

| **THREE RIVERS SCHOOL DISTRICT  
JOSEPHINE COUNTY, OREGON**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**



**THREE RIVERS SCHOOL DISTRICT**

**Josephine County, Oregon**

**June 30, 2023**

BOARD OF EDUCATION AS OF JUNE 30, 2023

Jennifer Johnstun	Board Chair
Susan Fischer-Maki	Board Vice-Chair
Jamie Wright	Member
Rich Halsted	Member
Jenn Searle	Member

ADMINISTRATION

P.O. Box 160  
Murphy, Oregon 97533

Dave Valenzuela	Superintendent-Clerk
Lisa Cross	Accounting Manager



# TABLE OF CONTENTS

## THREE RIVERS SCHOOL DISTRICT

Year ended June 30, 2023

	Page
<b>Independent Auditor's Report</b>	A1 – A3
<b>Management's Discussion and Analysis</b>	B1 – B6
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Fund	7
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	8
Statement of Cash Flows – Proprietary Fund	9
Statement of Fiduciary Net Position – Fiduciary Fund	10
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position – Fiduciary Fund	11
Notes to the Basic Financial Statements	12 - 51
<b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund	53
Schedule of the District's Proportionate Share of the Net Pension (Liability)/Asset and Schedule of the District's Pension Contributions	54
Schedule of the District's Proportionate Share of the Net OPEB (RHIA) (Liability)/Asset and Schedule of the District's OPEB (RHIA) Contributions	55
Schedule of Changes in the District's Total Pension Liability and Related Ratios- Early Retirement Program	56
Schedule of Changes in the District's Total Other Post Employment Benefit Liability and Related Ratios	57

## Table of Contents (Continued)

### Other Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	59
Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual – Self-Insurance Fund	60
Schedule of Revenues, Expenditures, and Changes in Fiduciary Net Position – Budget and Actual – Trust and Agency Scholarship Fund	61

### Other Financial Schedules:

School District Financial Accounting Summaries	62 - 69
--	---------

<b>Independent Auditor's Report Required by Oregon State Regulations</b>	<b>70 - 71</b>
--	----------------

### Items Required by the Uniform Guidance:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72 - 73
Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance Required by the Uniform Guidance	74 - 76
Schedule of Expenditures of Federal Awards	77 - 78
Notes to Schedule of Expenditures of Federal Awards	79
Schedule of Findings and Questioned Costs	80



**Oregon Office:**  
841 O'Hare Pkwy., Suite 200, Medford, OR 97504  
Phone: (541) 773-6633 | Fax: (541) 773-1965

**Idaho Office:**  
101 S. 27<sup>th</sup> St., Suite 100, Boise, ID 83702  
Phone: (208) 373-7890 | Fax: (208) 373-7889



## Independent Auditor's Report

Board of Educators  
Three Rivers School District  
Murphy, Oregon

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Three Rivers School District (The District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Three Rivers School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Change in Accounting Principle**

As described in Note 1 to the financial statements, in 2023 the District adopted new accounting guidance GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

The General Fund and Major Special Revenue Fund budgetary comparison information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records

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

### ***Other Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### ***Other Reporting Required by Oregon State Regulations***

In accordance with *Oregon State Regulation*, we have also issued our report dated December 21, 2023, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Jeny L. Grupe, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 21, 2023

## THREE RIVERS/JOSEPHINE COUNTY UNIT JOINT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS 30 JUNE 23

The discussion and analysis of Three Rivers School District's financial performance provides an overall review of the District's financial activities for the fiscal year ending June 30, 2023. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

- In the government-wide statements, the liabilities and deferred inflows of resources exceeded its assets and deferred outflows at June 30, 2023 by \$4.4 million (net position), an increase of \$10.1 million from the prior year's net position. This is due primarily to a significant increase in capital projects started throughout the year.
- In the General Fund, the primary operating fund for the District, the fund balance of \$11 million decreased \$.92 million from the prior year. Of that balance, \$8.5 million was unrestricted fund balance (the total of the committed and unassigned components of fund balance), \$2.5 million in assigned fund balance and \$0.02 million in nonspendable fund balance, totaling 18.7% of General Fund revenue.
- Total cost of all the District's governmental programs, at \$88.9 million for the fiscal year, primarily due to the increase in facilities and acquisition expenses.
- The District continues to pay down its bond debt from \$15.8 million to \$14.6 million. More information on long-term debt may be found in Note 7 of the financial statements.
- The District entered into a Note and Financing agreement of \$1.1 million to construct and improve District facilities. More information may be found in Note 7 of the financial statements.
- Capital assets increased by \$6.6 million from \$29.4 million to \$36.0 million. More Information may be found in Note 5 of the financial statements

### **Overview of the Financial Statements**

The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. In addition to the basic financial statements, we provide supplementary information that you may also find useful.

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

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

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



## **Overview of the Financial Statements - continued**

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

**Fund Financial Statements** - The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives (like the Food Service Fund) or to show that it is meeting legal responsibilities for using certain grants (like Title IA, ESSER funds, and other federal, state, or locally funded grants). All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual, which measures cash and all other *financial assets* that can be readily converted to cash. The governmental fund statements provide a detailed, *short-term view* of the District's operations and the services it provides. Governmental fund information helps you to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* are reconciled in the financial statements.

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

**Proprietary Funds** are used to accumulate and allocate costs internally among the District's various functions. The District also uses its internal service fund for self-insurance purposes, primarily for employees' unemployment benefits, deductibles on insurance, and for the costs of vandalism.

**Fiduciary Funds** are used to account for resources held for the benefit of parties by the District in a trustee capacity. These funds include student scholarships and foundation funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the District's major governmental funds.

**Government-Wide Financial Analysis**

As noted earlier, over time, net position may serve as a useful indicator of the District's financial position; as of 30 June, 2023, the District's liabilities and deferred inflows exceeded its assets and deferred outflows by \$4.4 million, an increase of approximately \$10.1 million from fiscal year 2022.

About 48% of the District's total assets and net deferred outflows signify its investment in capital assets, which consist of the District's land, buildings and improvements, equipment, vehicles, and leased assets, and total \$35.91 million. The remaining assets consist mainly of cash and receivables. Net deferred outflows are \$13.2 million, down \$2 million from last year as part of GASB 68, 73, 75 pension accounting reflecting the discount rate assumption used to calculate the District's portion of OPEB (Other Post Employment Benefits).

The District's \$64.2 million in liabilities are primarily made up of \$14.6 million in long-term debt, \$34.6 million for the District's proportionate share of the State of Oregon's Public Employee Retirement System (PERS) unfunded pension liability and \$4.7 million in Other Post Employment Benefits Other Than Pension (OPEB).

The majority of the District's net position is investments in capital assets (such as land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents, consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. GASB Statement 96 was implemented in 2022-2023 and was issued to improve accounting and financial reporting by recognizing a subscription liability.

Statement of Net Position Summary Governmental Activities							Increase (Decrease):
Assets and Deferred Outflows	2019	2020	2021	2022	2023	2022 to 2023	
Current and other assets	\$ 10,267,199	\$ 12,271,755	\$ 18,510,070	\$ 21,820,143	\$ 26,428,205	\$ 4,608,062	
Capital assets	31,426,577	30,339,760	29,789,866	29,000,496	35,991,392	\$ 6,990,896	
Deferred outflows related to pension	14,329,117	13,896,926	17,953,837	15,186,625	13,190,067	\$ (1,996,558)	
<b>Total assets and deferred outflows</b>	<b>56,022,893</b>	<b>56,508,441</b>	<b>66,253,773</b>	<b>66,007,264</b>	<b>75,609,664</b>	<b>\$ 9,602,400</b>	
<b>Liabilities</b>							
Current liabilities	868,574	5,722,354	5,154,968	5,881,878	10,323,710	4,441,832	
Long term liabilities	73,009,640	68,090,379	76,864,990	48,533,630	54,255,268	5,721,638	
Deferred inflows related to pension	4,691,869	5,758,182	5,898,210	27,018,429	15,837,315	(11,181,114)	
<b>Total Liabilities and deferred inflows</b>	<b>78,570,083</b>	<b>79,570,915</b>	<b>87,918,168</b>	<b>81,433,937</b>	<b>80,416,293</b>	<b>(1,017,644)</b>	
<b>Net Position</b>							
Net investments in capital assets	25,290,866	26,594,905	28,512,001	26,137,828	32,871,446	6,733,618	
Restricted	1,978,495	2,808,709	2,899,479	2,918,994	4,128,410	1,209,416	
Unrestricted	(49,816,551)	(52,466,088)	(53,075,875)	(44,483,495)	(41,404,650)	3,078,845	
<b>Total Net Assets</b>	<b>\$ (22,547,190)</b>	<b>\$ (23,062,474)</b>	<b>\$ (21,664,395)</b>	<b>\$ (15,426,673)</b>	<b>\$ (4,404,794)</b>	<b>\$ 11,021,879</b>	

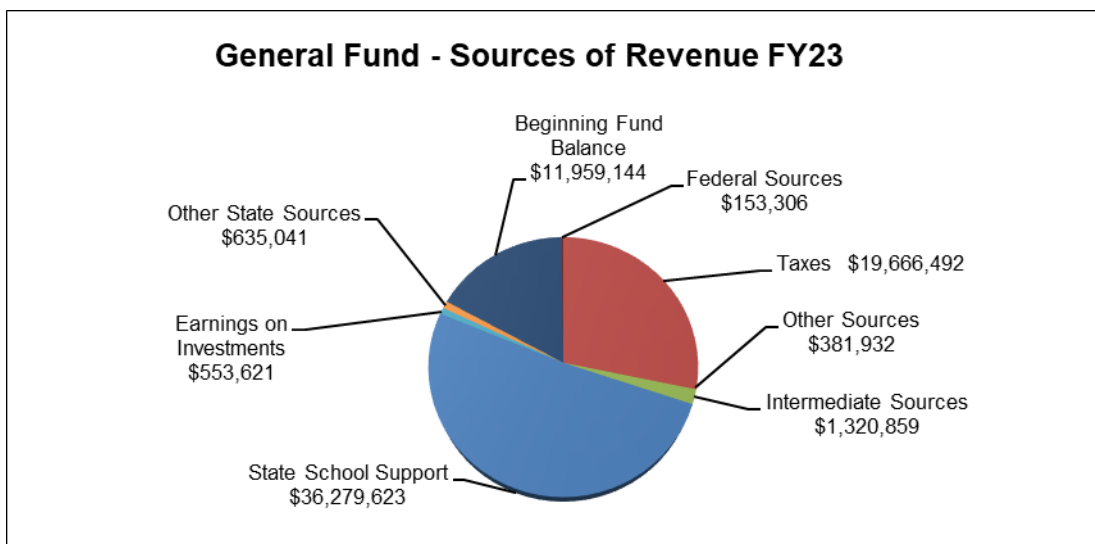
**Financial Analysis of the District's Funds**

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

At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$16.2 million (page 3). The General Fund accounts for \$11 million, the Special Revenue Fund accounts for \$8.6 million, Debt Service Fund accounts for \$.26 million and Capital Projects Fund for \$3.9 million.

<b>Governmental Funds Balance Sheet 2019 - 2023</b>					
<b>Assets</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Equity in cash and investments	3,631,464	4,743,834	10,502,025	12,606,272	12,248,565
Taxes receivable	1,637,843	1,609,335	1,116,236	1,049,906	1,106,734
Other receivables	4,254,214	4,320,290	5,494,279	6,336,994	13,099,948
Prepaid expenses	109,905	66,140	169,382	186,616	17,008
<b>Total assets</b>	<b>9,633,426</b>	<b>10,739,599</b>	<b>17,281,922</b>	<b>20,179,788</b>	<b>26,472,255</b>
<b>Liabilities</b>					
Accounts Payable	1,297,136	689,954	1,992,329	1,892,608	7,445,267
Accrued Payroll	222,169	364,186	1,752,089	1,500,235	1,502,474
Unearned/Unavailable Revenues	1,378,683	1,378,683	987,125	1,367,898	1,296,001
<b>Total Liabilities</b>	<b>2,897,988</b>	<b>2,432,823</b>	<b>4,731,543</b>	<b>4,760,741</b>	<b>10,243,742</b>
<b>Fund Balances</b>					
Non-Spendable	109,905	66,140	169,382	186,616	17,008
Restricted Balances	1,804,590	1,348,209	2,803,912	2,918,994	3,437,092
Committed Balance	796,057	816,838	147,697	3,000,000	2,500,000
Assigned Balances	2,748,025	3,780,196	4,646,048	2,992,535	4,266,998
Unassigned Balances	1,276,861	2,295,393	4,783,340	6,320,902	6,007,415
<b>Total Fund Balance</b>	<b>6,735,438</b>	<b>8,306,776</b>	<b>12,550,379</b>	<b>15,419,047</b>	<b>16,228,513</b>

**General Fund** - The General Fund is the primary operating fund of the District. As of June 30, 2023, the fund balance was \$11 million; a decrease of \$.9 million from the previous year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to the total of fund revenues. At the end of the fiscal year, the General Fund balance was 18.7% of General Fund revenues. This was due to a decrease of budgeted expenditures in salaries, employer costs and classroom supplies from unfilled positions, as well as leveraging additional federal and state grants.



**Special Revenue** – Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Federal programs make up the majority of the Special Revenue funds. The ending fund balance increased from the prior year, up \$140 thousand from 2.1 million to 2.3 million. This increase was due to additional state grants that distributed all funding prior to expenditures incurred at June 30, 2023.

**Debt Service** - The Ending Fund Balance in the debt service fund increased by \$47 thousand. The district's general obligation bonds matured on December 15, 2020 and the remaining equity balance was transferred to the General Fund. The current ending balance is for the limited tax pension obligation bonds and the revenue source is through a payroll fringe expenditure.

**Capital Projects** – The Ending Fund Balance in the Capital Projects fund increased by \$651 thousand, this was due to additional debt financing and a significant increase in transfers in. The majority of projects were in progress at June 30, 2023.

**Key Budget Variances**

Expenditure budgets are appropriated at the following level of control for each fund: Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, and Other Uses of Funds which include Interfund Transactions, Debt Service and Contingency. Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels are not changed. Supplemental appropriations may occur if the Board approves them when a need exists that was not determined at the time the budget was adopted. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2023.

The District did include a general operating contingency in the debt service fund in the anticipation of a future bond issue or transfer to the General Fund. This should have been moved out at the time of budget adoption.

