The net PERS pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(9,168,873)
Net other postemployment benefit assets applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund assets.		139,240
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred outflows - PERS		4,022,218
Deferred inflows - PERS		(807,669)
Deferred Outflows - other postemployment benefits		105,980
Deferred Inflows - other postemployment benefits		(116,631)
The cost of capital assets (land, buildings, improvements, equipment and vehicles) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets amount the assets of the District as a whole.		
Net capital assets, excluding right of use assets		11,973,973
Right of use capital assets are not financial resources and therefore are not reported in the governmental funds.		
Lease Assets, net		17,265
IT Subscription assets, net		182,476
Prepaid expenses are reported as assets in the District's governmental activities.		
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term are reported in the Statement of Net Position.		
General obligation bonds payable	\$ (4,095,000)	
Capital Lease Obligation - buses	(29,559)	
Interest payable	(7,222)	
Net other postemployment benefit liability	(126,991)	
Right of use liabilities	(150,398)	
Accrued compensated absences	(34,917)	(4,444,087)
The unamortized portion of bond premium revenue is not available to pay for current period revenues, and therefore is not reported in the governmental funds.		(230,306)
Unavailable revenue related to property taxes.		112,573
NET POSITION		<u><u>\$ 4,752,888</u></u>

See notes to financial statements

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024 AND SUMMARIZED INFORMATION FOR JUNE 30, 2023

	General	Special Revenue	Debt Service	Capital Projects	Totals	
					2024	2023
Revenues						
Local sources						
Property tax	\$ 2,124,844	\$ -	\$ 879,379	\$ -	\$ 3,004,223	\$ 2,876,992
Construction excise tax	-	-	-	14,573	14,573	35,555
Grants and contributions	-	71,065	-	-	71,065	315,833
Tuition	25,860	-	-	-	25,860	29,091
Interest and miscellaneous	191,600	186,652	16,252	24,178	418,682	463,701
Intermediate sources	13,079	-	168	-	13,247	15,347
State sources						
State school fund	7,094,394	3,310	-	52,227	7,149,931	6,436,055
Restricted grants	85,066	1,116,968	-	-	1,202,034	1,246,298
Federal sources	18,218	1,256,230	-	-	1,274,448	1,613,565
Total revenues	9,553,061	2,634,225	895,799	90,978	13,174,063	13,032,437
Expenditures						
Instruction	5,603,403	1,076,852	-	-	6,680,255	6,575,121
Support services	4,083,947	1,070,180	-	40,871	5,194,998	5,261,754
Enterprise services	-	507,416	-	-	507,416	471,746
Capital outlay	-	274,096	-	53,595	327,691	374,885
Debt service	13,140	-	855,399	58,172	926,711	893,371
Total expenditures	9,700,490	2,928,544	855,399	152,638	13,637,071	13,576,877
Excess (deficiency) of revenues over (under) expenditures	(147,429)	(294,319)	40,400	(61,660)	(463,008)	(544,440)
Other financing sources (uses)						
IT Subscriptions	-	39,710	-	-	39,710	114,247
Transfers in	-	100,000	-	-	100,000	75,000
Transfers out	(100,000)	-	-	-	(100,000)	(75,000)
Total other financing sources and (uses)	(100,000)	139,710	-	-	39,710	114,247
Net change in fund balances	(247,429)	(154,609)	40,400	(61,660)	(423,298)	(430,193)
Fund balances - beginning of year	2,178,779	605,714	76,461	529,073	3,390,027	3,820,220
Fund balances - end of year	\$ 1,931,350	\$ 451,105	\$ 116,861	\$ 467,413	\$ 2,966,729	\$ 3,390,027

See notes to financial statements

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

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

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (423,298)

The revenue (expense) represents the changes in net asset (liability) and deferred inflows/outflows from year to year due to changes in the fair value of plan net position available to pay benefits.

PERS	\$	(56,290)	
Other postemployment benefits - IR Subsidy		(15,125)	
Other postemployment benefits - RHIA		<u>1,854</u>	(69,561)

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 expense when earned. 2,456

Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital assets additions exceeds depreciation/amortization

Additions, net of disposals and adjustments			
IT subscription assets		87,129	
Other capital assets		401,449	
Depreciation/Amortization expense			
Leased equipment		(12,188)	
IT subscription assets		(68,833)	
Other capital assets		<u>(476,396)</u>	(68,839)

Expenses paid in advance of receiving good or services are reported as expenditures in governmental funds. However, in the Statement of Net Position, these expenses are reported as an asset. -

Changes of long-term debt principal are reported as expenditures and revenues in governmental funds, whereas they are reported as changes in bonds payable in the Statement of Net Position.

Issuance of right-of-use liabilities		(39,710)	
Lease repayments		12,392	
IT Subscription repayments		59,093	
Bonds, Loans		<u>720,577</u>	752,352

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 2,746

Bond issue premiums are reported as revenue received in the Governmental Funds. For government-wide reporting, these costs are reported as a liability and amortized over the life of the bond. This represents the amount expensed in the Statement of Activities. 58,337

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received, however in the Statement of Activities, there is not unavailable revenue and the full property tax receivable is accrued. 5,051

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 259,244

See notes to financial statements

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Culver School District No. 4 (the District) is a municipal corporation governed by an elected Board of Directors. Administration officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. As required by accounting principles generally accepted in the United States of America, all activities have been included in these 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 services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, in accordance with GASB 61, none of them are considered component units or included in these basic financial statements.

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; revenues reduce the cost of the function to be financed from general revenues. The Statement of Activities presents charges for services and operating grants and contributions under program revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fund Financial Statements

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Governmental Fund Types

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is two (2) months. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences, pension costs, and claims and judgments, which are not recognized as expenditures because they will be liquidated with future expendable financial resources. Principal and interest on general long-term debt, long-term leases, and claims and judgments are recognized as expenditures to the extent they have matured. Capital asset acquisitions, including entering into contracts giving the District the right to use leased and subscription-based assets, are reported as expenditures in the governmental funds. Proceeds from general-long term debt and financing through leases and subscriptions are reported as other financing sources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

These are the following major governmental funds:

General Fund – This fund accounts for the financial operations not accounted for in any other fund. Principal sources of revenue are property taxes and distributions from the State of Oregon. Expenditures in the fund are made for instructional purposes and related support services.

Special Revenue Funds – This fund accounts for the revenue and expenditures restricted for specific educational projects or programs. Principal revenue sources are federal grants and other local sources.

