



NORTH BEND SCHOOL DISTRICT NO. 13

North Bend, Oregon

Annual Financial Report

June 30, 2024

NORTH BEND SCHOOL DISTRICT #13

1913 Meade Street
North Bend, Oregon 97459
(541) 756-2521

DISTRICT OFFICIALS

JIM JORDAN Board Chair
1913 Meade Street North Bend, OR 97459

CAROL YARDLEY Vice Chair
1913 Meade Street North Bend, OR 97459

MARY SCHILLING 2nd Vice Chair
1913 Meade Street North Bend, OR 97459

NATHAN McCLINTOCK Board Member
1913 Meade Street North Bend, OR 97459

DALLAS PETENBRINK Board Member
1913 Meade Street North Bend, OR 97459

JULIE THIES Board Member
1913 Meade Street North Bend, OR 97459

MICHELLE ROBERTS Board Member
1913 Meade Street North Bend, OR 97459

ADMINISTRATION

VINCE SWAGERTY Superintendent
1913 Meade Street North Bend, OR 97459

TIM CRIDER Assistant Superintendent
1913 Meade Street North Bend, OR 97459

LARAE SULLIVAN Financial Controller
1913 Meade Street North Bend, OR 97459

NORTH BEND SCHOOL DISTRICT NO. 13

AUDIT REPORT

June 30, 2024

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NORTH BEND SCHOOL DISTRICT NO. 13

AUDIT REPORT

June 30, 2024

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
North Bend School District No. 13
1913 Meade Street, North Bend, OR 97459

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Bend School District No. 13 as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the North Bend School District No. 13’s basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Bend School District No. 13 as of June 30, 2024, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Bend School District No. 13 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 discussed in Notes to the Basic Financial Statements, in the fiscal year ended June 30, 2024, the District adopted new accounting guidance, GASB 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 preparing and presenting these financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to preparing and presenting 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 North Bend School District No. 13’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the North Bend School District No. 13’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 North Bend School District No. 13’s ability to continue as a going concern for a reasonable period.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals, and the pension and OPEB schedules to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management’s discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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.

Our audit was conducted to form opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Bend School District No. 13's basic financial statements. The supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the North Bend School District No. 13.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

The schedule of expenditures on federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by the Oregon Department of Education and Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. It is not a required part of the basic financial statements.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the North Bend School District No. 13'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 these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Bend School District No. 13's internal control over financial reporting and compliance.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 4, 2024, on our consideration of the North Bend School District No. 13's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Steve Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 4, 2024

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

The discussion and analysis of North Bend School District's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2024. This discussion and analysis are intended to evaluate the District's financial performance. Readers should also review the basic financial statements and notes to better understand the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year that ended June 30, 2024, are as follows:

- The District's net position experienced an increase of \$4,722,548, reflecting a growth of 28.8%. This resulted in a substantial total net position of \$21,134,078 for the current fiscal year, marking a significant improvement compared to the previous year.
- In the current fiscal year, the District's governmental activities generated \$50,803,356 in revenue, with general revenues accounting for \$43,095,606 (84.8%). Charges for services, grants, and contributions accounted for program-specific revenues of \$7,707,750 (15.2%). In the current fiscal year, the expenses were \$1,936,042 (4.0%) lower than the previous fiscal, reflecting a total of \$46,076,266.
- The total assets of governmental activities experienced an increase of \$2,568,742, primarily driven by a rise in current and other assets amounting to \$2,727,463. In contrast, capital assets demonstrated a slight decline of \$158,721.
- Total liabilities increased by \$5,003,122 during the fiscal year, primarily due to a surge in long-term liabilities, which increased by \$4,804,746.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

NORTH BEND SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2024

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plants, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budgets versus actual statements and combining statements in a later section of this report.

Governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, Special Revenue Fund, the Debt Service Fund, and the Capital Improvement Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was \$21,134,078. This is a \$4,722,548 increase from last year's net position, representing a 28.8% increase from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position			
	Governmental Activities		Percentage Change
	June 30, 2024	July 1, 2023	
Assets			
Current and Other Assets	\$ 18,591,407	\$ 15,863,944	17.2%
Capital Assets	25,945,817	26,104,538	-0.6%
Total Assets	44,537,224	41,968,482	6.1%
Deferred Outflow of Resources	10,352,173	6,721,029	54.0%
Liabilities			
Long-Term Liabilities	27,164,740	22,359,994	21.5%
Other Liabilities	4,108,515	3,910,139	5.1%
Total Liabilities	31,273,255	26,270,133	19.0%
Deferred Inflow of Resources	2,482,064	6,007,848	-58.7%
Net Position			
Net Investment in Capital Assets	25,845,078	25,814,538	0.1%
Restricted	4,733,606	2,123,958	122.9%
Unrestricted	(9,444,606)	(11,526,966)	18.1%
Total Net Position	\$ 21,134,078	\$ 16,411,530	28.8%

NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position			
	Governmental Activities		
	2023-24	2022-23	Percentage Change
Revenues			
Program Revenues			
Charges for Services	\$ 243,367	\$ 326,668	-25.5%
Operating Grants and Contributions	7,464,383	8,955,609	-16.7%
Capital Grants and Contributions	-	301,076	-100.0%
General Revenues			
Property Taxes	6,427,728	6,210,246	3.5%
State Basic School Support	34,576,396	33,598,265	2.9%
Other	2,091,482	498,660	319.4%
Total Revenues	50,803,356	49,890,524	1.8%
Program Expenses			
Instruction	31,099,767	32,928,362	-5.6%
Support Services	13,554,096	13,588,403	-0.3%
Community Services	1,405,730	1,471,882	-4.5%
Interest on Long-Term Debt	16,673	23,661	-29.5%
Total Program Expenses	46,076,266	48,012,308	-4.03%
Special Item: Gain (Loss) on disposition of assets	(4,541)	-	
Change in Net Position	4,722,549	1,878,216	
Beginning Net Position	16,411,529	14,533,313	
Ending Net Position	\$ 21,134,078	\$ 16,411,529	28.8%

NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost minus charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

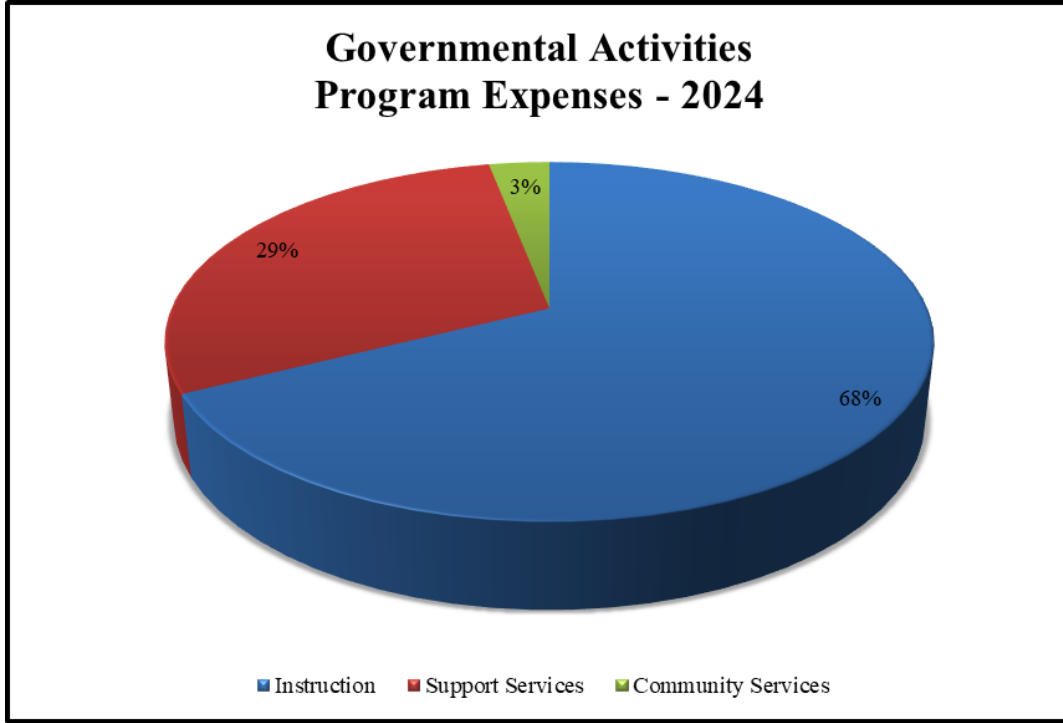
Prior-year information is provided below for comparative analysis.