**Capital Asset and Debt Administration**

**Capital Assets** – The District's investment in capital assets includes land, buildings and improvements, vehicles, equipment, and capital leases. As of June 30, 2023, the District had invested \$35.99 million in capital assets, net of depreciation. This is up \$7 million from the previous year due to the additional capital projects started in the current year. The major capital asset gains were:

• Fruitdale Classroom Addition
• Illinois Valley High School Roof Repair
• Fruitdale Classroom Renovation
• Restroom Renovations
• Fruitdale Cooling Tower

Additional information on the District's capital assets can be found in Note 5 of the financial statements.

<b>Fixed Assets</b>	<b>Balance June 30, 2023</b>
Land and Land Improvements	802,110
Buildings & Improvements / CIP	23,129,767
Vehicles and Equipment	2,242,453
Intangible Assets	1,621,047
WIP	8,196,015
Total	35,991,392

**Long Term Debt** – At the end of the current fiscal year, the District had total debt outstanding of \$15.6 million, consisting of the following:

- PERS Bond \$ 13.05 million
- QZAB Bonds \$ .48 million
- HV Turf Field \$ .02 million
- IVHS FFC Bond \$ 1.06 million
- Capital Leases \$ .62 million
- Subscription Leases \$ .38 million

Additional information on the District's long-term debt can be found in Note 7 and 8 of this report.

**Economic Factors and Next Year's Budget**

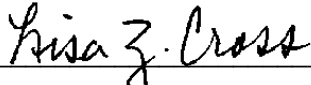
Oregon's State School Fund provides the largest portion of District revenues, within the General Fund, and is comprised primarily of state and local taxes. This is the first year of the 2023-2025 biennium and a significant factor for the District is the stability of the State School Fund and student enrollment. While student enrollment has stabilized since COVID-19, and State funding for the 2024-2025 school year remains consistent with current estimates, budgeting in future biennium's can be difficult. Since the state is funded primarily by income tax revenue, and for the year ending June 30, 2023, the State School Fund provided 51.5% of the District's General Fund resources, the volatility of the economy directly impacts K-12 education funding.

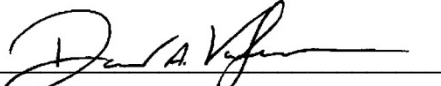
Current contract agreements with the TRSD classified employees (OSEA) and TRSD licensed employees (TREA/SOBC) are in place through 2025 and 2026, respectively. The agreements provide cost of living increases, step movement for qualified employees, and insurance cap increases.

The Public Employees Retirement System (PERS), rates will remain consistent through the 2023-2025 biennium. The defined benefit structure and imbalance of resources of PERS resulted in a large unfunded liability, which was transferred to districts in the form of higher employer rates. In an effort to restrict the increasing cost, the District participated in the purchase of pension bonds that paid down a portion of the liability at PERS and spread the debt service out through 2028. The combination of PERS employer rates and bond debt service rates have consistently been less than if the district had not participated in the bond purchase, an approximate savings of 1.7% a year on subject salaries. The 2025-2027 PERS *advisory* employer rates have been released and there is a significant increase to the District, 3.72% for Tier One/Tier Two employees and 3.1% for OPSRP employees. The advisory rates do not affect employer contribution rates. Rates for the 2025-2027 biennium will be calculated in the December 31, 2023 actuarial valuation and those rates will likely vary from the advisory rates noted.

**Requests for Information**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Accounting Manager at 8550 New Hope Road, Grants Pass, Oregon 97527.

 \_\_\_\_\_, Accounting Manager

 \_\_\_\_\_, Superintendent



## | **BASIC FINANCIAL STATEMENTS**



**| GOVERNMENT-WIDE FINANCIAL  
STATEMENTS**

**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS:</b>	
<b>ASSETS:</b>	
Cash, cash equivalents, and investments	\$ 13,805,218
Receivables	11,675,390
Inventories	17,008
Assets held in trust (Sinking fund)	239,271
Other post employment benefit (RHIA)	691,318
Capital assets, net:	
Land	802,110
Construction in progress	8,196,015
Buildings and improvements	23,129,767
Machinery, equipment and vehicles	2,242,453
Intangible assets:	
Right of use assets	1,034,933
Software subscriptions	586,114
<b>TOTAL ASSETS</b>	<b>62,419,597</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred outflows related to pension	12,217,468
Deferred outflows related to pension (Stipend)	286,369
Deferred outflows related to other post employment benefits	422,443
Deferred outflows related to other post employment benefits (RHIA)	263,787
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>13,190,067</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>75,609,664</b>
<b>LIABILITIES AND DEFERRED INFLOWS:</b>	
<b>LIABILITIES:</b>	
Accounts payable	4,936,882
Accrued payroll liabilities	1,502,474
Accrued interest payable	4,788
Unearned revenue	401,835
Accrued compensated absences	192,467
Pension liability (stipend) (due in more than one year)	2,252,113
Other post employment benefit obligation (due in more than one year)	4,686,928
Net pension liability (OPERS) (due in more than one year)	34,599,757
Leases and subscriptions payable:	
Due within one year	236,978
Due in more than one year	759,674
Note payable:	
Due within one year	17,017
Due in more than one year	2,885
Debt payable:	
Due within one year	2,629,434
Due in more than one year	11,953,911
<b>TOTAL LIABILITIES</b>	<b>64,177,143</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows related to pension	13,349,999
Deferred inflows related to pension (Stipend)	942,057
Deferred inflows related to other post employment benefits	1,450,759
Deferred inflows related to other post employment benefits (RHIA)	94,500
<b>TOTAL DEFERRED INFLOWS</b>	<b>15,837,315</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>80,014,458</b>
<b>NET POSITION:</b>	
Net investment in capital assets	32,871,446
Restricted for:	
Education grants	483,777
Student body	1,268,570
Food Service	384,920
Debt service	494,597
Capital projects	805,228
RHIA OPEB asset	691,318
Unrestricted	(41,404,650)
<b>TOTAL NET POSITION</b>	<b>\$ (4,404,794)</b>



**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR END JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Primary government:</b>					
Governmental activities:					
Instruction	\$ 40,469,132	\$ 699,137	\$ 13,356,262	\$ -	\$ (26,413,733)
Supporting services	31,535,369	359,195	7,295,969	-	(23,880,205)
Community services	2,365,318	147,154	2,868,815	-	650,651
Facilities acquisition and construction	65,763	-	-	685,014	619,251
Gain (Loss) on sale of Fixed assets	7,593	-	-	-	(7,593)
Interest on long term debt	872,005	-	-	-	(872,005)
<b>Total government activities</b>	<b>\$ 75,315,180</b>	<b>\$ 1,205,486</b>	<b>\$ 23,521,046</b>	<b>\$ 685,014</b>	<b>(49,903,634)</b>
General revenues:					
Property taxes levied for general purposes					19,751,865
Construction excise tax					242,111
State school fund - general support					36,279,623
Common school fund					614,123
Federal forest fees					86,100
Unrestricted state and local sources					1,316,911
Earnings on investments					651,451
Contributions					242,097
Miscellaneous					850,156
<b>Total general revenues</b>					<b>60,034,437</b>
<b>CHANGE IN NET POSITION</b>					<b>10,130,803</b>
<b>NET POSITION - JULY 1, 2022, as restated</b>					<b>(14,535,597)</b>
<b>NET POSITION - JUNE 30, 2023</b>					<b>\$ (4,404,794)</b>



## | FUND FINANCIAL STATEMENTS

**THREE RIVERS SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>ASSETS:</b>					
Equity in pooled cash and investments	\$ 8,780,124	\$ -	\$ 255,326	\$ 2,973,844	\$ 12,009,294
Receivables	2,417,610	8,598,274	-	659,499	11,675,383
Inventory	17,008	-	-	-	17,008
Interfund receivable	2,531,299	-	-	-	2,531,299
Assets held in trust (Sinking fund)	-	-	-	239,271	239,271
<b>TOTAL ASSETS</b>	<b>\$ 13,746,041</b>	<b>\$ 8,598,274</b>	<b>\$ 255,326</b>	<b>\$ 3,872,614</b>	<b>\$ 26,472,255</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 368,492	\$ 3,316,964	\$ -	\$ 1,228,512	\$ 4,913,968
Interfund payable	-	2,531,299	-	-	2,531,299
Accrued payroll liabilities	1,444,280	58,194	-	-	1,502,474
Unearned revenue	-	401,835	-	-	401,835
<b>TOTAL LIABILITIES</b>	<b>1,812,772</b>	<b>6,308,292</b>	<b>-</b>	<b>1,228,512</b>	<b>9,349,576</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	894,166	-	-	-	894,166
<b>TOTAL DEFERRED INFLOWS</b>	<b>894,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>894,166</b>
<b>Fund Balances:</b>					
Nonspendable:					
Inventory	17,008	-	-	-	17,008
Restricted:					
Education - grants	-	483,777	-	-	483,777
Student body funds	-	1,268,570	-	-	1,268,570
Food service	-	384,920	-	-	384,920
Debt service	-	-	255,326	239,271	494,597
Energy conservation - SB1149	-	-	-	329,414	329,414
Excise tax projects	-	-	-	475,814	475,814
Committed:					
Emergency funds	2,500,000	-	-	-	2,500,000
Assigned:					
Other purposes	2,514,680	152,715	-	-	2,667,395
Capital improvements	-	-	-	1,599,603	1,599,603
Unassigned	6,007,415	-	-	-	6,007,415
<b>TOTAL FUND BALANCES</b>	<b>11,039,103</b>	<b>2,289,982</b>	<b>255,326</b>	<b>2,644,102</b>	<b>16,228,513</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,746,041</b>	<b>\$ 8,598,274</b>	<b>\$ 255,326</b>	<b>\$ 3,872,614</b>	<b>\$ 26,472,255</b>

**THREE RIVERS SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

<b>TOTAL FUND BALANCES</b>		\$ 16,228,513
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 130,615,748	
Accumulated depreciation and amortization	<u>(94,624,356)</u>	35,991,392
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		894,166
Internal service funds are used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		1,773,017
The other post employment benefit asset (RHIA) is not reported with the governmental funds.		691,318
The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available nor payable currently.		(2,647,248)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	\$ (4,788)	
Note payable	(19,902)	
Leases and subscriptions payable	(996,652)	
Pension liability (Stipend)	(2,252,113)	
Pension liability (OPERS)	(34,599,757)	
Other post employment benefit obligation	(4,686,928)	
Debt payable	(14,583,345)	
Accrued compensated absences	<u>(192,467)</u>	<u>(57,335,952)</u>
<b>TOTAL NET POSITION</b>		<u>\$ (4,404,794)</u>

**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR END JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>REVENUES</b>					
Property taxes and other taxes	\$ 19,666,492	\$ -	\$ -	\$ 242,111	\$ 19,908,603
Intergovernmental	38,388,829	22,693,257	-	685,014	61,767,100
Charges for services	40,936	1,164,550	-	-	1,205,486
Local contributions	6,955	225,142	-	-	232,097
Investment earnings	553,621	4,339	54,690	27,930	640,580
Miscellaneous	334,041	465,794	2,987,207	242,247	4,029,289
<b>TOTAL REVENUES</b>	<u>58,990,874</u>	<u>24,553,082</u>	<u>3,041,897</u>	<u>1,197,302</u>	<u>87,783,155</u>
<b>EXPENDITURES</b>					
Current					
Instruction	30,957,013	11,010,546	-	-	41,967,559
Support services	26,450,299	5,534,979	-	1,380,222	33,365,500
Enterprise and community services	-	2,390,875	-	-	2,390,875
Facilities and acquisition	-	5,492,265	-	2,661,932	8,154,197
Debt service	-	-	3,012,634	-	3,012,634
<b>TOTAL EXPENDITURES</b>	<u>57,407,312</u>	<u>24,428,665</u>	<u>3,012,634</u>	<u>4,042,154</u>	<u>88,890,765</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,583,562</u>	<u>124,417</u>	<u>29,263</u>	<u>(2,844,852)</u>	<u>(1,107,610)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long term debt	-	-	-	1,056,000	1,056,000
Transfers in	-	16,103	17,500	2,440,000	2,473,603
Transfers out	(2,503,603)	-	-	-	(2,503,603)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,503,603)</u>	<u>16,103</u>	<u>17,500</u>	<u>3,496,000</u>	<u>1,026,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(920,041)	140,520	46,763	651,148	(81,610)
<b>FUND BALANCE, JULY 1, 2022, as restated</b>	<u>11,959,144</u>	<u>2,149,462</u>	<u>208,563</u>	<u>1,992,954</u>	<u>16,310,123</u>
<b>FUND BALANCE, JUNE 30, 2023</b>	<u>\$ 11,039,103</u>	<u>\$ 2,289,982</u>	<u>\$ 255,326</u>	<u>\$ 2,644,102</u>	<u>\$ 16,228,513</u>

**THREE RIVERS SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR END JUNE 30, 2023**

<b>NET CHANGE IN FUND BALANCE</b>	<b>\$</b>	<b>(81,610)</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which amortization or depreciation exceeded capital outlays in the current period.</p>		
Expenditures for capital assets	\$ 9,095,993	
Expenditures for software	230,176	
Less current year depreciation and amortization	<u>(2,761,011)</u>	6,565,158
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount of repayments:</p>		
Lease and subscription principal repaid	\$ 356,909	
Debt principal repaid	2,297,408	
Issuance of debt payable	<u>(1,056,000)</u>	1,598,317
<p>Internal service funds are used by management to charge the costs of unemployment insurance premiums to individual funds. This activity is consolidated with the governmental activities in the statement of activities.</p>		
		209,283
<p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.</p>		
Interest paid	\$ 871,038	
Interest expense	<u>(872,005)</u>	(967)
<p>Governmental funds report proceeds from the sale of capital assets as revenue. However, only the net gain (loss) on the sale or disposal is reported in the Statement of Activities.</p>		
Cost basis of assets sold	\$ (236,415)	
Accumulated depreciation	<u>228,822</u>	(7,593)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities property taxes are recognized as revenue when levied.</p>		
		85,373
<p>The change in the net post employment benefit obligation (OPEB) (stipend) is not recognized in the governmental funds (including deferred outflows and inflows).</p>		
		1,026,992
<p>The change in the net post employment benefit obligation (OPEB) (medical benefit) is not recognized in the governmental funds (including deferred outflows and inflows).</p>		
		(189,802)
<p>The change in the net post employment benefit obligation (OPEB) RHIA is not recognized in the governmental funds (including deferred outflows and inflows).</p>		
		(15,788)
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.</p>		
		(42,341)
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. (OPERS and stipend, including deferred outflows and inflows).</p>		
		<u>983,781</u>
<b>CHANGE IN NET POSITION</b>	<b>\$</b>	<b><u>10,130,803</u></b>