Debt Service Fund – Bond principal and interest payments are accounted for in the Debt Service Fund. The main source of revenue is local property taxes.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Projects Funds – The Capital Projects Funds account for bus replacement, major improvement and construction projects. Major financing is from bond proceeds, interest income and fund balance carryforward.

Use of Estimates

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

Cash and Cash Equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition.

Property Taxes

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

Supplies Inventories

General Fund operating and maintenance supplies and food and other cafeteria supplies recorded in the Special Revenue Funds are valued at cost using the first-in, first-out method. All inventory items are charged to expenditures of user departments at the time of withdrawal from inventory (consumption method) for the government wide statements. Food inventories include the value of United States Department of Agriculture donated commodities; revenues and expenditures in Special Revenue Funds include the value of donated commodities.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Prepaid Items

Prepaid items are accounted for using the purchases method.

Capital Assets

Capital assets, which include land, buildings, equipment, construction in progress, and right to use leases and IT subscriptions are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost, except for right to use assets which are measured as discussed below.

Right of Use capital assets include leased equipment and IT subscriptions. Lease assets are assets which the District leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized using the straight-line method over the term of the agreement. Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated/amortized using the straight-line method over the following useful lives:

Buildings and Improvements	50 years
Equipment and Vehicles	5 to 15 years
Right to Use Leased Equipment	3 to 6 years
Right to Use IT Subscriptions	2 to 10 years

Compensated Absences

It is policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued in the government-wide statements.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, including entering into contracts giving the District the right to use leased and subscription-based assets, is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. The present value of lease and subscription payments expected to be made during the applicable term is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows / Inflows or Resources

In addition to assets, the basic financial statements 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 future periods and so will not be recognized as an outflow of resources. Deferred outflows include PERS/pension related deferrals and OPEB health insurance related deferrals.

In addition to liabilities, the basic financial statements 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(s) and so will be recognized as an inflow of resources (revenue) until that time. Deferred inflows reported in the governmental funds balance sheet include unavailable revenue from property taxes and unspent grant funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows also include PERS/pension related deferrals and OPEB health insurance related deferrals.

Leases

The District is a lessee for a noncancellable lease of equipment and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Right to use assets

Right-to-Use assets include Lease and IT Subscriptions. Lease assets are assets which the City leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the City's incremental borrowing rate at the time of the lease agreement, amortized using the straight-line method over the term of the agreement. Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

IT Subscriptions payable

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. Amortization of the discount on the subscription liability is recognized as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

Net Position

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. The objective of this statement is to enhance the usefulness of the fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are – nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balance as Assigned is granted to the Superintendent and the Business Manager.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body 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) and unassigned.

Retirement Plans

Substantially all of the District’s employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS’ fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as 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. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 2 – BUDGETARY INFORMATION

A budget is prepared and legally adopted for each fund in accordance with Oregon Local Budget Law. The budget is prepared using the modified accrual basis of accounting. The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency, and transfers) for the general fund, special revenue fund,

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 2 – BUDGETARY INFORMATION – continued

debt service fund, and capital projects fund. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

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 the fund’s original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund’s original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the financial statements include the original budget amounts and four appropriation increases. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations.

NOTE 3 – BUDGET/GAAP REPORTING DIFFERENCES

The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting is the same as generally accepted accounting principles in the United States of America with the exceptions that capital outlay expenditures are expenses when purchased, depreciation and amortization are not calculated, principal on debt and capital lease payments are budgeted as expenditures when paid, property taxes are recorded when received, pension costs and compensated absences are not recorded until paid, and inventories of supplies are budgeted as expenditures when purchased.

NOTE 4 - CASH AND INVESTMENTS

The cash management policies are governed by state statutes. A cash pool is maintained that is available for use by all funds. Each fund type’s portion of this pool is reported on the combined balance sheet as Cash and Investments or amounts of Interfund Payables. In addition, cash is separately held by some of the funds.

Cash and Investments at June 30, 2024 (recorded at fair value), consisted of:

Demand deposits	\$ 908,834
Bond Account - County	22,027
State Treasurer's Investment Pool	437,452
Jefferson County Investment Pool	<u>1,714,548</u>
	<u>\$ 3,082,861</u>

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 4 - CASH AND INVESTMENTS – continued

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2024 was \$1,229,926, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Investments

Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued.

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. These investments are measured using an estimated fair value equivalent to book value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

The audited financial reports of the Oregon Short Term Fund can be found here:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx>

If the link has expired, please contact the Oregon Short Term Fund directly.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 4 - CASH AND INVESTMENTS - continued

Investment Type	Fair Value	Investment Maturities (months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 437,452	\$ 437,452	\$ -	\$ -
Jefferson County Investment Pool	1,714,548	1,714,548	-	-
Bond Account - County	22,027	22,027	-	-
	<u>\$ 2,174,027</u>	<u>\$ 2,174,027</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments that have a maturity date greater than three months.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2024, none of the bank balance was exposed to custodial credit risk.

Credit Risk – Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

As of June 30, 2024, 20% of total investments were in the State Treasurer’s Investment Pool and 79% of total investments were in the Jefferson County Investment Pool. State statutes do not limit the percentage of investments in these types of instruments.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable is comprised primarily of claims for reimbursement of costs under various federal and state grant programs. No allowance for uncollectible accounts had been recorded because management considers all receivables to be collectible.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 6 - CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2024
Capital assets not being depreciated/amortized					
Land	\$ 1,737,297	\$	\$	\$	\$ 1,737,297
Total capital assets not being depreciated/amortized	1,737,297				1,737,297
Capital assets being depreciated					
Building and improvements	16,457,425	236,826			16,694,251
Vehicles and equipment	1,909,399	164,623			2,074,022
Total capital assets being depreciated	18,366,824	401,449			18,768,273
Less accumulated depreciation for					
Buildings and improvements	6,805,270	356,564			7,161,834
Vehicles and equipment	1,249,931	119,833			1,369,764
Total accumulated depreciation	8,055,201	476,397			8,531,598
Total capital assets being depreciated	10,311,623	(74,948)			10,236,675
Total tangible capital assets, net	12,048,920	(74,948)	-	-	11,973,972
Right to use assets being amortized					
Leased equipment	210,699			(149,760)	60,939
IT subscriptions	228,346	102,312	(35,105)		295,553
Total right to use assets being amortized	439,045	102,312	(35,105)	(149,760)	356,492
Less accumulated amortization for					
Leased equipment	181,246	12,188		(149,760)	43,674
IT subscriptions	64,166	68,833	(19,922)		113,077
Total accumulated amortization	245,412	81,021	(19,922)	(149,760)	156,751
Total right to use assets, net	193,633	21,291	(15,183)		199,741
Total capital assets, net	\$ 12,242,553	\$ (53,657)	\$ (15,183)	\$ -	\$ 12,173,713