Governmental Activities				
	2023-24		2022-23	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 31,099,767	\$ 26,261,100	\$ 32,197,337	\$ 26,179,079
Support Services	13,554,096	11,994,165	13,293,599	11,050,919
Community Services	1,405,730	96,578	1,433,551	111,136
Interest on Long-Term Debt	16,673	16,673	23,661	23,661
Total Program Expenses	\$ 46,076,266	\$ 38,368,516	\$ 46,948,148	\$ 37,364,795

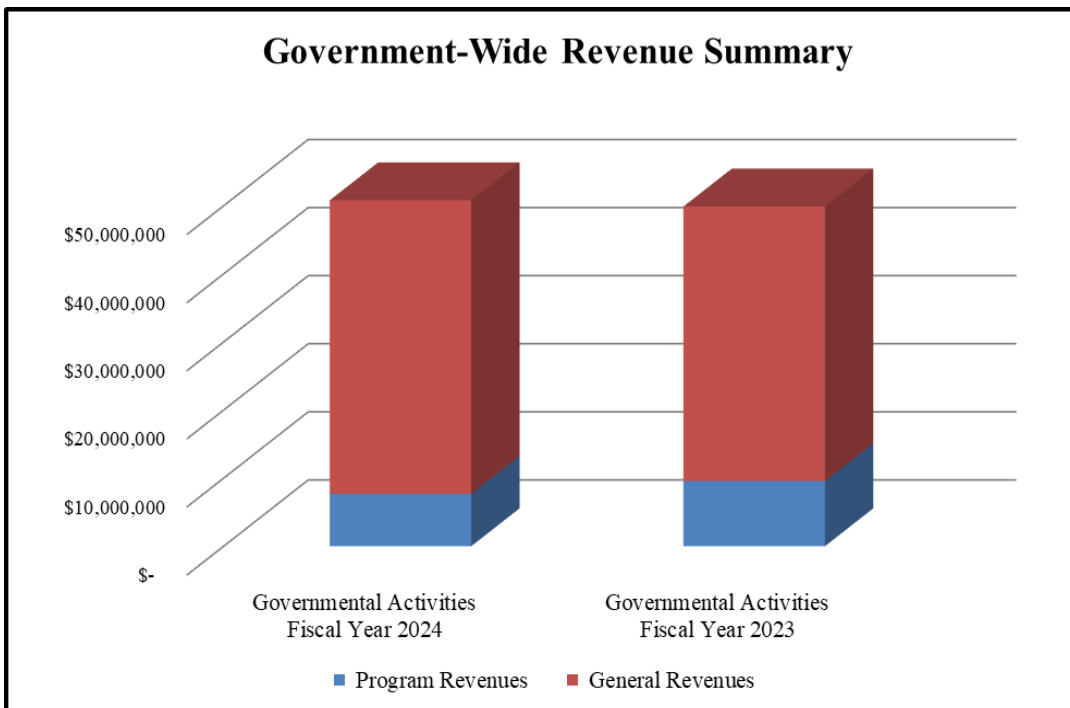
General governmental activities heavily rely on general revenues. For the current year, 84.8% of general government activities are supported by general revenues such as property taxes and state basic school support. The remaining 15.2% of governmental activities are funded by program revenues such as charges for services, operating grants, and contributions.

NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

This graph represents the cost of the District's Program expenses by governmental activities.



The following chart analyzes the revenue between governmental activities from the prior fiscal year to the current.



NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$15,167,430, an increase of \$2,811,795. The fund balance consists of unspendable, restricted, and unassigned amounts. Of the current fund balances, \$127,683 is unspendable, \$6,692,511 is restricted, and \$8,347,236 is unassigned and available for spending at the District's discretion.

The District's primary operating fund is the General Fund. The fund started the fiscal year with a balance of \$5,334,256, which increased by \$3,012,980, ending with a balance of \$8,347,236 representing a 56% increase.

BUDGETARY HIGHLIGHTS

Over the year, the District made only minor changes to its various funds' budgets.

The General Fund's revenue for the fiscal year was budgeted at \$40,235,458, but the actual amount collected was \$42,557,299, representing a surplus of \$2,321,841. Moreover, the General Fund expenditures budget was underspent by \$5,191,140, which resulted in an ending fund balance of \$8,347,236.

The Special Revenue Fund's revenue for the fiscal year was budgeted at \$11,394,655, but the actual amount collected was \$8,124,136, representing a deficit of \$3,20,519. Moreover, the Special Revenue Fund expenditures budget was underspent by \$3,857,176, which resulted in an ending fund balance of \$4,808,011.

The Debt Service Fund's ending fund balance increased by \$1,960, reflecting a total of \$53,278

Lastly, the Capital Projects Fund had an ending fund balance increase of \$103,654, reflecting a total of \$1,958,905.

NORTH BEND SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District has allocated a total of \$46,399,925 to capital assets, which encompasses school buildings, athletic facilities, land, vehicles, computers, and various equipment and furnishings, before accounting for accumulated depreciation. This figure indicates a net increase of \$808,119 from the previous year, attributable to additions amounting to \$838,395 and deletions totaling \$30,276.

Total depreciation expense for the year was \$992,576. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to this report's basic financial statements section.

Long-Term Debt

On June 30, 2024, the District's long-term debt outstanding amounted to \$4,380,000. In the current fiscal year, the District paid \$1,352,419 toward its long-term debt. Out of this payment, \$1,091,371 was allocated for principal repayment, while \$261,048 was devoted to interest repayment.

The District's fiscal responsibility and adherence to debt repayment obligations are salient indicators of its financial prudence and stability. Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to this report's basic financial statements section.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The proposed budget for the 2024-2025 fiscal year illustrates the North Bend School District's steadfast commitment to delivering high-quality educational programs for all students while upholding fiscal responsibility to the community. School districts throughout Oregon have encountered a decrease in student enrollment, and the District anticipates a reduction of approximately 78 students from the 2023-2024 projected enrollment of 2,079. In response to the decrease in enrollment at North Bend Schools, the District is diligently striving to maintain staffing levels and has formulated a balanced budget that does not necessitate staff layoffs. Nevertheless, there have been reductions in some staffing positions, achieved primarily through attrition resulting from retirements or personnel departures from the district.