**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023**

	Self Insurance Fund
<b>ASSETS:</b>	
Equity in pooled cash and investments	\$ 1,795,924
Accounts receivable	<u>7</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,795,931</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	<u>\$ 22,914</u>
<b>TOTAL LIABILITIES</b>	<u>22,914</u>
<b>NET POSITION:</b>	
Unrestricted	<u>1,773,017</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,773,017</u>

**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FISCAL YEAR END JUNE 30, 2023**

	Self Insurance Fund
<b>OPERATING REVENUES</b>	
Self insurance revenues	\$ 553,791
<b>TOTAL OPERATING REVENUES</b>	<u>553,791</u>
<b>OPERATING EXPENSES</b>	
Current:	
Support services	<u>385,379</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>385,379</u>
<b>TOTAL OPERATING INCOME / (LOSS)</b>	<u>168,412</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
<b>NONOPERATING REVENUES</b>	
Interest income	<u>10,871</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>10,871</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	179,283
Transfers in	<u>30,000</u>
<b>CHANGE IN NET POSITION</b>	209,283
<b>NET POSITION, July 1, 2022</b>	<u>1,563,734</u>
<b>NET POSITION, June 30, 2023</b>	<u>\$ 1,773,017</u>



**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FISCAL YEAR END JUNE 30, 2023**

	Self Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Interfund activity - self insurance receipts	\$ 553,947
Supporting services	<u>(369,145)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>184,802</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	<u>30,000</u>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>30,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>10,871</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>10,871</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	225,673
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,570,251</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 1,795,924</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING INCOME</b>	
Operating income (loss)	\$ 168,412
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts payable	16,234
Increase in accounts receivable	<u>156</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 184,802</u></u>

**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2023**

	Trust and Agency Scholarship Fund
	<u>                    </u>
<b>ASSETS:</b>	
Equity in pooled cash and investments	\$          4,098
	<u>                    </u>
<b>NET POSITION:</b>	
Reserved for scholarships	\$          4,098
	<u>                    </u>

**THREE RIVERS SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FIDUCIARY FUND  
FISCAL YEAR END JUNE 30, 2023**

	Trust and Agency Scholarship Fund
	<u>                    </u>
<b>ADDITIONS</b>	
Donations	\$          950
Earnings on investments	<u>          110</u>
<b>TOTAL ADDITIONS</b>	<u>          1,060</u>
<b>DEDUCTIONS</b>	
Instruction	<u>          106</u>
<b>TOTAL DEDUCTIONS</b>	<u>          106</u>
<b>CHANGE IN NET POSITION</b>	954
<b>NET POSITION, July 1, 2022</b>	<u>          3,144</u>
<b>NET POSITION, June 30, 2023</b>	<u><u>          \$      4,098</u></u>



**| NOTES TO BASIC FINANCIAL  
STATEMENTS**

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Reporting Entity**

Primary Government

Three Rivers School District (the District), Murphy, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to exclude any potential component units in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). GASB 61 modified certain requirements for inclusion of component units in financial reporting. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

It has been determined that both Sunny Wolf Charter School and Woodland Charter School will not be included in the Three Rivers School District statements as a component unit.

There are various other governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, they are not considered component units or included in these basic financial statements.

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

**Basis of Presentation**

The financial statements of Three Rivers School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Government-wide Financial Statements**

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide Financial Statements (continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions.

Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are presented for governmental funds and fiduciary funds. The District has an internal service fund, which is reported as a proprietary fund.

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

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

*Debt Service Fund* - This fund accounts for the servicing of general long-term debt not being financed by the General Fund. For the District, this includes the PERS Bonds payments. The principal sources of revenues are property taxes, earnings on investments, services provided to other funds and other local revenues.

*Capital Projects Fund* - This fund accounts for the acquisition, construction and maintenance of improvements within the District. Principal revenue sources are construction excise taxes, grants, miscellaneous revenues, investment earnings and interfund transfers.

Additionally, the following proprietary fund is reported:

*Self Insurance Fund* - This fund accounts for monies used for self-insurance policies. Principal revenue sources are fees charged, miscellaneous revenues and investment earnings.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (continued)**

Additionally, the following fiduciary fund is reported:

*Fiduciary Fund* - These are the funds that account for the assets held by the District as a trustee or agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. The fund included in this category is:

*Trust and Agency Scholarship Fund* - This fund accounts for resources received and held in a fiduciary capacity, in accordance with a trust agreement for student scholarships.

**Measurement Focus and Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

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

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.

The District's proprietary fund distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the District's internal service fund consist of charges for services and the cost of providing those services. All other revenues and expenses are reported as nonoperating.

**Cash, Cash Equivalents and Investments**

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash, Cash Equivalents and Investments (continued)**

The District's investments, authorized under state statute, consist of banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Banker's acceptances, commercial paper and U.S. Government Agency securities are stated at amortized cost which approximates fair value. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

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

**Investment Income**

Investment income is composed of interest and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements, and is allocated monthly to all funds based on the fund's average cash balance.

**Assets Held by Trustee (Sinking Fund)**

On September 24, 2009, the District issued Qualified Zone Academy Bonds (QZAB) in the amount of \$2,000,000. The bonds purchased by All Points Capital Corp. with Section 1397E of the Internal Revenue Code, and as such, qualified for tax credits relating to the transaction. The bond proceeds were required to be used to provide for facility preservation and major maintenance in accordance with the QZAB financing plan. In addition to annual principal and interest payments, the District was required to transmit \$133,332 to the Deutsche Bank at closing on September 24, 2009 (Sinking Fund), which was used to purchase a State & Local Government Security. The Sinking Fund will mature on September 14, 2024. The value of the Sinking Fund as of June 30, 2023 was \$239,271.

**Property Taxes Receivable**

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

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

**Accounts and Other Receivables**

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



**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grants**

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

**Inventory**

Supplies inventory is valued at cost using first-in, first-out method. Accounting for supplies inventory is based on the consumption method whereby inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. All vehicles, furniture, equipment, and right of use assets with an individual value of \$5,000 or more will be capitalized. The district defines a capital asset as an item with an anticipated useful life of three or more years, the item retains its original shape and appearance with use, it is non-expendable, it does not lose its identity through incorporation into a different unit. The district will capitalize all land acquisitions and new construction regardless of cost, as well as repair costs over \$25,000. Depreciation is not calculated for construction in progress. Capital assets are depreciated using the straight-line method over the districted defined useful lives.

Buildings and improvements	25 to 50 years
Vehicles	10 to 15 years
Equipment	5 to 20 years
Right of use assets	Depends on life of lease or subscription

**Pensions and Retirement Plans**

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

Additionally, the District offers eligible employees who elect early retirement a monthly stipend. Such costs are recorded as expense in the General Fund and funded as stipend benefits become due.

**Compensated Absences**

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

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position (government-wide financials and proprietary funds) and the balance sheet (governmental funds) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of deferred outflows, which arise only under the full accrual of accounting (i.e. government-wide financials) that qualify for reporting in this category. Accordingly, the items, deferred amounts related to pensions and deferred amounts related to other post employment benefit (OPEB) obligations, is reported only in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of deferred inflows. One arises only under the modified accrual basis of accounting that qualifies for reporting in this category, deferred inflows related to property taxes (unavailable revenue). Accordingly, the governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has two types of deferred inflows which arise only under the full accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, deferred amounts related to pensions and deferred amounts related to other post employment benefit (OPEB) obligations, are reported in the government-wide statement of net position.

**Long-term Debt**

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

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

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as support service expenditures.

**Post-employment Health Benefits**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS) - Retirement Health Insurance Account (RHIA). Contributions to OPERS RHIA are made on a current basis as required by the plan and are charged as expenses.

Additionally, the District offers eligible employees, who elect early retirement, payment of group medical insurance premiums. The District also allows eligible retirees to purchase health insurance at the same rate as active employees. In the Government-wide financial statements, the District reports its liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees. Such costs are recorded as expenses in the General Fund and funded as premiums become due.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

Leases are recognized in accordance with GASB Statement No. 87, *Leases*. A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments, and is adjusted over time by interest and payments. Future lease payments include fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement, and is subsequently amortized over the life of the lease.

In the government-wide financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered support services and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

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

**Subscription-based Information Technology Arrangements (SBITAs)**

Subscription-based information technology arrangements (SBITAs) are recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines a SBITA as a contract that conveys control of the right to use another party's (the SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction.

For financial statements prepared using the economic resources measurement focus, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset at the commencement of the subscription term. The subscription liability is recognized at the net present value of future subscription payments and is adjusted over time by payments and interest. Future subscription payments are discounted using the District's estimated incremental borrowing rate. Future subscription payments include fixed and/or variable payments, based on the contract between the subscriber and vendor. The subscription asset is initially recorded as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term, and is subsequently amortized over the life of the subscription. Subscription and capitalizable implementation cost payments made prior to the commencement of the subscription are classified as prepaid assets until the subscription commences; after the subscription commences, the prepaid assets are reclassified as an intangible right-to-use subscription asset.

For financial statements prepared using the current financial resources measurement focus, other financing source and instruction or support services depending on the nature of the subscription are reported in the year the subscription asset is initially recognized. The other financing source is reported equal to the net present value of future subscription payments. Expense is reported equal to the sum of the net present value of future subscription payments, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term. Subsequent governmental fund subscription payments are recorded as principal and interest payments.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subscription-based Information Technology Arrangements (SBITAs) (continued)**

The District has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for SBITAs that do not meet the criteria for valuation under GASB 96, the District will report outflows of cash for subscription payments.

**Net Position / Fund Balance**

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

*Net investment in capital assets* – Total capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct, or improve those assets. Deferred inflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included.

*Restricted net position* – Consists of restricted assets and deferred outflows or resources reduced by liabilities and deferred inflows of resources related to those assets and deferred outflows of resources. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* – The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources not included in the definitions above.

In the fund financial statements, governmental fund balance is classified in the following categories.

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

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

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

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

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

**Budget**

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget (continued)**

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. During the year there was one supplemental budget appropriating unanticipated resources and three resolutions transferring appropriation authority within the General Fund and Capital Projects Fund. Appropriations lapse at the end of each fiscal year.

During the fiscal year ended June 30, 2023, the District was in compliance with Local Budget Law, except as follows:

The District did not publish a notice of meeting by one of the methods prescribed in 294.311(35) when the District adopted a supplemental budget that differed by less than 10 percent of the regular budget.

**Use of Estimates**

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

**Adoption of New GASB Pronouncements**

During the year ended June 30, 2023, the District implemented the following GASB Pronouncements:

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. There was no effect on the District's financial statements following implementation.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The implementation of this statement had no effect on net position. There was an initial subscription-based IT liability and right-of-use IT asset recorded in the amount of \$433,331 and \$663,507, respectively. See note 5 and 8.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Future Adoption of GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective in fiscal year 2024.

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the District for the fiscal year ending June 30, 2025.

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

**NOTE 2 – RESTATEMENT OF BEGINNING FUND BALANCE AND BEGINNING NET POSITION**

During the fiscal year ended June 30, 2023, Southern Oregon Success Academy (SOSA), previously reported as a discretely presented component unit in the District's financial statements, ended its charter and was absorbed into the District's general fund. The result of the restatement was a \$891,076 increase in the total beginning fund balance of the District from \$15,419,047 to \$16,310,123 and an increase in beginning net position from negative \$15,426,673 to negative \$14,535,597.

**NOTE 3 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

Petty cash	\$ 100
Carrying amount of demand deposits	2,037,864
Carrying amount of investments	12,010,623
	\$ 14,048,587

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

Statement of Net Position	
Cash, cash equivalents, and investments	\$ 13,805,218
Assets held in trust	239,271
	14,044,489
Statement of Net Position Fiduciary Fund	
Cash, cash equivalents, and investments	4,098
	\$ 14,048,587

**Deposits.** The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2023. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 3 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

Deposits with financial institutions are comprised of bank demand deposits. For the fiscal year ended June 30, 2023, the carrying amounts of the District's deposits in various financial institutions were \$2,037,864 and the bank balances were \$2,503,827. All deposits are held in the name of the District.

The bank balance is comprised of amounts held at various financial institutions with each providing \$250,000 coverage of FDIC insurance. Of the total bank balance all but \$1,981,417 was covered by FDIC. However, this balance was covered by the State of Oregon shared liability structure for participating bank depositories in Oregon.

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

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

**Investments.** Three Rivers School District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2023. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer.

It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40, the LGIP is not rated.