Depreciation and amortization expense for the year were charged to the following programs:

Instruction	\$ 378,141
Support Services	178,877
Community Services	400
	<u>\$ 557,418</u>

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 7 – RIGHT OF USE LIABILITIES

	Beginning Balance	Issued	Matured and Redeemed	Adjustments	Ending Balance	Due in One Year
Lease liabilities						
Copiers	30,596		(12,392)		18,204	12,768
Total lease liabilities	30,596		(12,392)		18,204	12,768
IT subscription liabilities						
E3 - Emergent 3; interest at 4.75%, principal and interest of \$833-\$2417 paid annually; due 2026	4,968			(4,968)		
TalentEd - Powerschool; interest at 4.25% principal and interest of \$2,296 paid annually; due 2026	6,456		(1,808)	1,955	6,603	1,996
TalentEd Perform - Powerschool: interest at principal and interest of \$1,286-\$7,713 paid annually; due 2027	21,526		(6,838)		14,688	7,170
TalentEd Applicant Tracking PS: interest at 4.25% principal and interest of \$1,213 paid annually; due 2026	3,412			(3,412)		
TimeClock Plus: interest at 5% principal and interest of \$2,650-\$3,533 paid annually; due 2026	8,119		(2,296)		5,823	2,414
Powerschool E-Collect: interest at 2.75% principal and interest of \$1,825 paid annually; due 2024	1,803		(1,803)			
Powerschool E-Enrollment: interest at 2.75% principal and interest of \$3,423-\$5,134 paid annually; due 2026	13,584		(4,821)		8,763	5,375
Lexia Core 5: interest at 2.5% principal and interest of \$766-\$9,195 paid annually; due 2028	26,548				26,548	7,903
Mystery Science: interest at 2.5% principal and interest of \$1,194-\$1,294 paid annually; due 2027	3,448			(3,448)		
Blackboard: interest at 4% principal and interest of \$91-\$1,095 paid annually; due 2024	1,159			(1,159)		
Microsoft: interest at 4.75% principal and interest of \$384-\$2,307 paid annually; due 2027	6,768		(2,031)		4,737	2,128
Google Workspace: interest at 4.75% principal and interest of \$288-\$1,728 paid annually; due 2027	5,070		(1,518)		3,552	1,594

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 7 – RIGHT OF USE LIABILITIES - continued

	Beginning Balance	Issued	Matured and Redeemed	Adjustments	Ending Balance	Due in One Year
Continued						
Nurse's Aide: interest at 3% principal and interest of \$401-\$601 paid annually; due 2026	1,538			(1,538)		
Imagine Learning: interest at 4.75% principal and interest of \$3,495-\$4,194 paid annually; due 2027	14,671		(3,573)		11,098	3,747
IXL Learning: interest at 2.5% principal and interest of \$362-\$4,347 paid annually; due 2028	12,552				12,552	3,736
Smart Board - One Diversified: interest at 5% principal and interest of \$319-\$1,275 paid annually; due 2025	1,540			(1,540)		
Powerschool - SIS: interest at 4% principal and interest of \$2,126-\$8,505 paid annually; due 2025	10,353		(8,241)		2,112	2,112
ParentSquare: interest at: 4.75% principal and interest of \$4,233 paid annually; due 2025	8,062		(3,934)		4,128	4,128
IXL-Addtl Licenses: interest at: 5.50% principal and interest of \$3,304 paid annually; due 2027		8,880	(1,866)		7,014	2,146
TalentEd Contracts: interest at: 5.75% principal and interest of \$6,041 paid annually; due 2027		12,458	(958)		11,500	3,973
Naviance-PowerSchool: interest at: 5.50% principal and interest of \$8,201 paid annually; due 2027		18,372	(5,296)		13,076	6,091
Total IT subscription liabilities	<u>151,577</u>	<u>39,710</u>	<u>(44,983)</u>	<u>(14,110)</u>	<u>132,194</u>	<u>54,513</u>
Total right of use liabilities	<u>\$ 182,173</u>	<u>\$ 39,710</u>	<u>\$ (57,375)</u>	<u>\$ (14,110)</u>	<u>\$ 150,398</u>	<u>\$ 67,281</u>

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 7 – RIGHT OF USE LIABILITIES - continued

The District entered into a five-year lease agreement for copy machines in November 2020.

Future maturities of right of use liabilities are as follows:

Year Ending June 30,	Leases		IT Subscriptions		Total
	Principal	Interest	Principal	Interest	
2025	12,768	372	54,512	4,318	71,970
2026	5,436	39	48,979	2,190	56,644
2027			27,376	517	27,893
2028			1,327	5	1,332
	<u>\$ 18,204</u>	<u>\$ 411</u>	<u>\$ 132,194</u>	<u>\$ 7,030</u>	<u>\$ 157,839</u>

NOTE 8 – LONG-TERM OBLIGATIONS

	Changes in Long-term Obligations				
	Beginning Balance	Issued	Matured and Redeemed	Ending Balance	Due in One Year
Notes Payable					
Bus Purchase 2018-2019 (Bus #8)	\$ 26,681	\$	\$ (26,681)	\$ -	
Bus Purchase 2020-2021 (Bus #14)	58,455		(28,896)	29,559	29,559
Bonds Payable					
GO Bond 2014	4,760,000		(665,000)	4,095,000	715,000
Premium related to Bond					
Bond premium	288,643		(58,337)	230,306	
Leases	30,596		(12,392)	18,204	12,768
IT Subscriptions	151,577	39,710	(44,983)	132,194	54,513
Total Long-term Obligations	<u>\$ 5,315,952</u>	<u>\$ 39,710</u>	<u>\$ (836,289)</u>	<u>\$ 4,505,263</u>	<u>\$ 811,840</u>

On February 20, 2014, \$8,800,000 of General Obligation bonds were issued to refinance \$725,000 of the 2008 bond and to make improvements to school buildings. A portion of the net proceeds of \$9,665,912 (including an \$865,912 premium and after payment of \$120,483 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2008 Full Faith and Credit bonds' total debt service payments were reduced over 9 years by \$897,587. There are no significant default remedy clauses noted in the agreements that would impact the financial statements or require disclosure under GASB 88.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 8 – LONG-TERM OBLIGATIONS - continued

An Installment Purchase Agreement for a school bus was entered into with Mercedes-Benz Financial Services in January, 2021, and is expected to end in the next fiscal year.