The budget has been constructed based on a State School Fund (SSF) funding level of \$10.2 billion, reflecting a split of 49% to 51% over the biennium, which represents the final year of this cycle.

The proposed budget amounts to approximately \$45,602,467 (71%) allocated to the General Fund and a total of \$63,847,405 across all funds. This total budget reflects an increase of \$1,177,307 (1.9%) compared to the previous fiscal year.

The District will levy its maximum permanent property tax rate of \$4.1626 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the North Bend School District No. 13 at 1913 Meade St, North Bend, 97101.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

NORTH BEND SCHOOL DISTRICT #13**STATEMENT OF NET POSITION**

June 30, 2024

	Primary Governmental Governmental Activities	Component Unit
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 16,428,446	\$ 4,566,064
Property Taxes Receivable	575,971	-
Accounts Receivable	-	114,865
Lease Receivables	89,872	-
Due From Other Governments	996,723	-
Prepaid Expenses	-	190,326
Inventory-Food, Supplies & Commodities	127,683	-
Total Current Assets	<u>18,218,695</u>	<u>4,871,255</u>
Restricted Assets:		
Net OPEB Asset (RHIA)	61,771	60,064
Total Restricted Assets	<u>61,771</u>	<u>60,064</u>
Capital Assets:		
Capital Assets, Non-Depreciable	932,863	-
Capital Assets, Depreciable, Net	25,012,954	920,518
Total Capital Assets	<u>25,945,817</u>	<u>920,518</u>
Subscription Assets:		
Subscription Based Information Technology Agreements - Net	240,979	37,495
Total Subscription Assets	<u>240,979</u>	<u>37,495</u>
Right-to-Use Assets		
Leased Assets, Net	69,962	190,488
Total Right-to-Use Assets	<u>69,962</u>	<u>190,488</u>
Total Assets	<u>44,537,224</u>	<u>6,079,820</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Related Deferrals	10,056,364	6,468,521
OPEB Related Deferrals - RHIA	121,100	372
OPEB Related Deferrals - OEBB	174,709	-
Total Deferred Outflow of Resources	<u>10,352,173</u>	<u>6,468,893</u>
<u>LIABILITIES:</u>		
Accounts Payable	\$ 396,782	\$ 359,827
Payroll Liabilities	1,300,341	-
Unearned Revenue - Grant Awards	822,031	-
Other Accrued Expenses	-	475,273
Accrued Vacation Benefits	158,165	-
Leases Payable		
Due within one year	-	42,371
Due in more than one year	-	151,954
Bonds Payable:		
Due within one year	1,150,000	-
Due in more than one year	3,230,000	-
Subscription Liabilities:		
Due within one year	106,723	8,734
Due in more than one year	125,867	9,346
GASB 87 Lease Liabilities:		
Due within one year	44,348	-
Due in more than one year	4,258	-
Net OPEB Obligation - OEBB	1,190,731	-
Net Pension Liability	22,744,009	13,802,335
Total Liabilities	<u>31,273,255</u>	<u>14,849,840</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Related Deferrals	2,036,329	654,532
OPEB Related Deferrals - RHIA	4,822	4,658
OPEB Related Deferrals - OEBB	351,041	-
Deferred Amounts Related to Lease Receivables	89,872	-
Total Deferred Inflow of Resources	<u>2,482,064</u>	<u>659,190</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	25,845,078	936,096
Restricted for:		
Debt Service	53,278	-
Other Purposes	-	55,778
Special Programs	4,680,328	-
Unrestricted	(9,444,606)	(3,952,191)
Total Net Position	<u>\$ 21,134,078</u>	<u>\$ (2,960,317)</u>

NORTH BEND SCHOOL DISTRICT #13

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2024

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction	\$ 31,099,767	\$ 207,495	\$ 4,631,172	\$ (26,261,100)	\$ -
Support Services	13,554,096	-	1,559,931	(11,994,165)	-
Enterprise and Community Services	1,405,730	35,872	1,273,280	(96,578)	-
Interest on Long-Term Debt	16,673	-	-	(16,673)	-
Total Governmental Activities	\$ 46,076,266	\$ 243,367	\$ 7,464,383	\$ (38,368,516)	\$ -
Component Unit:					
Evergreen Virtual Academy	13,254,207	-	656,402	-	(12,597,805)
<u>GENERAL REVENUES:</u>					
Property Taxes, Levied for General Purposes				\$ 6,427,728	\$ -
Earnings on Investments				880,455	-
Unrestricted State and Local Revenue				872,173	-
Intermediate Sources				53,529	64,307
State School Fund				34,576,396	-
State Common School Fund				285,325	13,854,807
Subtotal - General Revenues				43,095,606	13,919,114
Special Items:					
Gain on Disposition of Assets				(4,541)	-
Change in Net Position				4,722,549	1,321,309
Net Position, July 1, 2023				16,411,529	(4,281,626)
Net Position, June 30, 2024				\$ 21,134,078	\$ (2,960,317)

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

The accompanying notes to the basic financial statements are an integral part of this statement.

NORTH BEND SCHOOL DISTRICT #13

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2024

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 9,653,932	\$ 4,752,967	\$ 46,715	\$ 1,974,832	\$ 16,428,446
Property Taxes Receivable	575,971	-	-	-	575,971
Internal Balances	(25,978)	25,978	-	-	-
Due From Other Governments	157,504	832,656	6,563	-	996,723
Inventory-Food, Supplies & Commodities	-	127,683	-	-	127,683
Total Assets	<u>\$ 10,361,429</u>	<u>\$ 5,739,284</u>	<u>\$ 53,278</u>	<u>\$ 1,974,832</u>	<u>\$ 18,128,823</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ 271,613	\$ 109,242	\$ -	\$ 15,927	\$ 396,782
Payroll Liabilities	1,300,341	-	-	-	1,300,341
Unearned Grant Revenues	-	822,031	-	-	822,031
Total Liabilities	<u>1,571,954</u>	<u>931,273</u>	<u>-</u>	<u>15,927</u>	<u>2,519,154</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	442,239	-	-	-	442,239
Total Deferred Inflows of Resources	<u>442,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,239</u>
FUND BALANCES:					
Unspendable	-	127,683	-	-	127,683
Restricted for:					
Capital Construction & Building Maintenance	-	-	-	1,958,905	1,958,905
Debt Service	-	-	53,278	-	53,278
Special Programs	-	4,680,328	-	-	4,680,328
Unassigned	8,347,236	-	-	-	8,347,236
Total Fund Balances	<u>8,347,236</u>	<u>4,808,011</u>	<u>53,278</u>	<u>1,958,905</u>	<u>15,167,430</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,361,429</u>	<u>\$ 5,739,284</u>	<u>\$ 53,278</u>	<u>\$ 1,974,832</u>	<u>\$ 18,128,823</u>