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

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

Treasury securities are valued on the basis of last available bid prices or current market quotations.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. As of June 30, 2023 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 3 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

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

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

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

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

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

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

Investments Measured at Fair Value:	Totals as of 6/30/2023	Level One	Level Two	Level Three	Amortized Cost Not Measured at Fair Value
Local Government					
Investment pool	\$ 11,429,093	\$ -	\$ -	\$ -	\$ 11,429,093
Certificates of deposit	244,120	-	-	-	244,120
Treasury securities	98,139	98,139	-	-	-
2012 QSCB Sinking Fund Reserve:					
Cash held in reserve account	262	262	-	-	-
Treasury securities	239,009	239,009	-	-	-
	<u>\$ 12,010,623</u>	<u>\$ 337,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,673,213</u>



**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 3 – EQUITY IN POOLED CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

As of June 30, 2023, the District's investments had the following maturities and credit ratings:

	<u>Total Investments</u>	<u>Investment Maturities</u>		
		<u>Less than 1 yr</u>	<u>1-5 years</u>	<u>6-10 years</u>
Cash held in sinking fund accounts Local Government	\$ 262	\$ -	\$ 262	\$ -
Investment Pool	11,429,093	11,429,093	-	-
Certificates of Deposit	244,120	244,120	-	-
Treasury Securities	337,148	-	337,148	-
<b>Total Investments</b>	<b>\$ 12,010,623</b>	<b>\$ 11,673,213</b>	<b>\$ 337,410</b>	<b>\$ -</b>

	<u>Moody's Rating</u>	<u>Standard &amp; Poor Rating</u>	<u>Percentage of Total Investments</u>
Cash held in sinking fund accounts Local Government	N/R	N/R	0.01%
Investment Pool	N/R	N/R	95.16%
Certificates of Deposit	N/R	N/R	2.03%
Treasury Securities	N/R	N/R	2.80%
<b>Total Investments</b>			<b>100.00%</b>

N/R = Not Rated

**NOTE 4 - RECEIVABLES**

Receivables are comprised of the following as of June 30, 2023:

	<u>Grants / Other</u>	<u>Property Taxes</u>	<u>Total</u>
General fund	\$ 1,310,876	\$ 1,106,734	\$ 2,417,610
Special revenue fund	8,598,274	-	8,598,274
Capital projects fund	659,499	-	659,499
Internal service fund	7	-	7
	<u>\$ 10,568,656</u>	<u>\$ 1,106,734</u>	<u>\$ 11,675,390</u>

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 5 – CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022 as restated	Additions	Transfers/ Deletions	Balance June 30, 2023
Capital assets not being depreciated or amortized:				
Land	\$ 802,110	\$ -	\$ -	\$ 802,110
Construction-in-progress	205,004	8,268,839	(277,828)	8,196,015
Total capital assets not being depreciated or amortized	<u>1,007,114</u>	<u>8,268,839</u>	<u>(277,828)</u>	<u>8,998,125</u>
Capital assets being depreciated or amortized:				
Buildings and improvements	112,480,070	621,109	219,348	113,320,527
Machinery/equipment/vehicles	5,113,838	206,045	(177,935)	5,141,948
Intangible assets:				
Right-of-use	2,491,641	-	-	2,491,641
Software	433,331	230,176	-	663,507
Total capital assets being depreciated or amortized	<u>120,518,880</u>	<u>1,057,330</u>	<u>41,413</u>	<u>121,617,623</u>
Less accumulated depreciation or amortization:				
Buildings and improvements	(88,015,471)	(2,175,289)	-	(90,190,760)
Machinery/equipment/vehicles	(2,882,838)	(245,479)	228,822	(2,899,495)
Intangible assets:				
Right-of-use	(1,193,858)	(262,850)	-	(1,456,708)
Software	-	(77,393)	-	(77,393)
Total accumulated depreciation or amortization	<u>(92,092,167)</u>	<u>(2,761,011)</u>	<u>228,822</u>	<u>(94,624,356)</u>
Total capital assets, net:				
Land	802,110	-	-	802,110
Construction-in-progress	205,004	8,268,839	(277,828)	8,196,015
Buildings and improvements	24,464,599	(1,554,180)	219,348	23,129,767
Machinery/equipment/vehicles	2,231,000	(39,434)	50,887	2,242,453
Intangible assets:				
Right-of-use	1,297,783	(262,850)	-	1,034,933
Software	433,331	152,783	-	586,114
Total	<u>\$ 29,433,827</u>	<u>\$ 6,565,158</u>	<u>\$ (7,593)</u>	<u>\$ 35,991,392</u>

Depreciation and amortization expense for the fiscal year was \$2,683,618 and is allocated to the various functions.

<u>Program</u>	
Instruction	\$ 1,558,039
Supporting services	1,098,330
Community services	<u>104,642</u>
Total	<u>\$ 2,761,011</u>

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

**Right-of-Use assets**

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The District is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. You can find further information on these transactions in Note 8.

A subscription-based information technology arrangement (SBITA) is defined as a contract that conveys the right to use vendor-provided information technology and associated tangible capital assets for subscription payments without granting governments a perpetual license or title to the IT software and associated tangible capital assets. This recognition is new for the current year under GASB pronouncement 96. You can find further information on these transactions in Note 8.

Lease and subscription right-of-use activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022 as restated	Additions	Deletions / Transfers	Balance June 30, 2023
Lease and subscription assets being amortized:				
Equipment	\$ 2,491,641	\$ -	\$ -	\$ 2,491,641
Subscriptions	433,331	230,176	-	663,507
<b>Total lease and subscription assets</b>	<b>2,924,972</b>	<b>230,176</b>	<b>-</b>	<b>3,155,148</b>
Less accumulated amortization for:				
Equipment	(1,193,858)	(262,850)	-	(1,456,708)
Subscriptions	-	(77,393)	-	(77,393)
<b>Total accumulated amortization</b>	<b>(1,193,858)</b>	<b>(340,243)</b>	<b>-</b>	<b>(1,534,101)</b>
Total lease and subscription assets, net:				
Equipment	1,297,783	(262,850)	-	1,034,933
Subscriptions	433,331	152,783	-	586,114
<b>Total lease and subscription assets, net</b>	<b>\$ 1,731,114</b>	<b>\$ (110,067)</b>	<b>\$ -</b>	<b>\$ 1,621,047</b>

**NOTE 6 – UNAVAILABLE / UNEARNED REVENUES**

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 6 – UNAVAILABLE / UNEARNED REVENUES (CONTINUED)**

At the end of the current fiscal year, the various components of unavailable (deferred inflow) and unearned revenue in the governmental funds were as follows:

<u>Fund Type</u>	<u>Property Tax Unavailable</u>	<u>Grants/Other Unearned</u>	<u>Total</u>
General fund	\$ 894,166	\$ -	\$ 894,166
Special revenue fund	-	401,835	401,835
Total	<u>\$ 894,166</u>	<u>\$ 401,835</u>	<u>\$ 1,296,001</u>

**NOTE 7 - LONG-TERM DEBT**

**Qualified Zone Academy Bonds**

On September 24, 2009, the District issued Qualified Zone Academy Bonds (QZAB) in the amount of \$2,000,000 at 1.22%. The bonds purchased by All Points Capital Corp. with Section 1397E of the Internal Revenue Code, and as such, qualified for tax credits relating to the transaction. The bond proceeds were required to be used to provide for facility preservation and major maintenance in accordance with the QZAB financing plan.

To qualify for use of the QZAB proceeds, individual schools must qualify by meeting federal guidelines for certain economic demographics. The primary use of the funds was for renovations of the primary and secondary schools in the District. In addition, initial funding for the SB 1149 energy efficiency projects was provided by the QZAB proceeds so that projects could move forward in a timely manner. As SB 1149 funds become available in future years, they will then be utilized to repay a portion of the QZAB debt. The agreement contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment. The repayment schedule may be amended as mutually agreed upon by the seller and the District.

As a result of the structure of the QZAB, the District is required to repay \$2,224,816 in total principal and interest payments over the 15-year term. The District will make equal annual payments in the amount of \$133,332 through 2024. Interest paid for the fiscal year was \$7,438.

As part of the terms of the QZAB agreement, the District opted to create a sinking fund upon bond issuance to pay for the fifteenth and final balloon payment of \$358,168, which includes principal and interest, due and payable in fiscal 2025. At closing on September 24, 2009, the District transmitted \$133,332 to the Deutsche Bank, which was used to purchase a State & Local Government Security, which will mature on September 14, 2024. The value of the sinking fund as of June 30, 2023 was \$239,271.

<u>Year ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 127,434	\$ 5,898	\$ 133,332
2025	354,911	3,257	358,168
	<u>\$ 482,345</u>	<u>\$ 9,155</u>	<u>\$ 491,500</u>

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**Pension Obligation Bonds**

On February 5, 2004, the District participated in pooled issuances of taxable pension obligation bonds to finance the District's unfunded actuarially accrued liability (UAAL) with the State of Oregon Public Employees Retirement System (PERS). The District issued \$26,620,000 in debt as part of a pooled issuance of \$467,820,000. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

Bond proceeds were paid to the Public Employee Retirement System. The bonds were issued February 2004. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer, and annual principal and interest payments are made semiannually on June 30 and December 30 of each year, beginning June 30, 2004 and ending June 30, 2028. The series 2004 bond interest rates range from 3.25% to 5.53% with a true interest cost of 5.47%. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration.

The issuance of the bonds was evaluated based on advance refunding criteria. The actual savings realized by the District over the life of the bonds is uncertain due to various legislative changes and legal issues pending with the PERS system, which could impact the District's future required contribution rate. Interest paid on these bonds for the fiscal year was \$840,256.

Year ending June 30th	Principal	Interest	Total
2024	\$ 2,420,000	\$ 721,128	\$ 3,141,128
2025	2,705,000	587,350	3,292,350
2026	3,015,000	437,818	3,452,818
2027	3,350,000	271,148	3,621,148
2028	1,555,000	85,960	1,640,960
	<u>\$ 13,045,000</u>	<u>\$ 2,103,404</u>	<u>\$ 15,148,404</u>

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**Hidden Valley Turf Field Note Payable**

On September 4, 2014, the District entered into an agreement with Evergreen Federal Bank for \$150,000 at 3.00% fixed interest to finance a portion of the new turf field at Hidden Valley High School. Monthly payments of principal and interest are to be repaid over a period of ten years commencing on October 1, 2014. Interest paid on this note for the fiscal year was \$867. This note matures September, 2024 and is payable from non-restricted General Fund revenues. If any payment obligation under this note is not paid when due, the remaining unpaid principal balance shall become due immediately at the option of the lender.

Year ending June 30th	Principal	Interest	Total
2024	\$ 17,017	\$ 364	\$ 17,381
2025	2,885	7	2,892
	\$ 19,902	\$ 371	\$ 20,273

**Full Faith and Credit Financing Agreement, Series 2023 Obligations**

On June 28, 2023, the District entered into a Note and Financing Agreement (Agreement) with JPMorgan Chase Bank (Bond). The District entered into the Agreement to provide for the issuance of \$1,056,000 in Full Faith and Credit Obligations (the Series 2023 Obligations) which will be paid from payments the District makes under the Agreement. Under the Agreement, the Series 2023 Obligations are secured by and payable from all lawfully available funds of the District, including any property taxes levied by and for the District within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution. Pursuant to ORS 287A.315 the District will pledge its full faith and credit to pay the Agreement, and the obligation of the District to pay the Agreement will not be subject to appropriation. The Agreement contains a provision that in an event of default, the Bank may increase the interest rate by 150 basis points (1.50%) while the Event of Default is continuing or exercise any remedy available at law or in equity, however the Note is not subject to acceleration.

The Series 2023 Obligations were issued to in order to construct, improve and equip District facilities and pay the cost of issuance.

The Series 2023 Obligations stated interest rate is 4.18%. Interest is payable semiannually on June 1 and December 1 each year. Principal payments are due annually on June 1 (first principal payment is due on June 1, 2024 and first interest payment is due on December 1, 2023).

On and after June 1, 2026, the District may prepay the Note, in whole or in part in multiples of \$5,000, on any interest payment date with no prepayment penalty, at par plus accrued interest to the date fixed for redemption; provided that the District will have given at least 45 days' prior written notice to the Bank.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

Annual debt service requirements associated with the Series 2023 Obligations is as follows:

Year ending June 30th	Principal	Interest	Total
2024	\$ 82,000	\$ 40,830	\$ 122,830
2025	91,000	40,713	131,713
2026	95,000	36,909	131,909
2027	99,000	32,938	131,938
2028	103,000	28,800	131,800
2029-2033	586,000	75,491	661,491
	<u>\$ 1,056,000</u>	<u>\$ 255,681</u>	<u>\$ 1,311,681</u>

The changes in long-term obligations for year ended June 30, 2023, are as follow

Issue Date:	Outstanding July 1, 2022	New Debt Issued	Matured & Redeemed	Outstanding June 30, 2023	Due within 1 year	Interest Rate
PERS Bonds						
February 5, 2004	\$ 15,200,000	\$ -	\$ (2,155,000)	\$ 13,045,000	\$ 2,420,000	5.22-5.53%
QZAB Bonds (direct placement)						
September 24, 2009	608,239	-	(125,894)	482,345	127,434	1.22%
Turf Field Note Payable (direct borrowing)						
September 24, 2009	36,416	-	(16,514)	19,902	17,017	3.00%
FFC Bond						
June 28, 2023	-	1,056,000	-	1,056,000	82,000	4.18%
Total	<u>\$ 15,844,655</u>	<u>\$ 1,056,000</u>	<u>\$ (2,297,408)</u>	<u>\$ 14,603,247</u>	<u>\$ 2,646,451</u>	

The District also has the following changes in other long-term obligations:

	Balance 7/1/2022	Earned	Used	Balance 6/30/2023	Due Within One Year
Compensated absences	\$150,126	\$313,613	\$271,272	\$192,467	\$192,467

**NOTE 8 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The District is involved in various leasing arrangements for land, buildings, and equipment. In accordance with GASB Statement No. 87 Leases, newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions, and lease receivables and payables were recognized accordingly.

The District is also involved in various subscription-based information technology arrangements (SBITAs) for information technology software and underlying subscription assets which are subscribed mainly from commercial and retail software vendors. With the implementation of GASB Statement No. 96, effective the fiscal year ended June 30, 2023, all existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs. With this implementation, a subscription payable is recognized.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 8 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)**

**Lessee Lease Payables**

The District has entered into six qualified lease agreements for copiers and equipment. During the year ended June 30, 2023, total lease principal and interest payments of \$305,125 and \$22,480 were made, respectively. Interest rates range from 2.8% to 6.0%.

Lease payable at June 30, 2023 consisted of the following:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Equipment	\$ 920,230	\$ -	\$ 305,125	\$ 615,105
Total	\$ 920,230	\$ -	\$ 305,125	\$ 615,105

Future annual lease commitments as of June 30, 2023 are as follows:

Year ending June 30th	Principal	Interest	Total
2024	\$ 201,219	\$ 13,973	\$ 215,192
2025	207,341	7,852	215,193
2026	142,880	2,674	145,554
2027	63,665	439	64,104
Total	\$ 615,105	\$ 24,938	\$ 640,043

**Lease Payments Not Included In Liability**

Variable payments based on future performance of the lessee or usage of as the underlying asset were not included in the measurement of the lease liability. Other payments, such as residual value guarantees or termination penalties, were also not included in the measurement of the lease liability. Rather, these variable and other payments were recognized as outflows of resources in the period in which the obligation for those payments was incurred.

The District has one non-qualified lease under GASB 87 related to student transportation. This lease is variable in nature. Total variable lease payments for this non-qualified lease were \$5,982,937 for the year ended June 30, 2023.

**Subscription Payables**

The District has entered into 11 qualified SBITA agreements as the subscriber for software. The subscription liability related to these SBITAs was initially recognized on July 1, 2022, with the adoption of GASB Statement No. 96. All 11 of the SBITAs are related to software. Of these, 6 had payments included in the measurement of the subscription liability with periods covering various ranges and the latest expiring on June 30, 2032. The interest rate utilized for all 6 SBITAs was 4.2%. Annual payments for the current year range from \$4,021 to \$14,565.