Year Ending June 30,	Future Maturities		
	Bus Purchase		Total
	2020-2021 (Bus #14)	GO Bond 2014	
2025	29,559	715,000	744,559
2026	-	765,000	765,000
2027	-	815,000	815,000
2028	-	870,000	870,000
2029	-	930,000	930,000
	\$ 29,559	\$ 4,095,000	\$ 4,124,559

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT RATE SUBSIDY

Postemployment Healthcare Plan

The District reports its liability for other postemployment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

Plan Description

The District sponsors a self-pay early retirement health insurance program for its retirees. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District’s group health insurance plans. The District’s post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT RATE SUBSIDY – continued

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The plan does not issue a stand-alone financial report.

Funding Policy

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2023, using entry age normal actuarial funding method. The OPEB liability was determined based on measurement dates of June 30, 2024 and 2025, using the following actuarial assumptions:

Discount Rate	4.00%
General Inflation	2.50%
Annual Salary Increases	3.50% plus merit increases/decreases ranging from .06% to 5.54%

Health Care Cost Trend

Medical and Vision:

Year	Rate	Year	Rate
2024	3.50%	2034	5.30%
2025	4.00%	2035	5.20%
2026	4.50%	2036	5.10%
2027	5.00%	2037	5.00%
2028	5.50%	2038	4.90%
2029	5.80%	2039	4.80%
2030	5.70%	2040	4.70%
2031	5.60%	2041	4.60%
2032	5.50%	2041+	4.50%
2033	5.40%		

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT RATE SUBSIDY – continued

Demographic assumptions regarding retirement eligibility, retirement rates, disability, and turnover are based on valuation assumptions from the Oregon PERS 2022 Experience Study. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers. Mortality rates used are the Pub-2010 Retiree tables for teachers, sex distinct, projected generationally: 125% of a blend of 80% of published rates and 20% of PUB-2010 Retiree Tables for males, 100% of published rates for females.

Future retiree coverage: 35% of active members were assumed to elect coverage upon retirement. 50% of members who elect coverage upon retirement are also assumed to elect spouse coverage. Retirees for whom the Employer will never pay any portion of the health care premiums are assumed to have a 7% probability of lapsing (dropping) coverage per year. Female spouses are assumed to be two years younger than male spouses.

Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index.

For the report dated July 1, 2023, 100 participants were covered under the plan, all of which were active participants.

Changes in OPEB Liability

The District recognized \$15,368 of OPEB expense related to the implicit rate subsidy for the year ended June 30, 2024.

Balance as of June 30, 2023	\$ 153,846
Changes for the year:	
Service cost	16,753
Interest on total OPEB liability	6,397
Difference between expected and actual experience	(28,858)
Effect of economic/demographic gains/losses	-
Effect of assumptions changes or inputs	(21,147)
Benefit payments	-
Balance as of June 30, 2024	<u><u>\$ 126,991</u></u>

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT RATE SUBSIDY - continued

Sensitivity Analysis

The following analysis presents the net OPEB liability using a discount rate of 3.50%, as well as what the District’s net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

	1% Decrease	Current Discount rate	1% Increase
	3.00%	4.00%	5.00%
Total OPEB Liability	\$ 137,686	\$ 126,991	\$ 116,944

	1% Decrease	Current Trend Rate	1% Increase
	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 109,708	\$ 126,991	\$ 147,896

Deferred Inflow and Outflows

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows (gains) and deferred outflows (losses). Economic and demographic gains and losses and changes in the Total OPEB Liability due to changes in assumptions are recognized over the closed period equal to the average expected remaining service lives of all covered active and inactive participants. The amortization period of 8.1 year is calculated as the weighted average of expected remaining service lives assuming zero years for all retirees.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 35,259	\$ 53,780
Changes of assumptions or other input	15,102	37,590
Total	\$ 50,361	\$ 91,370

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT RATE SUBSIDY - continued

Changes of assumptions or inputs reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year ending June 30,	
2025	\$ (7,782)
2026	(7,782)
2027	(7,782)
2028	(7,785)
2029	(4,426)
Thereafter	(5,452)
	<u>\$ (41,009)</u>

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PERS RETIREE HEALTH INSURANCE PLAN

Plan Description

The District contributes to the Oregon Public Employees Retirement System (PERS) which is a cost sharing multiple employer defined benefit pension plan. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. Participation by school districts is mandatory. PERS administers the Retirement Health Insurance Account (RHIA), a cost-sharing, multiple employer defined benefit other postemployment benefit plan (OPEB). RHIA plan assets may be used to pay the benefits of any employer that is a member of PERS. Contributions to RHIA are mandatory for PERS members.

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

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

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PERS RETIREE HEALTH INSURANCE PLAN - continued

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 an 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.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by PERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2024. Consistent with GASB Statement 75, the PERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2023, and 2024, were \$749, and \$162 respectively, which equaled the required contributions each year.

At June 30, 2024, the District reported a net OPEB asset of \$139,240 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023, and 2022, the District's proportion was 0.03802640 percent and 0.069590 percent, respectively.

Components of OPEB Expense/(Income)

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (16,116)
Net amortization of employer-specific deferred amounts from:	
Changes in proportionate share	<u>15,076</u>
Total Expense (Income)	<u>\$ (1,040)</u>

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PERS RETIREE HEALTH INSURANCE PLAN - continued

Components of Deferred Outflows/Inflows of Resources

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$	\$ 3,496
Changes of assumptions	-	1,501
Net difference between projected and actual earnings on investments	395	-
Changes in proportionate share	55,224	20,264
Total	\$ 55,619	\$ 25,261

Contributions made subsequent to the measurement date are immaterial and therefore are not reported as a reduction of the net OPEB liability/(asset).

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

Year ending June 30,		
2024	\$	15,858
2025		7,508
2026		5,146
2027		1,846
	\$	30,358

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PERS RETIREE HEALTH INSURANCE PLAN - continued

Actuarial Methods and Assumptions

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023.

<https://www.oregon.gov/pers/emp/pages/gasb.aspx>

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustments	Blend of 2.00% COLA and graded COLA (1.25%/0.25%) in accordance with Moro Decision; blend based on service.
Mortality	<u>All</u> – Pub-2010, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree Tables <u>Active members:</u> Pub-2010 Employees Tables <u>Disabled retirees:</u> Pub-2010 Disabled Retiree Tables

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

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PERS RETIREE HEALTH INSURANCE PLAN - continued

Discount Rate - The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2023, and 2022, were 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an 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.