NORTH BEND SCHOOL DISTRICT #13
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balances - Governmental Funds		\$ 15,167,430
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	\$ 46,399,926	
Accumulated depreciation	<u>(20,454,109)</u>	
Net Value of Capital Assets		25,945,817
Subscription Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	240,979	
Net Value of Subscription Assets		240,979
Right-to-use Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Value of assets	190,758	
Accumulated ammorization	<u>(120,796)</u>	
Net Value of Right-to-Use Assets		69,962
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		442,239
Lease receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		89,872
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Inflows	10,352,173	
Deferred Outflows on Pension/OPEB Assets	(2,392,192)	
Deferred Amounts Related to Lease Receivables	<u>(89,872)</u>	
Net Value of Deferrals		7,870,109
Leases Payable	48,606	
Bonds Payable	4,380,000	
SBITA Payable	232,590	
Net Pension Liability	22,744,009	
Net OPEB Obligations	1,128,960	
Accrued Vacation Benefits	<u>158,165</u>	
Total Long-Term Debts		<u>(28,692,330)</u>
Net Position of Governmental Activities		<u>\$ 21,134,078</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

NORTH BEND SCHOOL DISTRICT #13

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2024

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 6,426,342	\$ -	\$ -	\$ -	\$ 6,426,342
Earnings on Investments	763,567	21,953	2,677	92,258	880,455
Fees and Charges	-	36,120	-	-	36,120
Miscellaneous Revenue	268,921	795,204	86	12,387	1,076,598
Intermediate Government Aid	53,529	-	-	-	53,529
State Aid	35,044,940	3,106,409	-	-	38,151,349
Federal Aid	-	4,164,450	13,127	-	4,177,577
Total Revenues	42,557,299	8,124,136	15,890	104,645	50,801,970
<u>EXPENDITURES:</u>					
Current:					
Instruction	26,610,334	4,953,264	-	-	31,563,598
Support Services	12,600,296	1,721,437	-	65,266	14,386,999
Enterprise and Community Services	300	1,417,033	-	-	1,417,333
Facilities Acquisition and Construction	-	489,201	-	-	489,201
Debt Service	48,389	-	84,655	-	133,044
Total Expenditures	39,259,319	8,580,935	84,655	65,266	47,990,175
Excess (Deficiency) of Revenues Over Expenditures	3,297,980	(456,799)	(68,765)	39,379	2,811,795
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	150,000	70,725	135,000	355,725
Interfund Transfers Out	(285,000)	-	-	(70,725)	(355,725)
Total Other Financing Sources (Uses)	(285,000)	150,000	70,725	64,275	-
Net Change in Fund Balance	3,012,980	(306,799)	1,960	103,654	2,811,795
Beginning Fund Balance	5,334,256	5,114,810	51,318	1,855,251	12,355,635
Ending Fund Balance	\$ 8,347,236	\$4,808,011	\$ 53,278	\$ 1,958,905	\$ 15,167,430

The accompanying notes to the basic financial statements are an integral part of this statement.

NORTH BEND SCHOOL DISTRICT #13

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

For the Fiscal Year Ended June 30, 2024

Net Changes in Fund Balances - Total Governmental Funds	\$ 2,811,795
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	
Expenditures for capitalized assets	\$ 838,395
Less current year depreciation	<u>(992,576)</u>
	(154,181)
Governmental funds report right-to-use (lease) payments as expenditures. However, in the Statement of Activities the cost of those right-to-use assets are allocated over their estimated useful lives as amortization expense.	
Payments related to right-to use assets (lease payments)	89,186
Amortization expense of right-to-use assets	<u>(44,758)</u>
	44,428
Governmental funds report subscription based information technology (SBITA) payments as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives as amortization expense.	
Debt Reduction payments related to SBITAs	156,145
SBITA reductions charged as expense	(4,987)
Amortization expense of SBITA assets	<u>(143,003)</u>
	8,155
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.	
Deferred revenues increased by this amount this year.	1,386
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.	(4,541)
Principal repayment of bonded debt are expenditures in the governmental funds, but the debt repayment reduces bonded debt liabilities in the Statement of Net Position.	
Retirement of principal is as follows:	
Bonds	1,045,000
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
The activities consist of:	
Increase/(decrease) in accrued pension-related costs	1,271,746
Increase/(decrease) in accrued OPEB	(317,577)
Increase/(decrease) in accrued vacation benefits	<u>16,338</u>
	970,507
Change in Net Position of Governmental Activities	<u>\$ 4,722,549</u>

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The North Bend School District No. 13 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 to operate elementary and secondary schools. The District is governed by a separately elected Board of Directors who approve 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 more significant of the District's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, the North Bend School District No. 13 complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District can impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, the North Bend School District No. 13 has a single component unit, Evergreen Virtual Academy (EVA).

The component unit consists of one charter school, the Evergreen Virtual Academy (EVA). In accordance with Governmental Accounting Standards No. 61, The Financial Reporting Entity: Omnibus, the charter school is presented using the discrete presentation method. The primary government is not financially accountable for this entity, but a benefit/burden relationship exists due to the nature of its financial relationship with the primary government.

Component Unit- The District has included EVA as a separate column in the Statement of Net Position and Statement of Activities to emphasize that it is a legally separate organization from the District. EVA is currently audited by a separate auditor and is not required to be audited under Government Auditing Standards.

EVA was incorporated as a nonprofit corporation under the laws of the State of Oregon on October 2, 2007. EVA was organized under provisions of Oregon Revised Statutes Chapter 338 to operate a school and provide an internet-based curriculum to students from grades kindergarten through twelfth for students within the State of Oregon. Support comes from local school districts, government, and program fees. Complete financial statements for this component unit may be obtained from its administrative office at 400 Virginia Ave., Suite 210, North Bend, OR 97459.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District with most of the inter-fund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants, and other intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to school district functions or activities in separate funds to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. This fund accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e., heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

Special Revenue Fund – The Special Revenue Fund accounts for the revenues and expenditures of local, state, and federal grants, student body activities, food service, and other special programs.

Debt Service Fund – Revenues accounted for in the Debt Service Fund are from local property taxes levied to make general obligation bond payments, which are also accounted for in this fund according to the bond repayment schedule.

Capital Projects Fund – Accounting for this fund is for the use of capital improvements.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted in net position are available.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget with a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified using appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The 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, non-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. LGIP is included in the Oregon Short-Term Fund (OSTF) which was established by the State Treasurer. 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 on the management and investment options of the LGIP.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Receivables

Amounts due from individuals, organizations, or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes, intergovernmental grants, and leases. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow of resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

The lease receivable is for a property on which a cell tower is situated. The base monthly lease rate during 2023-24 was \$955. The lease is renewable every five years with a rate increase of 3 % per year. The current lease terminates in May 2027 and there is one five-year renewal period remaining.

Future lease receivables are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Lease Payment
2025	\$ 8,430	\$ 3,730	\$ 12,160
2026	9,145	3,380	12,525
2027	9,900	3,000	12,900
2028	10,698	2,589	13,287
2029	11,554	2,132	13,686
Thereafter	40,145	3,427	43,572
Total Minimum Payments	\$ 89,872	\$ 18,258	\$ 108,130

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inventory

Food and supply inventories in the Food Service Fund are valued at cost determined by the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Restricted Assets and Liabilities

Assets with use restricted to future bond payments and the related liability are segregated in the statements of net position.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized, and related depreciation is not reported in the fund financial statements.

Compensated Absences and Accrued Liabilities:

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-termination benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid on time and in full by current financial resources are reported as obligations of the funds.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds' balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Long-Term Debt

All bonds, notes, and capital lease payable are recognized in the government-wide financial statements as liabilities of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure section of the statement and schedules.