**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 8 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)**

Subscription payables currently outstanding as of June 30, 2023 are as follows:

	Balance July 1, 2022 as restated	Additions	Reductions	Balance June 30, 2023
Subscriptions	\$ 433,331	\$ -	\$ 51,784	\$ 381,547
Total	<u>\$ 433,331</u>	<u>\$ -</u>	<u>\$ 51,784</u>	<u>\$ 381,547</u>

Future annual subscription commitments as of June 30, 2023 are as follows:

Year Ending June 30th	Principal	Interest	Total
2024	\$ 35,759	\$ 16,024	\$ 51,783
2025	37,261	14,523	51,784
2026	38,826	12,958	51,784
2027	40,457	11,327	51,784
2028	42,156	9,628	51,784
2029 - 2032	<u>187,088</u>	<u>20,048</u>	<u>258,920</u>
Total	<u>\$ 381,547</u>	<u>\$ 84,508</u>	<u>\$ 517,839</u>

**Combined Lease and Subscription Liabilities**

On the face of the financial statements, lease and subscription payables are combined as a single line item.

Lease and subscription payables currently outstanding as of June 30, 2023 are as follows:

	Balance July 1, 2022 as restated	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Leases	\$ 920,230	\$ -	\$ 305,125	\$ 615,105	\$ 201,219
Subscriptions	433,331	-	51,784	381,547	35,759
Total	<u>\$ 1,353,561</u>	<u>\$ -</u>	<u>\$ 356,909</u>	<u>\$ 996,652</u>	<u>\$ 236,978</u>

**THREE RIVERS SCHOOL DISTRICT  
Notes to Basic Financial Statements  
June 30, 2023**

**NOTE 9 – INTERFUND TRANSACTIONS**

Interfund transfers during the year ended June 30, 2023, were as follows:

	Transfers	
	In	Out
General fund	\$ -	\$(2,503,603)
Special revenue fund	16,103	-
Debt service fund	17,500	-
Capital projects fund	2,440,000	-
Self insurance fund	30,000	-
	<u>\$2,503,603</u>	<u>\$(2,503,603)</u>

During the 2022-23 fiscal year the Board of Education approved transfers out from the General Fund. Special Revenue Funds received the transfer to fund the food service required food match program. The Debt Service fund received the transfer of funds committed by Hidden Valley High School to repay the obligation related to their new turf field. The Capital Projects transfer was set aside for future energy lease, QZAB payments, and IVHS roof replacement. The Self Insurance Fund transfer was to ensure sufficient funds for unemployment and property claims requiring payment.

The interfund payable/receivable between the general fund and special revenue fund is the result of a negative cash balance in the special revenue fund.

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Single Employer defined Benefit Health Care Plan**

**Plan Description** – The District has two separate other post-employment benefits (OPEB) plans. The District maintains a single-employer defined benefit OPEB plan that provides post-employment health, vision, dental, and life insurance benefits to eligible employees and their spouses, domestic partners, and children.

Current administrators who have served in the administrative capacity for more than ten years as of June 30, 2004 shall receive early retirement benefits of ten years of current health insurance benefits, but not beyond age 65. All other administrators who have served in an administrative capacity for seven years, or as a licensed teacher and administrator for 18 or more years, will receive seven years of current health insurance, but not beyond age 65. Notwithstanding the above, any administrator hired after August 15, 2007, will not be eligible for any early retirement benefits. Classified bargaining unit members who have at least 20 years of service as of June 30, 2004 shall receive early retirement benefits of ten years of current health insurance benefits, but not beyond age 65. Classified bargaining unit members who have at least 15 years of service in a classified position, and are on the highest step of the salary schedule, shall receive early retirement benefits of seven years of current health insurance benefits, but not beyond age 65. However, if such an employee retires after June 30, 2011, the coverage will be for the employee only. Notwithstanding the above, any classified employee hired after June 30, 2000, will not be eligible for any early retirement benefits. Licensed bargaining unit members who have at least 20 years of service and were hired in 1991 or earlier shall receive early retirement benefits of ten years of current health insurance benefits, but not beyond age 65. Notwithstanding the above, any licensed employee retiring after June 30, 2011, will not be eligible for any early retirement benefits.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Single Employer defined Benefit Health Care Plan (continued)**

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

**Funding Policy** – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**Employees Covered by Benefit Terms** – The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees entering employment subsequent to August 30, 2007. As a result, the total plan members receiving the explicit benefit will decrease over time. At June 30, 2023, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Active employees entitled to but not yet receiving benefit payments	<u>29</u>
	<u>52</u>

**Total OPEB Liability** – The districts total OPEB liability of \$4,686,928 was measured as of June 30, 2023, and was determined by an actuarial valuation date as of July 1, 2022.

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

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.75% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 4% and 6% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Health Care Claims Costs	The age- specific claims costs were developed based on the OEGB health plans' overall demographics and total premiums
Aging Factors	Aging factors are used to adjust the age 64% per capita claims cost
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy
Participation	80% active employees currently enrolled in a medic plan (100%) if eligible for District paid benefits

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Single Employer defined Benefit Health Care Plan (continued)**

***Changes in the Total OPEB Liability –***

Total OPEB Liability at June 30, 2022	\$ 4,862,783
Changes for the year:	
Service cost	229,064
Interest	172,353
Differences between expected and actual experience	87,912
Changes of assumptions or other input	(330,254)
Benefit payments	<u>(334,930)</u>
Total OPEB Liability at June 30, 2023	<u>\$ 4,686,928</u>

***Deferred Outflows of Resources, and Deferred Inflows of Resources***

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 260,083	\$ 427,873
Changes of assumptions or other input	<u>162,360</u>	<u>1,022,886</u>
Total	<u>\$ 422,443</u>	<u>\$ 1,450,759</u>

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2024	\$ (250,439)
2025	(250,443)
2026	(173,832)
2027	(227,951)
2028	(91,029)
Thereafter	<u>(34,622)</u>
Total	<u>\$ (1,028,316)</u>

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Single Employer defined Benefit Health Care Plan (continued)**

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

	1% Decrease Rate 2.75%	Current Discount Rate 3.75%	1% Increase Rate 4.75%
<b>Total OPEB Liability</b>	\$ (4,968,479)	\$ (4,686,928)	\$ (4,419,993)

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

	1% Decrease 3% Graded Up to 5% then Graded Down to 3.5%	Current Trend Rate 4% Graded Up to 6% then Graded Down to 4.5%	1% Increase 5% Graded Up to 7% then Graded Down to 5.5%
<b>Total OPEB Liability</b>	\$ (4,267,003)	\$ (4,686,928)	\$ (5,170,848)

**OPEB Expense** – For the year ended June 30, 2023, the District recognized an increase of OPEB expense of \$189,802 which was charged to various functions as follows: 56% instruction, 40% support services, and 4% community services.

**Changes in Assumptions** - A summary of key changes implemented since the July 1, 2020 valuation are noted below:

- Premium increase rates were modified to better reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.
- Discount rates increased from 3.5% to 3.75%.
- Inflation and payroll growth assumptions were increased to better reflect current and expected rates.

**Retirement Health Insurance Account (RHIA)**

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

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Retirement Health Insurance Account (RHIA) (continued)**

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2023 for the OPEB program were: Tier1/Tier 2 – 0.05%, and OPSRP general service – 0.00%. The District contributed \$4,689 for the year ended June 30, 2023.

**Pension Plan Annual Comprehensive Financial Report (AFCR) –**

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

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

**Actuarial Valuation -**

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in Note 11 – Pension and Retirement Plans. (excluding the healthcare cost trend rate and a retiree healthcare participation assumption of 27.5% for healthy retirees and 15% for disabled retirees has been used). The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.

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

At June 30, 2023, the District reported \$691,318 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, (measurement date), the District's proportion was 0.19455365 percent.

For the year ended June 30, 2023, the District recognized an increase of OPEB expense of \$15,788. The \$15,788 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 55%, 42% and 3%, respectively.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Retirement Health Insurance Account (RHIA) (continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 18,734
Changes of assumptions	5,413	23,044
Net difference in projected and actual earnings on investments	-	52,722
Changes In Proportionate Share	253,685	-
District's contributions subsequent to the measurement date	4,689	-
Total	<u>\$ 263,787</u>	<u>\$ 94,500</u>

\$4,689 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2023.

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2024	\$ 178,320
2025	2,663
2026	(33,270)
2027	16,885
Thereafter	-
Total	<u>\$ 164,598</u>

***Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate***

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

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retirement Health Insurance Account	\$ 623,072	\$ 691,318	\$ 749,820

**THREE RIVERS SCHOOL DISTRICT  
Notes to Basic Financial Statements  
June 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Retirement Health Insurance Account (RHIA) (continued)**

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

***Changes in Assumptions***

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in Note 11 – Pension and Retirement Plans.

**NOTE 11 – PENSION AND RETIREMENT PLANS**

**Early Retirement Stipend Pension Plan**

***Plan Description*** – The District maintains a single-employer defined benefit pension early retirement supplemental plan for eligible licensed employees of the District (not administered through a trust). The program covers licensed staff that have at least 18 years of service with the district and are not receiving District-paid medical benefits. This program provides employees with a stipend of 1/84 of their final annual salary per month. Payments are made for a maximum of seven years, but in no event past age 65 or death.

***Funding Policy*** – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the District for the benefit for the period ended June 30, 2023 was \$252,885. There are no assets accumulated in a trust.

***Employees Covered by Benefit Terms*** – At June 30, 2023, the following employees were covered by the stipend benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	25
Active employees entitled to but not yet receiving benefit payments	<u>58</u>
	<u>83</u>

***Total Stipend Pension Liability*** – The districts total stipend pension liability of \$2,252,113 was measured as of June 30, 2023, and was determined by an actuarial valuation date as of July 1, 2022.



**THREE RIVERS SCHOOL DISTRICT  
Notes to Basic Financial Statements  
June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**Early Retirement Stipend Pension Plan (continued)**

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

<u>Input</u>	<u>Assumption</u>
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.75% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 4% and 6% annually
Mortality Rates	PUB 2010 employee and retiree tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Health Care Claims Costs	The age- specific claims costs were developed based on the OEBB health plans' overall demographics and total premiums
Aging Factors	Aging factors are used to adjust the age 64% per capita claims cost
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy
Participation	80% active employees currently enrolled in a medicl plan (100%) if eligible for District paid benefits

***Changes in the Total Stipend Pension Liability –***

Total Stipend Pension Liability at June 30, 2022	\$ 2,848,850
Changes for the year:	
Service cost	114,018
Interest	99,275
Changes in Benefit terms	(339,635)
Differences between expected and actual experience	(226,157)
Changes of assumptions or other input	8,647
Benefit payments	<u>(252,885)</u>
Total Stipend Pension Liability at June 30, 2023	<u>\$ 2,252,113</u>

***Deferred Outflows of Resources, and Deferred Inflows of Resources -***

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 174,866	\$ 658,579
Changes of assumptions or other input	<u>111,503</u>	<u>283,478</u>
Total	<u>\$ 286,369</u>	<u>\$ 942,057</u>

**THREE RIVERS SCHOOL DISTRICT  
Notes to Basic Financial Statements  
June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**Early Retirement Stipend Pension Plan (continued)**

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

Year Ended June 30	Net deferred Outflow/(Inflow) of Resources
2024	\$ (224,481)
2025	(224,478)
2026	(195,764)
2027	19,942
2028	(5,070)
Thereafter	(25,837)
Total	\$ (655,688)

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

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
Total Stipend Pension Liability	\$ (2,346,649)	\$ (2,252,113)	\$ (2,159,304)

***Stipend Pension Expense*** – For the year ended June 30, 2023, the District recognized a decrease in stipend pension expense of \$1,026,992, which was charged to various functions as follows: 56% instruction, 40% support services, and 4% community services.

***Changes in Assumptions*** - A summary of key changes implemented since the July 1, 2020 valuation are noted at the end of Note 10.

**OPERS Plan**

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

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which was codified into ORS 238.435. This legislature 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 age 58 for Tier One.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003

Beginning January 1, 2004, PERS active Tier One or Tier Two members became members of the OPSRP IAP Program. OPERS members retain their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses.

**Tier One/Tier Two Retirement Benefit (Chapter 238) -**

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$210,582 in 2022, and will be indexed with inflation in later years.

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

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

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

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

**Benefit Changes After Retirement** - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of the underlying global equity investments of that account.

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

**OPSRP Pension Program (Chapter 238A)**

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

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$210,582 in 2022, and will be indexed with inflation each year.

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

**Death Benefits** - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

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

**Benefit Changes After Retirement** - Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0 percent.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

**Contributions** -OPERS funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set by statute. The rates established for member and employer contributions were approved based on the recommendation of the OPERS third-party actuary.

*Member Contributions*- Beginning January 1, 2004, all the member contributions, except for contributions by judge members, were placed in the IAP. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers.

*Employer Contributions* - OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans.

Employer contributions during the period July 1, 2021 through June 30, 2023, were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. For the period July 1, 2022 through June 30, 2023, net employer contribution rates were 16.24% for Tier 1/Tier 2 employees and 13.13% for OPSRP General Employees. Employer contributions for the year ended June 30, 2023 were \$4,409,581, excluding amounts to fund employee specific liabilities.

***Pension Plan Annual Comprehensive Financial Report (ACFR) -***

OPERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in Governmental Accounting Standards Board (GASB) pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at:

<https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

**Actuarial Valuation** - The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**THREE RIVERS SCHOOL DISTRICT  
Notes to Basic Financial Statements  
June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability -***

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study	2020, published July 10, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return <sup>1</sup>	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b><i>Healthy retirees and beneficiaries:</i></b> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Active members:</i></b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Disabled retirees:</i></b> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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

***Discount Rate -***

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

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

***Assumed Asset Allocation –***

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt Securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real Assets	7.50%
Diversifying Strategies	7.50%
Risk Parity	2.50%
Total	<u>100.00%</u>

***Long-term Expected Rate of Return –***

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June, 2021 the OPERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized Geometric Mean</u>
Global equity	30.62%	5.85%
Private equity	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US cash	-2.50%	1.76%
Total	<u>100.00%</u>	
Assumed inflation - mean		2.40%

\*Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

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

At June 30, 2023, the District reported a liability of \$34,599,757 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, (measurement date), the District's proportion was approximately 0.22596488 percent.

For the year ended June 30, 2023, the District recognized a reduction in pension expense of \$983,781. The \$983,781 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 55%, 42% and 3%, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$1,679,539	\$ 215,770
Changes in assumptions	5,428,889	49,598
Net difference between projected and actual earnings on investments	-	6,185,767
Changes in proportionate share	682,518	2,164,901
Difference in proportion and contribution differences	16,941	4,733,963
District's contributions subsequent to the measurement date	4,409,581	-
Total	\$ 12,217,468	\$ 13,349,999

\$4,409,581 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024.