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

	Current Discount rate	Total OPEB Asset
1% decrease	5.90%	\$ 126,569
Current rate	6.90%	139,240
1% increase	7.90%	150,111

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PERS RETIREE HEALTH INSURANCE PLAN - continued

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

<u>Long-Term Expected Rate of Return</u> ¹				
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u> ²	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

(Source: June 30, 2023, PERS ACFR, Table 31; p. 92)

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN

Plan Description

The District contributes to the Oregon Public Employees Retirement System (PERS) which is a cost sharing multiple employer defined benefit pension plan. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. Participation by school districts is mandatory. PERS issues a publicly available financial report which can be obtained on their website, www.oregon.gov/PERS.

PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the state Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One.

The 2003 Legislature enacted HB 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program (defined benefit), which is part of the Plan and the Individual Account Program, which is reported as a separate plan in PERS financial statements. Membership includes public employees hired on or after August 29, 2003.

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) of OPSRP, a defined contribution plan. PERS members retain their existing Plan accounts, but member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of PERS and is administered by the Board. The PERS 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.

For the year ended June 30, 2024, the District's total payroll was \$6,010,777. Covered payroll refers to all compensation paid by the District to active employees covered by PERS.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN - continued

Contributions

PERS members are required to contribute 6% of their salary toward the IAP program, and the employer makes contributions at an actuarially determined rate as adopted by the PERS Board. The contribution requirements of plan members are established by state statute. The employer contribution is set and may be amended by the Retirement Board. The District's contributions to Oregon PERS for the year ended June 30, 2024, were \$1,550,881. In addition, employee contributions made by the District under employment contracts were \$331,993 for the year ended June 30, 2024.

Pension Assets, Pension Income, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$9,168,873 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. Update procedures were used to roll forward the total pension liability to the measurement date.

The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The projected long-term contribution effort is equal to the sum of the present value of the future normal costs (PVFNC) and the unfunded actuarial liability (UAL). The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The projected long-term contribution effort is estimated by projecting the present value of all future normal cost rate contributions. The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the Normal Cost Rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For PERS funding, employers have three different payrolls, each with a different Normal Cost Rate:

- Tier One/Tier Two payroll
- OPSRP General Service payroll
- OPSRP Police & Fire payroll

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN - continued

A UAL exists when Plan assets are less than the actuarial liability as measured by the Plan’s actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year’s component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service. In determining the employer’s projected long-term contribution effort to the Plan, the UAL component was adjusted for supplemental lump-sum payments made during the measurement period, if applicable.

After the employer’s projected long-term contribution effort is calculated, that amount is reduced by the value of the employer’s supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer’s projected long-term contribution effort because side accounts are effectively pre-paid contributions.

The employer’s projected long-term contribution effort does not include contributions toward the current value of transition liabilities and pre-SLGRP (State and Local Government Rate Pool) liabilities, which PERS has determined meet the definition of separately financed employer liabilities.

For the year ended June 30, 2024, the District recognized pension expense of \$1,607,170. The District’s proportionate share of the collective net pension liability was 0.04895%, an increase from its proportionate share of 0.04639%, at the previous measurement date.

	June 30, 2024	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 448,386	\$ 36,355
Changes of assumptions	814,508	6,073
Net difference between projected and actual earnings on investments	164,802	-
Changes in proportionate share	666,313	227,004
Differences between employer contributions and employer's proportionate share of system contributions	403,353	538,237
Total prior to post-measurement date contributions	2,497,362	807,669
Contributions subsequent to measurement date	1,524,856	-
	\$ 4,022,218	\$ 807,669

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN - continued

The difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

The deferred outflows of resources resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, excluding contributions subsequent to measurement date, will be recognized in pension expense as follows:

Year ending June 30,	
2025	\$ 253,957
2026	(111,166)
2027	1,058,809
2028	423,231
2029	64,863
Thereafter	-
	\$ 1,689,693

Differences between expected and actual experience, changes in assumptions, changes in employer proportion and changes between employer contributions and proportionate share of contributions are amortized over the remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers” attributable to each measurement period.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN – continued

Actuarial Methods and Assumptions

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustments	Blen of 2.00% COLA and graded COLA (1.25%/0.25%) in accordance with Moro Decision; blend based on service.
Mortality	<u>All</u> – Pub-2010, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree Tables <u>Active members:</u> Pub-2010 Employees Tables <u>Disabled retirees:</u> Pub-2010 Disabled Retiree Tables

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an 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.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN – continued

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

(Source: June 30, 2023, PERS ACFR, Table 31; p. 92)

Discount Rate

The discount rate used to measure the total pension liability of the Plan was 6.90 percent. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN - continued

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

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Proportionate share of net pension liability	\$ 15,145,252	\$ 9,168,873	\$ 4,167,277

Plan Fiduciary Net Position

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected rate of return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position is projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 often requires that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of solvency, it is left to professional judgment.

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume the plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 11 – PUBLIC PENSION RETIREMENT PLAN - continued

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

NOTE 12 – PROPERTY TAX LIMITATIONS

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. School operations include community colleges, local school districts and education service districts.

The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The voters of the State of Oregon passed ballot Measure 50 in May 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit. The permanent operating property tax rate was fixed at \$4.8766 per thousand of assessed value.

Measure 50 reduced the amount of operating property tax revenues available to the District for its 1998-1999 fiscal year, and thereafter. This reduction was accomplished by rolling assessed property values back to their 1995-1996 values less 10%, and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues and requires the State of Oregon to minimize the impact of the tax cuts to school districts. The ultimate impact to the District as a result of this measure has been greater reliance on state funding and less reliance on local funding.

NOTE 13 - RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 14 – INTERFUND TRANSFERS AND INTERFUND RECEIVABLE / PAYABLE

Transfers were made to fund operations and the internal receivables/payables are used as a pooling of cash between various funds.

Amounts are comprised of the following:

	Transfer In	Transfer Out	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 100,000	\$ 600,685	\$ -
Special Revenue Fund	100,000	-	-	600,685
Debt Service Fund	-	-	-	-
Total	\$ 100,000	\$ 100,000	\$ 600,685	\$ 600,685

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through statewide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

As of June 30, 2024, the District had ordered but not received a 78-passenger bus for approximately \$200 thousand. The purchase is expected to be financed over five years.

NOTE 16 – TAX ABATEMENTS

The Culver School District potentially has tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2024, for any program covered under GASB 77.