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.)

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- A. **Nonspendable**: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- B. **Restricted**: This classification includes fund balance amounts that are constrained for specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- C. **Committed**: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Board, and does not lapse at year-end.
- D. **Assigned**: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Board or through the District Board delegating this responsibility to selected staff members or through the budgetary process.
- E. **Unassigned**: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

Real and personal property taxes are attached as an enforceable lien on the property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 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 uncollectable taxes has been established. All property tax receivables are due from property owners within the District.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

Pensions

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 Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CASH AND INVESTMENTS:

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2024, the reported amount of the District's deposits was \$977,779, the bank balance was \$1,299,823. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The District also reported \$3,400. in petty cash.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2024, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CASH AND INVESTMENTS (Cont.):

On June 30, 2024, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 15,447,488	N/A
Total Investments	<u>\$ 15,447,488</u>	

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 99.9% of the District's total investments.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2024:

Depreciable Assets Schedule For the Fiscal Year Ended June 30, 2024

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 435,900	\$ -	\$ -	\$ 435,900
Construction in Progress	21,322	475,641	-	496,963
Total assets not being depreciated	457,222	475,641	-	932,863
Assets being depreciated:				
Land Improvement	4,787,711	39,256	-	4,826,967
Building and Building Improvement	37,237,973	188,233	-	37,426,206
Machinery and Equipment	3,108,900	135,266	30,276	3,213,890
Total Depreciable Assets	45,134,584	362,755	30,276	45,467,063
Less:				
<u>Accumulated depreciation for:</u>				
Land Improvement	2,043,805	141,202	-	2,185,008
Building and Building Improvement	15,692,485	663,916	-	16,356,401
Machinery and Equipment	1,750,978	187,457	25,735	1,912,700
Total Accumulated Depreciation	19,487,268	992,576	25,735	20,454,109
Net Value of Capital Assets Being Depreciated	25,647,316	(629,821)	4,541	25,012,954
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$26,104,538</u>	<u>\$ (154,180)</u>	<u>\$ 4,541</u>	<u>\$25,945,817</u>
Depreciation expense was charged to governmental functions as follows:				
Instruction	\$ 681,849			
Support Services	274,974			
Enterprise and Community Services	35,753			
Total Depreciation Expense	<u>\$ 992,576</u>			

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:

Leases Payable

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Copiers – Leased Equipment Obligations

The District leases several copiers under various agreements. The agreements are for 60 periods and vary in price depending on the specific copiers. Payments are made monthly, and interest has been inputted at 4.15%. These copiers are included in the District's leased equipment assets. The cash payments made during the year ending June 30, 2024, were \$46,365.

Future lease payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Lease Payment
2025	\$ 44,348	\$ 2,017	\$ 46,365
2026	2,402	177	2,579
2027	1,856	77	1,933
Totals	<u>\$ 48,606</u>	<u>\$ 2,271</u>	<u>\$ 50,877</u>

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS (Cont.):

SBITA Payable (Subscription-Based Information Technology Agreements)

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2024, North Bend School District, OR had 17 active subscriptions. The subscriptions have payments that range from \$1,050 to \$47,777 and interest rates that range from 0.2210% to 3.5910%. As of June 30, 2024, the total combined value of the subscription liability is \$232,590, and the total combined value of the short-term subscription liability is \$106,722. The combined value of the right to use asset, as of June 30, 2024, of \$444,199 with accumulated amortization of \$198,232 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end		Net Value
	Subscription Asset Value	Accumulated Amortization	
Software	\$ 444,199	\$ 198,232	\$ 245,967
Total Subscriptions	\$ 444,199	\$ 198,232	\$ 245,967

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 117,953	\$ 5,738	\$ 123,691
2026	59,855	2,969	62,824
2027	34,872	1,466	36,338
2028	19,910	501	20,411
Total Principal Payments	232,590	\$ 232,590	\$ 232,590
Cumulative Variance as of Fiscal Year-End	-	-	-
Total Remaining Liability	\$ 232,590	-	-

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2024, is as follows:

Bonds Payable

2005 Limited Tax Pension Bonds

The District has issued limited tax pension bonds to finance a portion of its estimated unfunded liability associated with the Oregon Public Employees Retirement System. The repayment of these pension bonds will be facilitated through existing revenue sources within the General Fund. On June 21, 2005, the District formalized an agreement to participate in the Oregon School Board Association Limited Tax Pension Bonds. Bonds totaling \$11,075,000 were issued, with interest rates ranging from 3.684 % to 4.759 %, payable semiannually. The bonds are scheduled to mature in 2028. Furthermore, those bonds maturing between 2017 and 2028 are eligible for optional prepayment, either in full or in part, on any date, at a price equivalent to the par value plus accrued interest. The District has elected to report the cost of paying the bonds as part of the program expenditures for modified accrual reporting. Additionally, the District has elected to report the interest portion of the bond payments as part of the program expenditures on the Statement of Activities.

2010B QSCB Flex Fund Program Loan

On October 12, 2010, the District agreed to participate in the Oregon School Board Association Flex Fund Program, which facilitates the issuance of tax-credit bonds and Qualified School Construction Bonds (QSCB). A total of \$1,200,000 in bonds was issued, with a maturity date scheduled for 2027. The District has pledged its full faith and credit to ensure these payments, which are subject to tax levy limitations and will be sourced from general non-restricted revenues. The proceeds from the bond issuance were designated for the financing of a new roof for the elementary school. The bonds carry an interest rate of 4.15 %; however, in accordance with the Hiring Incentives to Restore Employment Act, the District has elected to receive interest subsidy payments, also referred to as "Direct Payment," from the federal government. Consequently, the effective interest rate on the bonds is reduced to 0.025 %. Interest payments are to be made on a semiannual basis, while principal payments will be made each June through the Debt Service Fund.

The following is a schedule of transactions during the year:

NORTH BEND SCHOOL DISTRICT #13

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2024

	Outstanding Balance July 1, 2023	New Issues	Reductions	Interest Paid	Outstanding Balance June 30, 2024	Due Within One Year
Leases Payable:						
Equipment Financing	\$ 46,371	\$ -	\$ 46,371	\$ 2,018	\$ -	\$ -
Total Leases Payable	\$ 46,371	\$ -	\$ 46,371	\$ 2,018	\$ -	\$ -
Bonds Payable:						
2005 Limited Tax Pension Bonds	\$ 5,135,000	\$ -	\$ 975,000	\$ 244,375	\$ 4,160,000	\$ 1,080,000
2010B QSCB FlexFund Program Loan	290,000	-	70,000	14,655	220,000	70,000
Total Bonds Payable	\$ 5,425,000	\$ -	\$ 1,045,000	\$ 259,030	\$ 4,380,000	\$ 1,150,000
Total Long-Term Debt	\$ 5,471,371	\$ -	\$ 1,091,371	\$ 261,048	\$ 4,380,000	\$ -

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

LONG-TERM DEBT (Cont.):

The future debt service requirements on the above debt are as follows:

Bonds Payable:

Due Fiscal Year			
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,150,000	\$ 198,524	\$ 1,348,524
2026	1,270,000	146,953	1,416,953
2027	1,390,000	89,895	1,479,895
2028	570,000	27,126	597,126
Total	<u>\$ 4,380,000</u>	<u>\$ 462,499</u>	<u>\$ 4,842,499</u>

The District has no unused lines of credit.