**THREE RIVERS SCHOOL DISTRICT  
Notes to Basic Financial Statements  
June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**OPERS Plan (continued)**

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

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2024	\$ (1,481,121)
2025	(1,971,075)
2026	(3,789,206)
2027	2,015,398
2028	(316,108)
Thereafter	-
<b>Total</b>	<b>\$ (5,542,112)</b>

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
<b>Defined Benefit Pension Plan Asset (Liability)</b>	\$ (61,359,676)	\$ (34,599,757)	\$ (12,202,940)

**Changes in Assumptions** - A summary of key changes implemented since the December 31, 2019 valuation are noted below. Additional detail and list of changes can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/Actuarial-Valuation-Results.pdf>

**Assumption Changes** - There were no changes to actuarial assumptions since the December 31, 2020 actuarial valuation.

**Actuarial Methods** - There were no changes to actuarial methods since the December 31, 2020 actuarial valuation.

**Plan Changes** - There were no changes to plan provisions valued since the December 31, 2020 actuarial valuation. The provisions of Senate Bill 111 and House Bill 2906, Both enacted in June 2021, were reflected in the December 31, 2020 actuarial valuation.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 11 – PENSION AND RETIREMENT PLANS (CONTINUED)**

**Defined Contribution Plan – Individual Account Program (IAP)**

***Pension Benefits*** - Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The account falls under Internal Revenue Code Section 401(a).

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

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

***Member Contributions*** - Beginning January 1, 2004, all the member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$3,333 per month in 2022) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index (All Urban Consumers, West Region).

During 2023, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2023 were \$1,763,360, of which \$1,499,632 was deposited into the individual members' accounts.

**NOTE 12 - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 12 – CONTINGENCIES (CONTINUED)**

The School District has elected, under the State Unemployment Act of July 1, 1974, to reimburse the State Employment Department for any claims paid. Reimbursements are made from the District's self-insurance Fund. The District is unable to determine at this time the amount of the contingent liability for potential unemployment insurance claims.

**NOTE 13 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

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

**NOTE 14 – RISK MANAGEMENT**

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

**NOTE 15 – ECONOMIC DEPENDENCY**

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Basic School Support funding provided by the state to all public school systems in Oregon is primarily based on student enrollment. The State provided \$36,279,623 to the District, which represents approximately 58% of the District's total general revenues for the year.

**NOTE 16 – TAX ABATEMENTS**

As of June 30, 2023, Jackson and Josephine counties provide tax abatements through the Enterprise Zone program.

**Enterprise Zone (ORS 285.597):**

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2023, Three Rivers School District abated property taxes totaling \$8,400 under this program.

**THREE RIVERS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 17 – RESTRICTED NET POSITION**

As noted on the Statement of Net Position, there are various restrictions. The amount of \$483,777 restricted for education grants, consists of monies to be used for the Student Investment Account (\$401,834), JCF - a classroom grant (\$834), State grants (\$3,603), County grants (\$11,760), A Summer Learning grant for kindergarten through 8<sup>th</sup> grade (\$20,140), and SSA SS LB grant (\$45,606). All of these funds are restricted for these various projects. Other amounts are restricted to student body, debt service, food service and capital projects as stated.

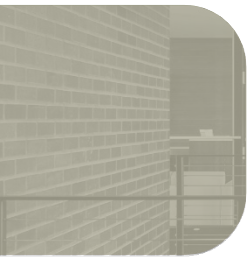
**NOTE 18 – COMMITMENTS**

The District has various active construction obligations at June 30, 2023. The total project costs of these obligations was approximately \$16,163,298. As of June 30, 2023, there was \$7,882,188 outstanding remaining on the contracts.

**NOTE 19 – SUBSEQUENT EVENTS**

Management of the District has evaluated events and transactions occurring after June 30, 2023 through December 21, 2023, the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

Subsequent to year-end, on July 1, 2023, the District entered into a charter agreement to sponsor Kalmiopsis Charter School.



**| REQUIRED SUPPLEMENTARY  
INFORMATION**

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FISCAL YEAR END JUNE 30, 2023**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 19,717,216	\$ 19,717,216	\$ 19,666,492	\$ (50,724)
Charges for services	47,000	47,000	40,936	(6,064)
Donations	-	-	6,955	6,955
Interest on investments	75,000	75,000	553,621	478,621
Miscellaneous	130,000	130,000	334,041	204,041
Intermediate sources:				
Intergovernmental	800,000	800,000	1,320,859	520,859
State sources:				
Basic school support	33,716,758	33,716,758	36,279,623	2,562,865
Intergovernmental	477,706	477,706	635,041	157,335
Federal sources:				
Intergovernmental	150,000	150,000	153,306	3,306
<b>TOTAL REVENUES</b>	<b>55,113,680</b>	<b>55,113,680</b>	<b>58,990,874</b>	<b>3,877,194</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	32,908,723	32,958,723	30,957,013	2,001,710
Support services	27,195,800	27,195,800	26,450,299	745,501
Contingency	1,789,312	1,229,312	-	1,229,312
<b>TOTAL EXPENDITURES</b>	<b>61,893,835</b>	<b>61,383,835</b>	<b>57,407,312</b>	<b>3,976,523</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,780,155)</b>	<b>(6,270,155)</b>	<b>1,583,562</b>	<b>7,853,717</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(710,500)	(2,510,500)	(2,503,603)	6,897
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(710,500)</b>	<b>(2,510,500)</b>	<b>(2,503,603)</b>	<b>6,897</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(7,490,655)</b>	<b>(8,780,655)</b>	<b>(920,041)</b>	<b>7,860,614</b>
<b>FUND BALANCE, July 1, 2022, as restated</b>	<b>9,990,655</b>	<b>11,280,655</b>	<b>11,959,144</b>	<b>678,489</b>
<b>FUND BALANCE, June 30, 2023</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 11,039,103</b>	<b>\$ 8,539,103</b>

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
FISCAL YEAR END JUNE 30, 2023**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 1,536,365	\$ 1,536,365	\$ 1,164,550	\$ (371,815)
Donations	2,500	2,500	225,142	222,642
Interest on investments	890	890	4,339	3,449
Miscellaneous	47,604	47,604	465,794	418,190
State sources:				
Intergovernmental	6,959,742	6,959,742	7,142,698	182,956
Federal sources:				
Intergovernmental	28,783,473	28,783,473	15,550,559	(13,232,914)
<b>TOTAL REVENUES</b>	<b>37,330,574</b>	<b>37,330,574</b>	<b>24,553,082</b>	<b>(12,777,492)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	17,122,875	17,122,875	11,010,546	6,112,329
Support services	5,593,276	5,593,276	5,534,979	58,297
Enterprise and community services	2,474,269	2,474,269	2,390,875	83,394
Facilities acquisition and construction	13,674,427	13,674,427	5,492,265	8,182,162
<b>TOTAL EXPENDITURES</b>	<b>38,864,847</b>	<b>38,864,847</b>	<b>24,428,665</b>	<b>14,436,182</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,534,273)</b>	<b>(1,534,273)</b>	<b>124,417</b>	<b>1,658,690</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	273,000	273,000	16,103	(256,897)
Transfers out	(250,000)	(250,000)	-	250,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>23,000</b>	<b>23,000</b>	<b>16,103</b>	<b>(6,897)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,511,273)</b>	<b>(1,511,273)</b>	<b>140,520</b>	<b>1,651,793</b>
<b>FUND BALANCE, July 1, 2022</b>	<b>1,511,273</b>	<b>1,511,273</b>	<b>2,149,462</b>	<b>638,189</b>
<b>FUND BALANCE, June 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,289,982</b>	<b>\$ 2,289,982</b>

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Three Rivers School District Proportionate Share of Net Pension (Liability) / Asset**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.22596488%	0.2227861%	0.2396684%	0.2360184%	0.2485268%	0.2440468%	0.2437456%	0.2411978%	0.2689813%
District's proportion of the net pension asset/(liability)	\$ (34,599,757)	\$ (26,659,650)	\$ (52,303,893)	\$ (40,825,524)	\$ (37,648,531)	\$ (32,897,601)	\$ (36,591,868)	\$ (13,848,281)	\$ 6,097,038
District's covered-employee payroll	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703	\$ 26,105,736	\$ 24,804,360	\$ 23,985,316	\$ 23,058,311
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-112%	-88.93%	-184.09%	-142.70%	-133.67%	-126.02%	-147.52%	-57.74%	26.44%
Plan fiduciary net position as a percentage of the total pension liability	84.50%	87.57%	75.80%	80.20%	82.10%	83.10%	80.52%	91.88%	103.59%

**Three Rivers School District Pension Contributions**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 4,409,581	\$ 4,276,914	\$ 4,722,996	\$ 4,520,220	\$ 2,806,404	\$ 3,805,443	\$ 2,403,712	\$ 2,376,272	\$ 2,695,646
Contribution in relation to the contractually required	(4,409,581)	(4,276,914)	(4,722,996)	(4,520,220)	(2,806,404)	(3,805,443)	(2,403,712)	(2,376,272)	(2,695,646)
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered - employee payroll	\$ 33,368,229	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703	\$ 26,105,736	\$ 24,804,360	\$ 23,985,316
Contributions as a percentage of covered-employee payroll	13.21%	13.82%	15.75%	15.91%	9.81%	13.51%	9.21%	9.58%	11.24%

**Notes to Schedule -**

A summary of key changes implemented since the December 31, 2019 valuation are described in *Note 11* in the Notes to the Basic Financial Statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

**Other Information -**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2015, as a result, only nine years of information is presented.



**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB (RHIA)  
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Three Rivers School District Proportionate Share of Net OPEB (Liability) / Asset**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB RHIA asset/(liability)	0.19455365%	0.26300956%	0.55890575%	0.22720791%	0.27381244%	0.24284476%
District's proportion of the net OPEB RHIA asset/(liability)	\$ 691,318	\$ 903,176	\$ 1,138,828	\$ 439,048	\$ 305,649	\$ 101,349
District's covered-employee payroll	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703	\$ 26,105,736
District's proportionate share of the net OPEB RHIA asset/(liability) as a percentage of its covered-employee payroll	2.23%	3.01%	4.01%	1.53%	1.09%	0.39%
Plan fiduciary net position as a percentage of the total pension liability	194.60%	183.90%	150.10%	123.90%	123.90%	108.88%

**Three Rivers School District Contributions**

	<u>2023</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 4,689	\$ 4,795	\$ 7,037	\$ 39,912	\$ 112,609	\$ 132,581
Contribution in relation to the contractually required	(4,689)	(4,795)	(7,037)	(39,912)	(112,609)	(132,581)
Contributions deficiency (excess)	-	-	-	-	-	-
District's covered - employee payroll	\$ 33,368,229	\$ 30,955,141	\$ 29,979,164	\$ 28,411,408	\$ 28,610,083	\$ 28,164,703
Contributions as a percentage of covered-employee payroll	0.01%	0.02%	0.02%	0.14%	0.39%	0.47%

**Notes to Schedule -**

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

**Other Information -**

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

**THREE RIVERS SCHOOL DISTRICT**  
**SCHEDULE OF CHANGE IN THE DISTRICT'S TOTAL PENSION LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

<b>Total Pension Liability (Stipend):</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 114,018	\$ 142,549	\$ 118,390	\$ 114,386	\$ 188,346	\$ 183,752	\$ 183,752
Interest	99,275	69,753	66,457	97,343	122,524	124,163	121,038
Changes of benefit terms	(339,635)	-	-	-	-	-	-
Differences between expected and actual experience	(226,157)	-	279,788	-	(1,303,901)	-	-
Changes of assumptions of other inputs	8,647	(206,675)	(113,669)	200,109	13,240	(229,724)	-
Benefit payments	(252,885)	(228,683)	(228,595)	(258,300)	(239,991)	(218,597)	(182,640)
<b>Net change in total pension liability (stipend)</b>	<b>(596,737)</b>	<b>(223,056)</b>	<b>122,371</b>	<b>153,538</b>	<b>(1,219,782)</b>	<b>(140,406)</b>	<b>122,150</b>
Total Pension Liability (Stipend) - beginning	<u>\$ 2,848,850</u>	<u>\$ 3,071,906</u>	<u>\$ 2,949,535</u>	<u>\$ 2,795,997</u>	<u>\$ 4,015,779</u>	<u>\$ 4,156,185</u>	<u>\$ 4,034,035</u>
Total Pension liability (Stipend) - ending	<u>\$ 2,252,113</u>	<u>\$ 2,848,850</u>	<u>\$ 3,071,906</u>	<u>\$ 2,949,535</u>	<u>\$ 2,795,997</u>	<u>\$ 4,015,779</u>	<u>\$ 4,156,185</u>
Estimated Covered - employee payroll	\$4,531,857	\$ 15,949,603	\$ 15,485,051	\$ 13,725,109	\$ 13,260,975	\$ 18,394,083	\$ 17,858,333
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	49.70%	17.86%	19.84%	21.49%	21.08%	21.83%	23.27%

**Notes to Schedule -**

A summary of assumption changes implemented since the July 1, 2020 valuation are outlined briefly in *Note 11* in Notes to the Basic Financial Statements. A comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published in July 2019, and can be found at:

[https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**Other Information -**

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

**THREE RIVERS SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

<b>Total OPEB Liability (Medical):</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 229,064	\$ 278,978	\$ 272,503	\$ 263,288	\$ 312,031	\$ 304,420	\$ 304,420
Interest	172,353	120,153	141,286	264,579	197,233	206,268	212,474
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	87,912	-	(748,780)	-	646,560	-	-
Changes of assumptions of other inputs	(330,254)	(394,875)	(209,678)	378,836	(1,182,792)	(297,175)	-
Benefit payments	(334,930)	(405,282)	(396,830)	(635,259)	(603,154)	(745,833)	(701,693)
<b>Net change in total OPEB liability</b>	<b>(175,855)</b>	<b>(401,026)</b>	<b>(941,499)</b>	<b>271,444</b>	<b>(630,122)</b>	<b>(532,320)</b>	<b>(184,799)</b>
Total OPEB liability - beginning	\$ 4,862,783	\$ 5,263,809	\$ 6,205,308	\$ 5,933,864	\$ 6,563,986	\$ 7,096,306	\$ 7,281,105
Total OPEB liability - ending	\$ 4,686,928	\$ 4,862,783	\$ 5,263,809	\$ 6,205,308	\$ 5,933,864	\$ 6,563,986	\$ 7,096,306
Estimated Covered - employee payroll	\$33,613,674	\$32,444,101	\$29,077,224	\$29,223,661	\$28,235,421	\$31,872,867	\$30,944,531
Total OPEB liability as a percentage of estimated covered - employee payroll	13.94%	14.99%	18.10%	21.23%	21.02%	20.59%	22.93%

**Notes to Schedule -**

A summary of assumption changes implemented since the July 1, 2020 valuation are outlined briefly in *Note 10* in Notes to the Basic Financial Statements.