NOTE 17 – SUBSEQUENT EVENTS

In September of 2024, the District signed a contract for Engineer & Architecture services to be performed for Seismic Rehabilitation upgrades to the District’s Gymnasium complex. The contract was for \$315,600 and will span over the 24-25 and 25-26 fiscal years while the work is being completed. The funds for this work are being funded through a specific use Seismic grant that was awarded to the District.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

NOTE 17 – SUBSEQUENT EVENTS – continued

In October of 2024, the District signed a contract for Construction Management and General Contracting services to be performed for Seismic Rehabilitation upgraded to the District's Gymnasium complex. The contract was for \$37,500 and will span over the 24-25 and 25-26 fiscal years while the work is being completed. The funds for this work are being funded through a specific use Seismic grant that was awarded to the District.

REQUIRED SUPPLEMENTARY INFORMATION

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)

YEAR ENDED JUNE 30, 2024

Year Ended June 30,	(a) Employer's proportion of the net pension liability (asset) (NPL(A))	(b) Employer's proportionate share of the NPL(A)	(c) CAL's covered payroll	(b/c) NPL(A) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.048951%	\$ 9,168,873	\$ 5,516,911	166.2%	81.7%
2023	0.046387%	7,102,736	5,059,231	140.4%	84.5%
2022	0.043078%	5,154,963	4,667,157	110.5%	87.6%
2021	0.043511%	9,495,682	4,368,292	217.4%	75.8%
2020	0.192373%	8,444,850	3,810,209	221.6%	80.2%
2019	0.199727%	7,572,557	3,629,236	208.7%	82.1%
2018	0.193411%	7,356,264	3,709,595	198.3%	83.1%
2017	0.209208%	8,279,537	3,782,760	218.9%	80.5%
2016	0.222334%	3,301,675	3,560,360	92.7%	91.9%
2015	0.240095%	(1,225,592)	3,122,355	-39.3%	103.6%

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

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SCHEDULE OF CONTRIBUTIONS
PENSION PLAN

YEAR ENDED JUNE 30, 2024

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2024	\$ 1,550,881	\$ 1,550,881	-	\$ 6,010,777	25.8%
2023	1,357,708	1,357,708	-	5,516,911	24.6%
2022	1,333,360	1,333,360	-	5,059,231	26.4%
2021	1,322,507	1,322,507	-	4,667,157	28.3%
2020	1,157,220	1,157,220	-	4,368,292	26.5%
2019	894,463	894,463	-	3,810,209	23.5%
2018	866,038	866,038	-	3,629,236	23.9%
2017	705,508	705,508	-	3,709,595	19.0%
2016	736,298	736,298	-	3,782,760	19.5%
2015	708,224	708,224	-	3,560,360	19.9%

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

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NET OPEB LIABILITY (ASSET) - RHIA
YEAR ENDED JUNE 30, 2024

SCHEDULE OF PROPRORTIONATE SHARE

Year Ended June 30,	(a) Employer's proportion of the net pension liability (asset) (NPL(A))	(b) Employer's proportionate share of the NPL(A)	(c) CAL's covered payroll	(b/c) NPL(A) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.038026%	\$ (139,240)	\$ 5,516,911	-2.5%	201.6%
2023	0.069590%	(247,278)	5,059,231	-4.9%	194.6%
2022	0.029682%	(101,927)	4,667,157	-2.2%	183.9%
2021	0.055677%	(113,447)	4,368,292	-2.6%	150.1%
2020	0.034559%	(66,781)	3,810,209	-1.8%	144.4%

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	(a) Statutorily Required Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2024	\$ 162	\$ 162	-	\$ 6,010,777	0.0%
2023	749	749	-	5,516,911	0.0%
2022	1,715	1,715	-	5,059,231	0.0%
2021	794	794	-	4,667,157	0.0%
2020	3,976	3,976	-	4,368,292	0.1%

The above table presents the most recent actuarial valuations for the District's post-retirement health insurance and it provides information that approximates the funding progress of the plan.

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SCHEDULE OF CHANGES IN OTHER OPEB LIABILITY
IMPLICIT HEALTH INSURANCE SUBSIDY

YEAR ENDED JUNE 30, 2024

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Differences Between Expected and Actual Experience	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2024	\$ 156,764	\$ 16,753	\$ 6,397	\$ -	\$ (28,858)	\$ (24,065)	\$ -	\$ 126,991	\$ 6,010,777	2.11%
2023	142,348	16,850	5,434	-	-	-	(7,868)	156,764	5,516,911	2.84%
2022	113,574	12,482	2,710	-	47,013	(22,207)	(11,224)	142,348	5,059,231	2.81%
2021	100,660	12,060	2,517	-	-	-	(1,663)	113,574	4,916,342	2.31%
2020	118,813	7,178	4,876	(64,189)	-	33,982	-	100,660	4,528,899	2.22%
2019	132,032	6,935	4,630	-	-	-	(24,784)	118,813	3,756,259	3.16%
2018	139,407	6,700	5,025	-	-	-	(19,100)	132,032	3,629,236	3.64%

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

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

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

YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget		Actual	Variance to Final Budget
<u>Revenues</u>					
Local sources	\$ 2,223,500	\$ 2,223,500		\$ 2,338,163	\$ 114,663
Intermediate sources	11,000	11,000		13,079	2,079
State sources	6,970,009	7,165,665		7,179,460	13,795
Federal sources	-	-		18,218	18,218
	<u>9,204,509</u>	<u>9,400,165</u>		<u>9,548,920</u>	<u>148,755</u>
<u>Expenditures</u>					
Instruction	6,142,334	6,133,483	(1)	5,603,403	530,080
Support services	4,124,674	4,299,529	(1)	4,083,947	215,582
Debt service	15,140	15,140	(1)	13,140	2,000
Contingency	100,000	100,000	(1)	-	100,000
	<u>10,382,148</u>	<u>10,548,152</u>		<u>9,700,490</u>	<u>847,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,177,639)</u>	<u>(1,147,987)</u>		<u>(151,570)</u>	<u>996,417</u>
<u>Other financing sources (uses)</u>					
Transfers out	<u>(110,000)</u>	<u>(124,000)</u>	(1)	<u>(100,000)</u>	<u>24,000</u>
Total other financing sources and (uses)	<u>(110,000)</u>	<u>(124,000)</u>		<u>(100,000)</u>	<u>24,000</u>
Net change in fund balance	(1,287,639)	(1,271,987)		(251,570)	1,020,417
Fund balance - beginning of year	<u>2,200,000</u>	<u>2,200,000</u>		<u>2,182,920</u>	<u>(17,080)</u>
Fund balance - end of year	<u>\$ 912,361</u>	<u>\$ 928,013</u>		<u>\$ 1,931,350</u>	<u>\$ 1,003,337</u>
				<u>\$ 1,931,350</u>	
				<u>\$ 1,931,350</u>	