The District has not pledged any assets as collateral for their debt.

For further details on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Information section of this report.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN:

North Bend School District No. 13 offers various retirement plans to qualified employees as described below.

Name of Pension Plan

North Bend School District No. 13 participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

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

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

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added, (\$225,533 as of January 1, 2023). This amount is indexed annually to the Consumer Price Index (CPI).

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,570/month in House Bill 2906 as of June 2023), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) 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 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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

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

Pension Benefits

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

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

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

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

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added (\$225,533 as of January 1, 2023). This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,570/month in House Bill 2906 as of June 2023), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

- OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

Death Benefits

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

Disability Benefits

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

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS 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.

Upon retirement, a member of the 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.

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 897 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, 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.

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions for the year ended June 30, 2024 were \$4,860,428 for Defined Benefits and IAP excluding amounts to fund employer specific liabilities.

Amortization of the PERS Side Account resulted in a PERS savings to the District of \$1,281,602 for FY 2023-2024 from the required PERS contribution above, netting to a net contribution of \$3,578,826.

The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS Side Account, funded with PERS retirement bonds (described in Long Term Debt). Because of the side account amortization, the adjusted PERS contribution rates in effect for the period July 1, 2023 to June 30, 2025 were: Tier1/Tier2 – 19.59%, and OPSRP General Service – 16.75%

Member Contributions

Beginning January 1, 2004, all 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 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2023-2024, approximately \$863,446 in employee IAP contributions were paid or picked up by the District.

Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, Schools 27.54%, Cities 28.64% and Judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The employer rates effective July 1, 2021 through June 30, 2023, are 10.33% for General Service employees, and 14.69% for Police and Fire employees of covered salaries. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Members of OPSRP are required to contribute 6.0% of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	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 Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable 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 July 20, 2021.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such an evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

OIC Target and Actual Investment Allocation as of June 30, 2023

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	22.0% - 30.0%	25.0%	Debt Securities	20.0%
Public Equity	22.5% - 32.5%	27.5%	Public Equity	23.3%
Real Estate	9.0% - 16.5%	12.5%	Real estate	13.6%
Private Equity	17.5% - 27.5%	20.0%	Private Equity	26.5%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	9.1%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	5.0%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.5%
Total		<u>100%</u>	Total	<u>100%</u>

¹Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

²The target allocation of Debt Securities is increased by 5% and Public Equity is reduced by 2.5% from FY2022, and the allocation to Risk Parity is eliminated.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes 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 that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return¹</u>	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
<u>Asset Class</u>	<u>Target Allocation</u>		
Global Equity	27.50%	8.57%	17.99%
Private Equity	25.50%	12.89%	30.00%
Core Fixed Income	25.00%	4.59%	4.22%
Real Estate	12.25%	6.90%	15.13%
Master Limited Partnerships	0.75%	9.41%	27.04%
Infrastructure	1.50%	7.88%	17.11%
Hedge Fund of Funds - Multistrategy	1.25%	6.81%	9.04%
Hedge Fund Equity - Hedge	0.63%	7.39%	12.04%
Hedge Fund - Macro	5.62%	5.44%	7.49%
Assumed Inflation - Mean		2.35%	1.41%

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

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

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

Sensitivity Analysis

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

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 37,568,821	\$ 22,744,009	\$ 10,337,213

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2021 valuation, which was used in the 2023 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: [2020-Experience-Study.pdf \(oregon.gov\)](#)

Changes in Actuarial Methods and Allocation Procedures

An adjustment was added to the side account amortization calculations and Pre-SLGRP liability and surplus calculations to reflect the delay between when a rate is calculated and when it takes effect.

The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Changes in Assumptions

The merit/longevity component assumption of individual member salary increases were updated for all groups, including adding a select assumption of an additional 2% for all members for two years.

The mortality improvement projection scale applied to all groups is based on 60-year unisex average mortality improvements by age. The assumption was updated to reflect the most recent publicly available data at the time of the latest experience study.

Termination, disability and retirement rates were updated for some groups to more closely match observed and anticipated future experience.

Assumptions for unused sick leave and vacation pay were updated.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2020 and 2021 Valuations	Recommended December 31, 2022 and 2023 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service male	115% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Non-Disabled Annuitant assumption	125% of same table and set back as Non-Disabled Annuitant assumption
School District female	100% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service female	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Non-Disabled Annuitant assumption	No change

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2023, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 96, of the June 30, 2023 Oregon PERS ACFR. www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

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

At June 30, 2024, the employer reported a liability of \$22,744,009 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the employer's proportion was 0.12142646%.

For the year ended June 30, 2024, the employer recognized pension expense of \$3,612,456.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,112,251	\$ 90,182
Changes of assumptions	2,020,443	15,065
Net difference between projected and actual earnings on investments	408,803	-
Changes in proportionate share	1,613,394	148,014
Differences between employer contributions and employer's proportionate share of system contributions	41,045	1,783,068
(prior to post-measurement date contributions)	\$ 5,195,936	\$ 2,036,329
Post-measurement date contributions	4,860,428	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 10,056,364</u>	<u>\$ 2,036,329</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>3,159,607</u>

Contributions of \$4,860,428 for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 368,508
2nd Fiscal Year	(569,468)
3rd Fiscal Year	2,346,303
4th Fiscal Year	884,308
5th Fiscal Year	129,956
Thereafter	-
Total	<u>\$ 3,159,607</u>

Net Pension Liability

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

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

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2023, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2024, 2023, and 2022 were \$1,726, \$332, and \$2,095 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023. That independently audited report was dated December 1, 2023 and can be found at: www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending July 20, 2021.

Discount Rate

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

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Table 31 on page 92 shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown on page 74. 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. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at:

www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Sensitivity Analysis

The following presents the employer’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the employer’s proportionate share of the OPEB liability/(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:

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net OPEB liability	\$ (56,150)	\$ (61,771)	\$ (66,594)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2024, the District reported a net OPEB RHIA liability/(asset) of \$(61,771) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023, the District’s proportion was 0.01686966 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2024 was \$124,227.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,551
Changes of assumptions	-	666
Net difference between projected and actual earnings on investments	175	-
Changes in proportionate share	<u>119,199</u>	<u>2,605</u>
(prior to post-measurement date contributions)	\$ 119,374	\$ 4,822
Post-measurement date contributions	1,726	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 121,100</u>	<u>\$ 4,822</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>114,552</u>

Contributions of \$1,726 were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 86,266
2nd Fiscal Year	25,185
3rd Fiscal Year	2,283
4th Fiscal Year	818
Thereafter	-
Total	<u>\$ 114,552</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB:

OEBB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2024, the District reported an estimated net OPEB OEGB liability/(asset) of \$1,093,178 for its proportionate share of the net OPEB liability/(asset). The OPEB OEGB liability/(asset) was measured as of June 30, 2023, and the total OPEB OEGB liability/(asset) used to calculate the net OPEB OEGB liability/(asset) was determined by an actuarial valuation as of July 1, 2023. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB OEGB liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. Based on the measurement date of June 30, 2023, the District’s estimated OPEB OEGB expense/(income) for the year ended June 30, 2024 was \$97,553.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2023 using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Milliman. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBS (Cont.):