**Other Information -**

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



**| OTHER SUPPLEMENTARY  
INFORMATION**

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
FISCAL YEAR END JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Interest on investments	\$ 4,500	\$ 4,500	\$ 54,690	\$ 50,190
Services provided other funds	2,891,486	2,891,486	2,987,207	95,721
<b>TOTAL REVENUES</b>	<b>2,895,986</b>	<b>2,895,986</b>	<b>3,041,897</b>	<b>145,911</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal and interest	3,012,637	3,012,637	3,012,634	3
<b>TOTAL EXPENDITURES</b>	<b>3,012,637</b>	<b>3,012,637</b>	<b>3,012,634</b>	<b>3</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(116,651)</b>	<b>(116,651)</b>	<b>29,263</b>	<b>145,914</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	17,500	17,500	17,500	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>17,500</b>	<b>17,500</b>	<b>17,500</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(99,151)</b>	<b>(99,151)</b>	<b>46,763</b>	<b>145,914</b>
<b>FUND BALANCE, July 1, 2022</b>	<b>181,517</b>	<b>181,517</b>	<b>208,563</b>	<b>27,046</b>
<b>FUND BALANCE, June 30, 2023</b>	<b>\$ 82,366</b>	<b>\$ 82,366</b>	<b>\$ 255,326</b>	<b>\$ 172,960</b>

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FISCAL YEAR END JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Construction excise tax	\$ 325,000	\$ 325,000	\$ 242,111	\$ (82,889)
Interest on investments	8,000	8,000	27,930	19,930
Miscellaneous	187,000	187,000	242,247	55,247
State sources:				
Intergovernmental	2,499,960	4,999,415	685,014	(4,314,401)
<b>TOTAL REVENUES</b>	<b>3,019,960</b>	<b>5,519,415</b>	<b>1,197,302</b>	<b>(4,322,113)</b>
<b>EXPENDITURES</b>				
Current:				
Support services	1,631,624	1,631,624	1,380,222	251,402
Facilities acquisition and construction	2,499,960	6,799,415	2,661,932	4,137,483
Contingency	703,733	703,733	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,835,317</b>	<b>9,134,772</b>	<b>4,042,154</b>	<b>4,388,885</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,815,357)</b>	<b>(2,911,624)</b>	<b>(2,844,852)</b>	<b>66,772</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from long term debt	-	-	1,056,000	1,056,000
Transfers in	640,000	2,440,000	2,440,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>640,000</b>	<b>2,440,000</b>	<b>3,496,000</b>	<b>1,056,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,175,357)</b>	<b>(471,624)</b>	<b>651,148</b>	<b>1,122,772</b>
<b>FUND BALANCE, July 1, 2022</b>	<b>1,175,357</b>	<b>1,175,357</b>	<b>1,992,954</b>	<b>817,597</b>
<b>FUND BALANCE, June 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,644,102</b>	<b>\$ 1,940,369</b>

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL  
SELF-INSURANCE FUND  
FISCAL YEAR END JUNE 30, 2023**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Interest on investments	\$ 2,000	\$ 2,000	\$ 10,871	\$ 8,871
Self insurance revenues	889,219	889,219	553,791	(335,428)
<b>TOTAL REVENUES</b>	<b>891,219</b>	<b>891,219</b>	<b>564,662</b>	<b>(326,557)</b>
<b>EXPENDITURES</b>				
Current:				
Support services	988,846	988,846	385,379	603,467
Contingency	1,460,654	1,460,654	-	1,460,654
<b>TOTAL EXPENDITURES</b>	<b>2,449,500</b>	<b>2,449,500</b>	<b>385,379</b>	<b>2,064,121</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,558,281)</b>	<b>(1,558,281)</b>	<b>179,283</b>	<b>1,737,564</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	30,000	30,000	30,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
<b>NET CHANGE IN NET POSITION</b>	<b>(1,528,281)</b>	<b>(1,528,281)</b>	<b>209,283</b>	<b>1,737,564</b>
<b>FUND BALANCE, July 1, 2022</b>	<b>1,528,281</b>	<b>1,528,281</b>	<b>1,563,734</b>	<b>35,453</b>
<b>FUND BALANCE, June 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,773,017</b>	<b>\$ 1,773,017</b>

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL  
TRUST AND AGENCY SCHOLARSHIP FUND  
FISCAL YEAR END JUNE 30, 2023**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Donations	\$ -	\$ -	\$ 950	\$ 950
Interest on investments	27	27	110	83
<b>TOTAL REVENUES</b>	<u>27</u>	<u>27</u>	<u>1,060</u>	<u>1,033</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	<u>3,180</u>	<u>3,180</u>	<u>106</u>	<u>3,074</u>
<b>TOTAL EXPENDITURES</b>	<u>3,180</u>	<u>3,180</u>	<u>106</u>	<u>3,074</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,153)	(3,153)	954	4,107
<b>FUND BALANCE, July 1, 2022</b>	<u>3,153</u>	<u>3,153</u>	<u>3,144</u>	<u>(9)</u>
<b>FUND BALANCE, June 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,098</u>	<u>\$ 4,098</u>





## | OTHER FINANCIAL SCHEDULES



**| SCHOOL DISTRICT FINANCIAL  
ACCOUNTING SUMMARIES**

**2022 - 2023 DISTRICT AUDIT REVENUE SUMMARY**  
**Three Rivers School District**

**Revenue from Local Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	19,666,492						
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				242,111			
1200 Rev from Local Gov't Units Other Than Districts							
1310 Regular Day School Tuition	17,993						
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1400 Local & Federal Sources							
1500 Earnings on Investments	553,621	4,339	54,690	27,930		10,871	110
1600 Food Service		25,356					
1700 Extracurricular Activities		1,139,194					
1800 Community Services Activities							
1910 Rentals	22,943						
1920 Contributions and Donations From Private Sources	6,955	225,142		10,000			950
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies	110,768						
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure						80,761	
1970 Services Provided Other Funds			2,987,207				
1980 Fees Charged to Grants						445,255	
1990 Miscellaneous						27,775	
<b>Total Revenue from Local Sources</b>	<b>\$ 20,602,045</b>	<b>\$ 1,859,825</b>	<b>\$ 3,041,897</b>	<b>\$ 512,288</b>	<b>\$ -</b>	<b>\$ 564,662</b>	<b>\$ 1,060</b>

**Revenue from Intermediate Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds							
2102 Education Service District Apportionment	1,316,911						
2105 Natural Gas, Oil, and Mineral Receipts							
2199 Other Intermediate Sources	3,948						
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
<b>Total Revenue from Intermediate Sources</b>	<b>\$ 1,320,859</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Revenue from State Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	36,279,623						
3103 Common School Fund	614,123						
3104 State Managed County Timber							
3299 Other Restricted Grants-in-Aid	20,918	7,142,698		685,014			
<b>Total Revenue from State Sources</b>	<b>\$ 36,914,664</b>	<b>\$ 7,142,698</b>	<b>\$ -</b>	<b>\$ 685,014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Revenue from Federal Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4500 Restricted Revenue From the Federal Government Through the State	67,206	15,408,346					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees	86,100						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		142,213					
<b>Total Revenue from Federal Sources</b>	<b>\$ 153,306</b>	<b>\$ 15,550,559</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Revenue from Other Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources				1,056,000			
5200 Interfund Transfers		16,103	17,500	2,440,000		30,000	
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	11,959,144	2,149,462	208,563	1,992,954		1,563,734	3,144
<b>Total Revenue from Other Sources</b>	<b>\$ 11,959,144</b>	<b>\$ 2,165,565</b>	<b>\$ 226,063</b>	<b>\$ 5,488,954</b>	<b>\$ -</b>	<b>\$ 1,593,734</b>	<b>\$ 3,144</b>

**Grand Totals**

<b>Grand Totals</b>	<b>\$ 70,950,018</b>	<b>\$ 26,718,647</b>	<b>\$ 3,267,960</b>	<b>\$ 6,686,256</b>	<b>\$ -</b>	<b>\$ 2,158,396</b>	<b>\$ 4,204</b>
---------------------	----------------------	----------------------	---------------------	---------------------	-------------	---------------------	-----------------

**2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY  
THREE RIVERS SCHOOL DISTRICT**

**Fund: 100 - General Fund**

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primarv, K-3	8,583,140	5,248,752	3,025,399	225,342	83,502		145	
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs	3,729,823	2,290,754	1,237,476	165,394	35,925		274	
1122 Middle/Junior High School Extracurricular	25,406	19,921	5,158	85	(332)		574	
1131 High School Program	5,505,554	3,215,926	1,837,648	279,428	140,247	23,020	9,285	
1132 High School Extracurricular	880,048	412,238	174,037	111,998	128,485	5,650	47,640	
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities	3,541,806	2,322,491	1,190,099	16,911	12,305			
1250 Less Restrictive Programs for Students with Disabilities	3,689,228	1,840,174	1,025,843	808,073	14,815		323	
1260 Early Intervention								
1271 Remediation								
1272 Title I								
1280 Alternative Education	4,728,135	160,608	89,394	4,477,168	644		323	
1291 English Second Language Programs	273,873	170,937	86,809	1,542	14,585			
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
<b>Total Instruction Expenditures</b>	<b>\$ 30,957,013</b>	<b>\$ 15,681,799</b>	<b>\$ 8,671,863</b>	<b>\$ 6,085,941</b>	<b>\$ 430,176</b>	<b>\$ 28,670</b>	<b>\$ 58,564</b>	<b>\$ -</b>

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	8,343			360	7,983			
2120 Guidance Services	1,066,433	687,984	372,259	3,702	2,218		270	
2130 Health Services	26,638			24,326	2,312			
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services	540,142	294,131	163,662	72,105	9,300		944	
2210 Improvement of Instruction Services	228,300	120,726	69,103	7,401	29,425		1,645	
2220 Educational Media Services	889,452	413,287	269,485	104,318	102,362			
2230 Assessment & Testing	2,634				2,634			
2240 Instructional Staff Development	143,087	24,729	16,229	94,534	352		7,253	
2310 Board of Education Services	388,223	232,506	141,151	2,621	10,272		1,673	
2410 Office of the Principal Services	5,821,771	3,480,255	2,024,198	63,882	219,308	5,055	29,073	
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services	1,194,267	331,055	240,633	80,607	13,006		528,966	
2540 Operation and Maintenance of Plant Services	7,785,790	2,548,342	1,523,939	3,114,364	506,359	89,085	13,691	
2550 Student Transportation Services	5,472,329	17,221	8,964	5,446,144				
2570 Internal Services	153,754	80,037	53,771	10,434	9,512			
2610 Direction of Central Support Services								
2630 Information Services	122,311	72,855	48,586		305		585	
2640 Staff Services	724,373	391,401	173,081	81,903	21,686		56,302	
2660 Technology Services	1,410,494	575,871	314,185	333,112	186,681		645	
2670 Records Management Services								
2680 Translation Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program	461,958	288,001	173,957					
<b>Total Support Services Expenditures</b>	<b>\$ 26,450,299</b>	<b>\$ 9,558,401</b>	<b>\$ 5,593,183</b>	<b>\$ 9,439,813</b>	<b>\$ 1,123,715</b>	<b>\$ 94,140</b>	<b>\$ 641,047</b>	<b>\$ -</b>

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services								
4190 Other Facilities Construction Services								
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds	2,503,603							2,503,603
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
<b>Total Other Uses Expenditures</b>	<b>\$ 2,503,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,503,603</b>

<b>Grand Total</b>	<b>\$ 59,910,915</b>	<b>\$ 25,240,200</b>	<b>\$ 14,265,046</b>	<b>\$ 15,525,754</b>	<b>\$ 1,553,891</b>	<b>\$ 122,810</b>	<b>\$ 699,611</b>	<b>\$ 2,503,603</b>
--------------------	----------------------	----------------------	----------------------	----------------------	---------------------	-------------------	-------------------	---------------------

**2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY  
THREE RIVERS SCHOOL DISTRICT**

**Fund: 200 - Special Revenue**

**Instruction Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	1,509,478	819,251	440,316	1,015	248,896			
1112 Intermediate Programs								
1113 Elementary Extracurricular	138,364			23,246	95,575		19,543	
1121 Middle/Junior High Programs	800,729	449,644	253,073	91,454	3,798		2,760	
1122 Middle/Junior High School Extracurricular	168,880	25,592	7,585	11,847	69,292		54,564	
1131 Local and Federal Sources	1,221,172	595,072	350,191	26,158	175,233	73,369	1,149	
1132 High School Extracurricular	1,064,396	147,353	37,366	102,831	492,141	18,510	266,195	
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities	302,840	80,868	55,718	24,212	142,042			
1250 Less Restrictive Programs for Students with Disabilities	1,624,108	886,513	450,348	86,490	157,671		43,086	
1260 Early Intervention								
1271 Remediation	381,790	170,265	64,000	82,472	65,053			
1272 Title I	1,161,927	607,735	258,270	69,963	225,959			
1280 Alternative Education	1,391,859	366,421	185,048	735,623	95,080	6,496	3,191	
1291 English Second Language Programs								
1292 Teen Parent Program	1,400	700		700				
1293 Migrant Education								
1294 Youth Corrections Education	993,583	499,246	308,743	107,601	67,114		10,879	
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
<b>Total Instruction Expenditures</b>	<b>\$ 11,010,546</b>	<b>\$ 4,713,832</b>	<b>\$ 2,434,343</b>	<b>\$ 1,438,438</b>	<b>\$ 1,915,726</b>	<b>\$ 98,375</b>	<b>\$ 409,832</b>	<b>\$ -</b>