(1) Appropriation level

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
<u>Revenues</u>				
Local sources	\$ 228,420	\$ 361,420	\$ 257,054	\$ (104,366)
State sources	900,243	1,138,306	1,120,278	(18,028)
Federal sources	1,468,710	1,487,619	1,256,230	(231,389)
Total revenues	2,597,373	2,987,345	2,633,562	(353,783)
<u>Expenditures</u>				
Instruction	1,165,111	1,315,904 (1)	1,113,122	202,782
Support services	1,326,664	1,509,364 (1)	1,268,296	241,068
Enterprise services	459,846	516,325 (1)	507,416	8,909
Total expenditures	2,951,621	3,341,593	2,888,834	452,759
Excess (deficiency) of revenues over (under) expenditures	(354,248)	(354,248)	(255,272)	98,976
<u>Other financing sources (uses)</u>				
Transfers in	100,000	100,000	100,000	-
Total other financing sources and (uses)	100,000	100,000	100,000	-
Net change in fund balance	(254,248)	(254,248)	(155,272)	98,976
Fund balance - beginning of year	506,479	506,479	606,377	99,898
Fund balance - end of year	\$ 252,231	\$ 252,231	\$ 451,105	\$ 198,874

(1) Appropriation level

SUPPLEMENTARY INFORMATION

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RECONCILIATION TO FUND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

	Budget Basis Actual	GAAP Adjustments	GAAP Actual
<u>Revenues</u>			
Local sources	\$ 2,338,163	\$ 4,141	\$ 2,342,304
Intermediate sources	13,079	-	13,079
State sources	7,179,460	-	7,179,460
Federal sources	18,218	-	18,218
	<u>9,548,920</u>	<u>4,141</u>	<u>9,553,061</u>
<u>Expenditures</u>			
Instruction	5,603,403	-	5,603,403
Support services	4,083,947	-	4,083,947
Debt service	13,140	-	13,140
	<u>9,700,490</u>	<u>-</u>	<u>9,700,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,570)</u>	<u>4,141</u>	<u>(147,429)</u>
<u>Other financing sources (uses)</u>			
IT Subscriptions	-	-	-
Transfers out	(100,000)	-	(100,000)
	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	(251,570)	4,141	(247,429)
Fund balance - beginning of year	<u>2,182,920</u>	<u>(4,141)</u>	<u>2,178,779</u>
Fund balance - end of year	<u>\$ 1,931,350</u>	<u>\$ -</u>	<u>\$ 1,931,350</u>

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RECONCILIATION TO FUND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

	Budget Basis Actual	GAAP Adjustments	GAAP Actual
<u>Revenues</u>			
Local sources	\$ 257,054	\$ 663	\$ 257,717
State sources	1,120,278	-	1,120,278
Federal sources	1,256,230	-	1,256,230
	<u>2,633,562</u>	<u>663</u>	<u>2,634,225</u>
<u>Expenditures</u>			
Instruction	1,113,122	(36,270)	1,076,852
Support services	1,268,296	(198,116)	1,070,180
Enterprise services	507,416	-	507,416
Capital outlay	-	274,096	274,096
	<u>2,888,834</u>	<u>39,710</u>	<u>2,928,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(255,272)</u>	<u>(39,047)</u>	<u>(294,319)</u>
<u>Other financing sources (uses)</u>			
IT Subscriptions	-	39,710	39,710
Transfers in	100,000	-	100,000
	<u>100,000</u>	<u>39,710</u>	<u>139,710</u>
Net change in fund balance	(155,272)	663	(154,609)
Fund balance - beginning of year	<u>606,377</u>	<u>(663)</u>	<u>605,714</u>
Fund balance - end of year	<u>\$ 451,105</u>	<u>\$ -</u>	<u>\$ 451,105</u>

**CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon**

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
<u>Revenues</u>				
Local sources	\$ 860,900	\$ 860,900	\$ 895,285	\$ 34,385
Intermediate Sources	-	-	168	168
Total revenues	860,900	860,900	895,453	34,553
<u>Expenditures</u>				
Debt service	855,400	855,400 (1)	855,399	1
Net change in fund balance	5,500	5,500	40,054	34,554
Fund balance - beginning of year	21,437	21,437	76,808	55,371
Fund balance - end of year	<u>\$ 26,937</u>	<u>\$ 26,937</u>	<u>\$ 116,861</u>	<u>\$ 89,924</u>

(1) Appropriation level

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RECONCILIATION TO FUND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

	Budget Basis Actual	GAAP Adjustments	GAAP Actual
<u>Revenues</u>			
Local sources	\$ 895,285	\$ 347	\$ 895,632
Intermediate Sources	168	-	168
	895,453	347	895,800
<u>Expenditures</u>			
Debt service	855,399	-	855,399
Net change in fund balance	40,054	347	40,401
Fund balance - beginning of year	76,808	(347)	76,461
Fund balance - end of year	\$ 116,861	\$ -	\$ 116,861

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
<u>Revenues</u>				
Local sources	\$ 36,300	\$ 36,300	\$ 36,097	\$ (203)
State sources	43,103	43,103	52,227	9,124
Total revenues	<u>79,403</u>	<u>79,403</u>	<u>88,324</u>	<u>8,921</u>
<u>Expenditures</u>				
Support services	648,280	648,280 (1)	152,638	495,642
Total expenditures	<u>648,280</u>	<u>648,280</u>	<u>152,638</u>	<u>495,642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(568,877)</u>	<u>(568,877)</u>	<u>(64,314)</u>	<u>504,563</u>
<u>Other financing sources (uses)</u>				
Transfers in	10,000	10,000	-	(10,000)
Total other financing sources and (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	(558,877)	(558,877)	(64,314)	494,563
Fund balance - beginning of year	<u>566,657</u>	<u>566,657</u>	<u>531,727</u>	<u>(34,930)</u>
Fund balance - end of year	<u>\$ 7,780</u>	<u>\$ 7,780</u>	<u>\$ 467,413</u>	<u>\$ 459,633</u>

(1) Appropriation level

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RECONCILIATION TO FUND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

	Budget Basis Actual	GAAP Adjustments	GAAP Actual
<u>Revenues</u>			
Local sources	\$ 36,097	\$ 2,654	\$ 38,751
State sources	52,227	-	52,227
	<u>88,324</u>	<u>2,654</u>	<u>90,978</u>
<u>Expenditures</u>			
Support services	152,638	(111,767)	40,871
Capital outlay		53,595	53,595
Debt Service	-	58,172	58,172
	<u>152,638</u>	<u>-</u>	<u>152,638</u>
Net change in fund balance	(64,314)	2,654	(61,660)
Fund balance - beginning of year	<u>531,727</u>	<u>(2,654)</u>	<u>529,073</u>
Fund balance - end of year	<u>\$ 467,413</u>	<u>\$ -</u>	<u>\$ 467,413</u>