Discount Rate	3.54%	3.65%	3.93%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2021	July 1, 2023	July 1, 2023
Measurement date	June 30, 2022	June 30, 2023	June 30, 2024
Inflation	2.40%	2.40%	2.40%
Salary increases	3.40%	3.40%	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2020 Oregon PERS valuation	December 31, 2022 Oregon PERS valuation	December 31, 2022 Oregon PERS valuation
Election and Lapse Rates	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage 5% annual lapse rate	35% of eligible employees 50% of male members and 35% of female members will elect spouse coverage 5% annual lapse rate	35% of eligible employees 50% of male members and 35% of female members will elect spouse coverage 5% annual lapse rate
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost, and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

The Discount Rate

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Healthy Retiree tables. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2022. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability from Implicit Rate Subsidy	\$ 1,185,829	\$ 1,190,731	\$ 1,010,825
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 974,606	\$ 1,190,731	\$ 1,235,763

Participation

The following table represents the number of the District's covered participants:

Membership as of Valuation Date	July 1, 2023
Active Employees	289
Retired Members	24
Spouses of Ineligible Retirees	0
Total Participants	313
Spouses of Eligible Retirees	2

Changes in Net (OPEB) OEGB Liability

	Increase (Decrease) Total OPEB Liability
Changes in Total OPEB Liability June 30, 2023 to June 30, 2024	
Balance per actuarial as of Prior Year	\$ 887,547
Changes for the year:	
Service Cost	111,866
Interest	34,175
Effect of economic/ demographic gains or losses	24,328
Changes in assumptions or other inputs	103,891
Benefit payments	(68,629)
Net OPEB Liability per actuarial at June 30, 2024	\$ 1,190,731

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Components of (OPEB) OEGB Expense

	July 1, 2023 to June 30, 2024
OPEB Expense	
Service cost	\$ 111,866
Interest on total OPEB liability	34,175
Recognition of economic/demographic (gains) or losses	(41,481)
Recognition of assumption changes	(7,007)
OPEB Expense	<u>\$ 97,553</u>

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,169	\$ 184,472
Changes of assumptions or inputs	153,540	166,569
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	<u>\$ 174,709</u>	<u>\$ 351,041</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(176,332)</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (43,097)
2nd Fiscal Year	(41,400)
3rd Fiscal Year	(40,780)
4th Fiscal Year	(40,112)
5th Fiscal Year	(31,491)
Thereafter	20,548
Total	<u>\$ (176,332)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

NORTH BEND SCHOOL DISTRICT NO. 13

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial. The District is not currently named as a defendant in any pending or threatened litigation.

RISK:

To reduce the risk of loss from liability, fire, theft, accident, medical costs, and error and omissions, the District maintains various commercial insurance policies.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment Insurance to the State to pay for any claims paid to former employees. Any reimbursements are paid by the fund incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected but unpaid claims based on historical experience and going concern assessments. The District's estimated liability for unpaid unemployment claims is immaterial. Therefore, no liability amount appears on the District's statement of net position or balance sheet.

Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended June 30, 2024, were as follows:

Fund	Transfers Out	Transfers In
General Fund #100	\$ 285,000	
Capital Projects Fund #400	\$ 70,725	
Special Revenue Fund #200		150,000
Debt Service Fund #300		70,725
Capital Projects Fund #400		135,000
Total	\$ 355,725	\$ 355,725

The transfers out of the General Fund and Capital Projects Fund to the other funds represent the District's election to provide support to the programs and activities of those funds.

REQUIRED
SUPPLEMENTARY
INFORMATION

NORTH BEND SCHOOL DISTRICT #13

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

General Fund #100

For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Taxes	\$ 6,432,500	\$ 6,432,500	\$ 6,426,342	\$ (6,158)
Earnings on Investments	100,000	100,000	763,567	663,567
Miscellaneous Revenue	750,000	750,000	268,921	(481,079)
Intermediate Government Aid	75,000	75,000	53,529	(21,471)
State Aid	32,877,959	32,877,959	35,044,940	2,166,981
Total Revenues	40,235,459	40,235,459	42,557,299	2,321,840
<u>EXPENDITURES:</u>				
Instruction	28,913,582	28,913,582	26,610,334	(2,303,248)
Support Services	12,632,545	12,632,545	12,600,296	(32,249)
Enterprise and Community Services	3,850	3,850	300	(3,550)
Debt Service	49,000	49,000	48,389	(611)
Contingency	2,851,482	2,851,482	-	(2,851,482)
Total Expenditures	44,450,459	44,450,459	39,259,319	(5,191,140)
Excess (Deficiency) of Revenues Over Expenditures	(4,215,000)	(4,215,000)	3,297,980	7,512,980
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	500,000	500,000	-	(500,000)
Interfund Transfers Out	(285,000)	(285,000)	(285,000)	-
Total Other Financing Sources (Uses)	215,000	215,000	(285,000)	(500,000)
Net Change in Fund Balance	(4,000,000)	(4,000,000)	3,012,980	7,012,980
Beginning Fund Balance	4,000,000	4,000,000	5,334,256	1,334,256
Ending Fund Balance	\$ -	\$ -	\$ 8,347,236	\$ 8,347,236

NORTH BEND SCHOOL DISTRICT #13

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

Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Over
			(See Note 1)	(Under)
<u>REVENUES:</u>				
Earnings on Investments	\$ -	\$ -	\$ 21,953	\$ 21,953
Fees and Charges	195,150	195,150	36,120	(159,030)
Miscellaneous Revenue	1,300,000	1,300,000	795,204	(504,796)
State Aid	4,572,994	4,735,595	3,106,409	(1,629,186)
Federal Aid	5,163,910	5,163,910	4,164,450	(999,460)
Total Revenues	11,232,054	11,394,655	8,124,136	(3,270,519)
<u>EXPENDITURES:</u>				
Instruction	7,363,583	6,841,054	4,953,264	(1,887,790)
Support Services	3,488,227	3,523,357	1,721,437	(1,801,920)
Enterprise and Community Services	1,423,700	1,423,700	1,417,033	(6,667)
Facilities Acquisition and Construction	-	650,000	489,201	(160,799)
Total Expenditures	12,275,510	12,438,111	8,580,935	(3,857,176)
Excess (Deficiency) of Revenues Over Expenditures	(1,043,456)	(1,043,456)	(456,799)	586,657
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	150,000	150,000	150,000	-
Interfund Transfers Out	(1,040,000)	(1,040,000)	-	1,040,000
Total Other Financing Sources (Uses)	(890,000)	(890,000)	150,000	1,040,000
Net Change in Fund Balance	(1,933,456)	(1,933,456)	(306,799)	1,626,657
Beginning Fund Balance	4,385,000	4,385,000	5,114,810	729,810
Ending Fund Balance	\$ 2,451,544	\$ 2,451,544	\$ 4,808,011	\$ 2,356,467