**Support Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	285,067	59,250	26,924	185,744	12,918		231	
2120 Guidance Services	1,102,825	508,851	276,822	294,062	23,090			
2130 Health Services	166,412			166,412				
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Director, Student Support Services	107,191	69,347	37,844					
2210 Improvement of Instruction Services	1,398,318	610,729	309,366	108,725	156,338		213,160	
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development	304,895	50,100	21,102	191,763	10,817		31,113	
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principals Services	608,775	194,886	102,433	61,945	208,956		40,555	
2490 Other Support Services - School Administration	34,935						34,935	
2510 Direction of Business Support Services	66,158						66,158	
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services	8,197				8,197			
2550 Student Transportation Services	265,249			265,249				
2570 Internal Services								
2610 Direction of Central Support Services								
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	2,159	2,000	159					
2640 Staff Services	715,372	418,211	149,913	92,197	31,059		23,992	
2660 Technology Services	367,555			116,110	251,445			
2670 Records Management Services								
2690 Other Support Services - Central	101,871				31,791		70,080	
2700 Supplemental Retirement Program								
<b>Total Support Services Expenditures</b>	<b>\$ 5,534,979</b>	<b>\$ 1,913,374</b>	<b>\$ 924,563</b>	<b>\$ 1,482,207</b>	<b>\$ 734,611</b>	<b>\$ -</b>	<b>\$ 480,224</b>	<b>\$ -</b>

**Enterprise and Community Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	2,350,500	834,164	425,624	1,070,919	8,081		11,712	
3200 Other Enterprise Services								
3300 Community Services	40,375	1,029	224	17,436	21,686			
3500 Custody and Care of Children Services								
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 2,390,875</b>	<b>\$ 835,193</b>	<b>\$ 425,848</b>	<b>\$ 1,088,355</b>	<b>\$ 29,767</b>	<b>\$ -</b>	<b>\$ 11,712</b>	<b>\$ -</b>

**Facilities Acquisition and Construction Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services	5,492,265			567,348	107,320	4,756,051	61,546	
4190 Other Facilities Construction Services								
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$ 5,492,265</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 567,348</b>	<b>\$ 107,320</b>	<b>\$ 4,756,051</b>	<b>\$ 61,546</b>	<b>\$ -</b>

**Other Uses Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
<b>Total Other Uses Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Grand Total**

<b>\$ 24,428,665</b>	<b>\$ 7,462,399</b>	<b>\$ 3,784,754</b>	<b>\$ 4,576,348</b>	<b>\$ 2,787,424</b>	<b>\$ 4,854,426</b>	<b>\$ 963,314</b>	<b>\$ -</b>
----------------------	---------------------	---------------------	---------------------	---------------------	---------------------	-------------------	-------------

**2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY  
THREE RIVERS SCHOOL DISTRICT**

**Fund: 300 - Debt Service**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3								
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs								
1122 Middle/Junior High School Extracurricular								
1131 High School Program								
1132 High School Extracurricular								
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities								
1260 Early Intervention								
1271 Remediation								
1272 Title I								
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
<b>Total Instruction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services								
2120 Guidance Services								
2130 Health Services								
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services								
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development								
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services								
2550 Student Transportation Services								
2570 Internal Services								
2610 Direction of Central Support Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services								
2670 Records Management Services								
2680 Translation Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
<b>Total Support Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
<b>Total Enterprise and Community Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services								
4190 Other Facilities Construction Services								
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	3,012,634						3,012,634	
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
<b>Total Other Uses Expenditures</b>	\$ 3,012,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,012,634	\$ -

<b>Grand Total</b>	\$ 3,012,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,012,634	\$ -
--------------------	--------------	------	------	------	------	------	--------------	------

**2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY  
THREE RIVERS SCHOOL DISTRICT**

**Fund: 400 - Capital Projects**

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3								
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs								
1122 Middle/Junior High School Extracurricular								
1131 High School Program								
1132 High School Extracurricular								
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities								
1260 Early Intervention								
1271 Remediation								
1272 Title I								
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
<b>Total Instruction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services								
2120 Guidance Services								
2130 Health Services								
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services								
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development								
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services	1,380,222			285,446	29,422	931,508	133,846	
2550 Student Transportation Services								
2570 Internal Services								
2610 Direction of Central Support Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services								
2670 Records Management Services								
2680 Translation Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
<b>Total Support Services Expenditures</b>	\$ 1,380,222	\$ -	\$ -	\$ 285,446	\$ 29,422	\$ 931,508	\$ 133,846	\$ -

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
<b>Total Enterprise and Community Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services	2,661,932			262,623		2,371,556	27,753	
4190 Other Facilities Construction Services								
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ 2,661,932	\$ -	\$ -	\$ 262,623	\$ -	\$ 2,371,556	\$ 27,753	\$ -

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
<b>Total Other Uses Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Grand Total</b>	\$ 4,042,154	\$ -	\$ -	\$ 548,069	\$ 29,422	\$ 3,303,064	\$ 161,599	\$ -
--------------------	--------------	------	------	------------	-----------	--------------	------------	------

**2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY  
THREE RIVERS SCHOOL DISTRICT**

**Fund: 600 - Self Insurance**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3								
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs								
1122 Middle/Junior High School Extracurricular								
1131 High School Program								
1132 High School Extracurricular								
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities								
1260 Early Intervention								
1271 Remediation								
1272 Title I								
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
<b>Total Instruction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services								
2120 Guidance Services								
2130 Health Services								
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services	31,590	18,749	12,841					
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development								
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services	130,168	80,959	40,386	4,323	2,781		1,719	
2540 Operation and Maintenance of Plant Services	36,078			32,452	3,626			
2550 Student Transportation Services								
2570 Internal Services								
2610 Direction of Central Support Services								
2630 Information Services								
2640 Staff Services	74,779	32,186	42,493				100	
2660 Technology Services	112,764	71,136	41,628					
2670 Records Management Services								
2680 Translation Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
<b>Total Support Services Expenditures</b>	\$ 385,379	\$ 203,030	\$ 137,348	\$ 36,775	\$ 6,407	\$ -	\$ 1,819	\$ -

<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
<b>Total Enterprise and Community Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services								
4190 Other Facilities Construction Services								
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
<b>Total Other Uses Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Grand Total</b>	\$ 385,379	\$ 203,030	\$ 137,348	\$ 36,775	\$ 6,407	\$ -	\$ 1,819	\$ -
--------------------	------------	------------	------------	-----------	----------	------	----------	------



2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY  
THREE RIVERS SCHOOL DISTRICT

**Fund: 700 - Trust & Agency**

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3								
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs								
1122 Middle/Junior High School Extracurricular								
1131 High School Program								
1132 High School Extracurricular								
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities								
1260 Early Intervention								
1271 Remediation								
1272 Title I								
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs	106			106				
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
<b>Total Instruction Expenditures</b>	\$ 106	\$ -	\$ -	\$ 106	\$ -	\$ -	\$ -	\$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services								
2120 Guidance Services								
2130 Health Services								
2140 Psychological Services								
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services								
2220 Educational Media Services								
2230 Assessment & Testing								
2240 Instructional Staff Development								
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services								
2550 Student Transportation Services								
2570 Internal Services								
2610 Direction of Central Support Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services								
2670 Records Management Services								
2680 Translation Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
<b>Total Support Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
<b>Total Enterprise and Community Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services								
4190 Other Facilities Construction Services								
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
<b>Total Other Uses Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grand Total</b>	\$ 106	\$ -	\$ -	\$ 106	\$ -	\$ -	\$ -	\$ -

SUPPLEMENTAL INFORMATION, 2022-2023

School District Business Managers and Auditors:

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

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

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

	Objects 325 & 326 & *327
Function 2540	\$ 1,675,220
Function 2550	\$ 0

B. Replacement of Equipment – **General Fund:**

Include all General Fund expenditures in object 542, except for the following  
 exclusions:

\$ 78,385
-----------

Exclude these functions:

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

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



**| INDEPENDENT AUDITOR'S  
REPORT REQUIRED BY OREGON  
STATE REGULATIONS**



**Oregon Office:**  
841 O'Hare Pkwy., Suite 200, Medford, OR 97504  
Phone: (541) 773-6633 | Fax: (541) 773-1965

**Idaho Office:**  
101 S. 27<sup>th</sup> St., Suite 100, Boise, ID 83702  
Phone: (208) 373-7890 | Fax: (208) 373-7889



## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Education  
Three Rivers School District  
Murphy, Oregon

We have audited the basic financial statements of Three Rivers School District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 21, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States.

### Compliance

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

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

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

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in Note 1 of the financial statements.

## OAR 162-010-0230 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 opinions 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.

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

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

### Restrictions On Use

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



Jeny L. Grupe, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 21, 2023



**| ITEMS REQUIRED BY THE  
UNIFORM GUIDANCE**



**Oregon Office:**  
841 O'Hare Pkwy., Suite 200, Medford, OR 97504  
Phone: (541) 773-6633 | Fax: (541) 773-1965

**Idaho Office:**  
101 S. 27<sup>th</sup> St., Suite 100, Boise, ID 83702  
Phone: (208) 373-7890 | Fax: (208) 373-7889



## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

Board of Education  
Three Rivers School District  
Murphy, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Three River School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2023.

### **Report on Internal Control Over Financial Reporting**

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

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

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

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is written in a cursive, flowing style.

Jeny L. Grupe CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 21, 2023





**Oregon Office:**  
841 O'Hare Pkwy., Suite 200, Medford, OR 97504  
Phone: (541) 773-6633 | Fax: (541) 773-1965

**Idaho Office:**  
101 S. 27<sup>th</sup> St., Suite 100, Boise, ID 83702  
Phone: (208) 373-7890 | Fax: (208) 373-7889



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Required by the Uniform Guidance**

Board of Education  
Three Rivers School District  
Murphy, Oregon

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Three River School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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

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

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny L. Grupe CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 21, 2023

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2023**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Oregon State Department of Education:			
TITLE I - Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	84.010	67089	\$ 417,532
Title I Grants to Local Educational Agencies	84.010	58379	16,582
Title I Grants to Local Educational Agencies	84.010	72630	1,861,593
Title I Grants to Local Educational Agencies	84.010	65158	1,453
Title I Grants to Local Educational Agencies	84.010	68019	181,661
Title I Grants to Local Educational Agencies	84.010	60435	9,163
Total AL 84.010			<u>2,487,984</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	15605	243,100
Total AL 84.013			<u>243,100</u>
Supporting Effective Instruction State Grant	84.367	58873	2,398
Supporting Effective Instruction State Grant	84.367	67523	154,995
Supporting Effective Instruction State Grant	84.367	72827	180,564
Total AL 84.367			<u>337,957</u>
Student Support and Academic Enrichment Program	84.424	58682	811
Student Support and Academic Enrichment Program	84.424	66879	130,921
Student Support and Academic Enrichment Program	84.424	73024	48,661
Total AL 84.424			<u>180,393</u>
COVID-19 Education Stabilization Fund - ARP Homeless Children & Youth	84.425	69311	11,874
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	64698	3,175,064
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	64786	1,641
COVID-19 Education Stabilization Fund - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	65002	5,157,486
Total AL 84.425			<u>8,346,065</u>
Special Education - Preschool grants	84.173	60588	7,239
Special Education - Preschool grants	84.173	69016	7,850
COVID-19 Special Education - Preschool Grants ARP	84.173	69260	4,192
Special Education - Grants to States	84.027	68745	232,087
Special Education - Grants to States	84.027	74141	628,461
Special Education - Grants to States	84.027	15605	46,200
COVID-19 Special Education - Grants to States ARP	84.027	68496	159,441
Special Education - Grants to States Equipment & Supplies	84.027	75397	68,491
Total Special Education Cluster (IDEA)			<u>1,153,961</u>
21st Century Community Learning	84.287	61159	615
21st Century Community Learning	84.287	68797	149,602
21st Century Community Learning	84.287	75207	428,686
Total AL 84.287			<u>578,903</u>
Rehabilitation Services - Vocational Rehabilitation Grants to State	84.126A	160754	238,538
Total AL 84.126A			<u>238,538</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u>13,566,901</u></b>

**THREE RIVERS SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**For The Year Ended June 30, 2023**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Oregon State Department of Education:			
Foster Care Transportation	93.658	71763	47,925
Total AL 93.658			<u>47,925</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>47,925</b></u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Oregon State Department of Education:			
Child Nutrition Cluster			
National School Breakfast Program	10.553	N/A	381,977
Supply Chain Assistance	10.555	N/A	77,742
National School Lunch Program	10.555	N/A	1,307,893
National School Lunch Program (Commodities)	10.555	N/A	142,213
CNP Block Summer Food	10.559	N/A	16,901
CNP Block Summer HLTH INSP	10.559	N/A	744
CNP Block Summer Food SPNOR ADMIN	10.559	N/A	1,441
CNP Fresh Fruit & Vegetable Program	10.582	N/A	41,639
Total Child Nutrition Cluster			<u>1,970,550</u>
CNP CACFP CIL - Cash Commodities	10.558	N/A	2,244
Child Care & CACFP CIL	10.558	N/A	30,145
Total AL 10.558			<u>32,389</u>
Passed Through Josephine County:			
Schools and Roads - Grants to States	10.665	N/A	86,100
Total Forest Service Schools and Roads Cluster			<u>86,100</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u><b>2,089,039</b></u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><b>\$ 15,703,865</b></u>

See notes to Schedule of Expenditures of Federal Awards

**THREE RIVERS SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**Year Ended June 30, 2023**

**NOTE A – BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in fund balance of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

**NOTE C – INDIRECT COST RATE:**

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

**NOTE D – FOOD DISTRIBUTION:**

Non-monetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2023, the District received food commodities totaling \$142,213.

**NOTE E – SUBRECIPIENTS:**

There were no awards passed through to subrecipients.

**NOTE F – SCHOOLS AND ROADS – GRANTS TO STATES:**

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

**THREE RIVERS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FISCAL YEAR ENDED JUNE 30, 2023**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Three Rivers School District were prepared in accordance with GAAP.
2. No significant deficiencies or material weakness in internal controls were disclosed by the audit of the financial statements of Three Rivers School District.
3. No instances of noncompliance material to the financial statements of Three Rivers School District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FEDERAL AWARDS

1. No significant deficiencies or material weaknesses in internal control over major federal programs were disclosed by the audit.
2. The auditor's report on compliance for the major federal award programs for Three Rivers School District expresses an unmodified opinion on all major federal programs.
3. The audit disclosed no findings that are required to be reported in accordance with 2 CFR section 200.516(a).
4. The programs tested as a major program include:

US Department of Education

Education Stabilization Fund	AL # 84.425
Title I Grants to Local Educational Agencies	AL # 84.010A

US Department of Agriculture

Child Nutrition Cluster	AL # 10.553, 10.555, 10.556, 10.559, 10.582
-------------------------	---

5. The threshold for distinguishing Types A and B Programs was \$750,000.
6. Three Rivers School District qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None

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

None