CULVER SCHOOL DISTRICT NO. 4

Jefferson County, Oregon

YEAR ENDED JUNE 30, 2024

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES

<u>Date of Issue</u>	<u>Matured Bonds & Coupons Outstanding July 1, 2023</u>	<u>Bonds & Coupons Maturing During the Year</u>	<u>Bonds Redeemed & Coupons Paid During the Year</u>	<u>Matured Bonds & Coupons Outstanding June 30, 2024</u>	<u>Due Within One Year</u>
January 20, 2014	\$ 4,760,000	\$	\$ 665,000	\$ 4,095,000	\$ 715,000
	<u>\$ 4,760,000</u>	<u>\$ -</u>	<u>\$ 665,000</u>	<u>\$ 4,095,000</u>	<u>\$ 715,000</u>

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS

GENERAL OBLIGATION BONDS
SERIES 2014

<u>Year of Maturity</u>	<u>Due June 15 Principal</u>	<u>Due December 15 and June 15 Interest</u>	<u>Interest Rates</u>
2024-25	715,000	163,800	4.000%
2025-26	765,000	135,200	4.000%
2026-27	815,000	104,600	4.000%
2027-28	870,000	72,000	4.000%
2028-29	930,000	37,200	4.000%
	<u>\$ 4,095,000</u>	<u>\$ 512,800</u>	

OTHER FINANCIAL SCHEDULES

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SUPPLEMENTAL INFORMATION
AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION

YEAR ENDED JUNE 30, 2024

A.	Energy bills for heating - all funds:		<u>Objects 325, 326, and 327</u>
		Function 2540	\$ 185,247
		Function 2550	36,009
B.	Replacement of equipment - General Fund:		
	Include all General Fund expenditures in Object 542, except for the following exclusions		<u>Amount</u>
	Exclude these functions:		
	1113, 1122 & 1132 Co-curricular activities	Construction	\$ -
	1140 Pre-kindergarten	Pupil transportation	-
	1300 Continuing education	Food service	-
	1400 Summer school	Community services	-

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Grant Fund	Period Covered	Assistance Listing Number	Pass-Through Entity Number	Federal Expenditures
US. DEPARTMENT OF EDUCATION					
Passed through Oregon State Department of Education					
Title 1-A	210	7/1/22-9/30/23	84.010	72491	26,313
	210	7/1/23-9/30/24	84.010	76456	171,697
					198,010
IDEA Part B, Section 611	219	7/1/22-9/30/24	84.027	73996	83,887
	219	7/1/23-9/30/25	84.027	77947	70,553
	249	7/1/21-9/30/23	84.027	68351	26,000
IDEA Part B, Section 619	229	7/1/23-9/30/25	84.173	77761	2,571
Subtotal - Special Education cluster					183,011
Title II-A Improving Teacher Quality	215	7/1/22-9/30/23	84.367	72688	14,742
	215	7/1/23-9/30/24	84.367	76653	14,170
					28,912
Title IV-A Student Support and Academic Enrichment	226	7/1/22-9/30/23	84.424	72885	2,224
	226	7/1/23-9/30/24	84.424	77084	6,899
					9,123
COVID 19 - LEA ESSER III Fund	238	3/13/20-9/30/24	84.425U	64863	518,571
COVID 19 - Houseless	249	4/23/21-9/30/24	84.425FF	69335	5,299
COVID 19 - School Library Grants	249	1/1/23-6/30/24	84.425FF	75810	9,408
					533,278
Total U.S. Department of Education					\$ 952,334
US. DEPARTMENT OF AGRICULTURE					
Passed Through Oregon Department of Education					
Local Food for Schools	299	03/01/23-08/31/24	10.185	76090	2,566
					2,566
School Breakfast Program	299	7/1/23-6/30/24	10.553	1603003	69,072
National School Lunch Program	299	7/1/23-6/30/24	10.555	1603003	196,855
Commodities	299	7/1/23-6/30/24	10.555	1603003	24,555
Supply Chain Assistance	299	7/1/23-6/30/24	10.555	1603003	10,196
Subtotal - Child Nutrition Cluster					300,677
P-EBT Funds	299	Prior Years	10.649	1603003	653
					653
Passed Through Local Government - Jefferson County					
Forest Fees - Safe and Rural Schools Act	100		10.666		18,218
Subtotal - Federal Service Schools and Roads Cluster					18,218
Total U.S. Department of Agriculture					\$ 322,114
Total U.S. Federal Awards					\$ 1,274,448

CULVER SCHOOL DISTRICT NO. 4
Jefferson County, Oregon

NOTES TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

NOTE A – PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Culver School District (the District). The information in this schedule is prepared in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Expenditures on the SEFA are reported on the modified accrual basis of accounting. Expenditures are recorded when a liability is incurred. Such expenditures are recognized using the Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance, but rather uses a rate approved by the Oregon Department of Education each year. Federal Financial Assistance – Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

NOTE C – CHILD NUTRITION CLUSTER

The District commingles cash receipts from the US Department of Agriculture with similar state grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first. The District reports commodities consumed on the schedule at fair value.

**AUDITORS' COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**



**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Culver School District
Deschutes County, Oregon

We have audited the basic financial statements of the Culver School District, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2024 and have issued our report thereon dated December 18, 2024. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, we identified no instances of material non-compliance with the factors listed above.

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.

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

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Brenda Bartlett, CPA

Sensiba LLP
Bend, Oregon

December 18, 2024



Independent Auditor's Report

The Board of Directors
Culver School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of Culver School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Culver School District's basic financial statements, and have issued our report thereon dated December 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Culver School District's internal control over financial reporting (internal control) as a basis for designing 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 Culver School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Culver School 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brenda Baultlett

Sensiba LLP
Bend, Oregon

December 18, 2024



Independent Auditor's Report

Board of Directors
Culver School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Culver School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Culver School District's major federal programs for the year ended June 30, 2024. Culver School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Culver School District complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Brenda Baultlett

Sensiba LLP
Bend, Oregon

December 18, 2024

**CULVER SCHOOL DISTRICT
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Name of Federal Program or Cluster</u>
10.553,10.555,10.556,10.559,10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

**CULVER SCHOOL DISTRICT
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported

THIS PAGE INTENTIONALLY LEFT BLANK