NORTH BEND SCHOOL DISTRICT #13

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

**PERS
Last 10 Fiscal Years***

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	June 30, 2023	0.12142646%	\$ 22,744,009	\$16,398,921	138.69%	81.7%
2023	June 30, 2022	0.11162774%	17,092,447	15,310,560	111.64%	84.5%
2022	June 30, 2021	0.10943590%	13,095,625	13,847,233	94.57%	87.6%
2021	June 30, 2020	0.10706904%	23,366,147	13,545,410	172.50%	75.8%
2020	June 30, 2019	0.11044066%	19,103,589	11,672,178	163.67%	80.2%
2019	June 30, 2018	0.11666403%	17,673,064	11,301,427	156.38%	82.1%
2018	June 30, 2017	0.11554500%	15,575,510	10,598,419	146.96%	83.1%
2017	June 30, 2016	0.11646646%	17,484,320	10,106,717	173.00%	80.5%
2016	June 30, 2015	0.10906101%	6,261,696	9,560,930	65.49%	91.9%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

NORTH BEND SCHOOL DISTRICT #13
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2024	\$ 4,860,428	\$ 4,860,428	\$ -	\$ 15,911,167	30.55%
2023	4,516,396	4,516,396	-	16,398,921	27.54%
2022	4,421,877	4,421,877	-	15,310,560	28.88%
2021	4,281,533	4,281,533	-	13,847,233	30.92%
2020	4,163,658	4,163,658	-	13,545,410	30.74%
2019	2,408,359	2,408,359	-	11,672,178	20.63%
2018	3,085,253	3,085,253	-	11,301,427	27.30%
2017	2,321,079	2,321,079	-	10,598,419	21.90%
2016	2,247,334	2,247,334	-	10,106,717	22.24%
2015	2,365,998	2,365,998	-	9,560,930	24.75%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

NORTH BEND SCHOOL DISTRICT #13
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	June 30, 2023	0.01686966%	\$ (61,771)	\$ 16,398,921	-0.38%	201.6%
2023	June 30, 2022	0.08499893%	(302,031)	15,310,560	-1.97%	194.6%
2022	June 30, 2021	0.07986958%	(274,273)	13,847,233	-1.98%	183.9%
2021	June 30, 2020	0.16877956%	(343,906)	13,545,410	-2.54%	150.1%
2020	June 30, 2019	0.10708272%	(206,922)	11,672,178	-1.77%	144.4%
2019	June 30, 2018	0.10743460%	(119,926)	11,301,427	-1.06%	124.0%
2018	June 30, 2017	0.10090948%	(42,114)	10,598,419	-0.40%	108.9%
2017	June 30, 2016	0.10410841%	28,272	10,106,717	0.28%	94.2%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

NORTH BEND SCHOOL DISTRICT #13

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2024	\$ 1,726	\$ 1,726	\$ -	\$ 15,911,167	0.01%
2023	332	332	-	16,398,921	0.00%
2022	2,095	2,095	-	15,310,560	0.01%
2021	2,137	2,137	-	13,847,233	0.02%
2020	12,053	12,053	-	13,545,410	0.09%
2019	53,072	53,072	-	11,672,178	0.45%
2018	52,020	52,020	-	11,301,427	0.46%
2017	51,277	51,277	-	10,598,419	0.48%
2016	52,521	52,521	-	10,106,717	0.52%
2015	49,909	49,909	-	9,560,930	0.52%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

NORTH BEND SCHOOL DISTRICT #13
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
OREGON EDUCATORS BENEFIT BOARD
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	\$ 111,866	126,986	\$ 158,855	\$ 138,444	\$ 93,080
Interest on total OPEB liability	34,175	20,999	28,716	39,930	42,860
Effect of changes to benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	24,328	-	(241,053)	-	(104,007)
Effect of assumption changes or inputs	103,891	(85,416)	(166,520)	70,794	79,811
Benefit payments	<u>(68,629)</u>	<u>(40,170)</u>	<u>(110,110)</u>	<u>(111,675)</u>	<u>(135,470)</u>
Net change in total OPEB liability **	205,631	22,399	(330,112)	137,493	(23,726)
Total OPEB liability, beginning	<u>887,547</u>	<u>865,148</u>	<u>1,195,260</u>	<u>1,057,767</u>	<u>1,081,493</u>
Total OPEB liability, ending (a) **	<u>\$ 1,093,178</u>	<u>\$ 887,547</u>	<u>\$ 865,148</u>	<u>\$ 1,195,260</u>	<u>\$ 1,057,767</u>
Covered payroll	\$16,398,921	\$ 15,310,560	\$ 13,847,233	\$ 13,545,410	\$11,672,178
Total OPEB OEGB liability as a % of covered payroll	6.67%	5.80%	6.25%	8.82%	9.06%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

	2019	2018	2017*	2016*	2015*
Total OPEB Liability					
Service cost	\$ 91,732	\$ 94,936	-	-	-
Interest on total OPEB liability	40,529	33,879	-	-	-
Effect of changes to benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	-	-	-	-	-
Effect of assumption changes or inputs	(18,653)	(46,886)	-	-	-
Benefit payments	<u>(143,708)</u>	<u>(127,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability **	(30,100)	(45,447)	-	-	-
Total OPEB liability, beginning	<u>1,111,593</u>	<u>1,157,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total OPEB liability, ending (a) **	<u>\$ 1,081,493</u>	<u>\$ 1,111,593</u>	<u>\$ 1,157,040</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$11,301,427	\$ 10,598,419	\$ 10,106,717	\$ -	\$ -
Total OPEB OEGB liability as a % of covered payroll	9.57%	10.49%	-	-	-

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**Totals may not agree due to rounding.

SUPPLEMENTARY
INFORMATION

NORTH BEND SCHOOL DISTRICT #13
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Debt Service Fund #300
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ -	\$ -	\$ 2,677	\$ 2,677
Miscellaneous Revenue	-	-	86	86
Federal Aid	17,000	17,000	13,127	(3,873)
Total Revenues	17,000	17,000	15,890	(1,110)
<u>EXPENDITURES:</u>				
Debt Service	131,485	131,485	84,655	(46,830)
Total Expenditures	131,485	131,485	84,655	(46,830)
Excess (Deficiency) of Revenues Over Expenditures	(114,485)	(114,485)	(68,765)	45,720
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	70,725	70,725	70,725	-
Total Other Financing Sources (Uses)	70,725	70,725	70,725	-
Net Change in Fund Balance	(43,760)	(43,760)	1,960	45,720
Beginning Fund Balance	43,760	43,760	51,318	7,558
Ending Fund Balance	\$ -	\$ -	\$ 53,278	\$ 53,278

NORTH BEND SCHOOL DISTRICT #13

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

Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ -	\$ -	\$ 92,258	\$ 92,258
Miscellaneous Revenue	13,500	13,500	12,387	(1,113)
Total Revenues	13,500	13,500	104,645	91,145
<u>EXPENDITURES:</u>				
Support Services	1,219,000	1,219,000	65,266	(1,153,734)
Facilities Acquisition and Construction	350,000	350,000	-	(350,000)
Total Expenditures	1,569,000	1,569,000	65,266	(1,503,734)
Excess (Deficiency) of Revenues Over Expenditures	(1,555,500)	(1,555,500)	39,379	1,594,879
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	825,000	825,000	135,000	(690,000)
Interfund Transfers Out	(70,725)	(70,725)	(70,725)	-
Total Other Financing Sources (Uses)	754,275	754,275	64,275	(690,000)
Net Change in Fund Balance	(801,225)	(801,225)	103,654	904,879
Beginning Fund Balance	1,035,000	1,035,000	1,855,251	820,251
Ending Fund Balance	\$ 233,775	\$ 233,775	\$ 1,958,905	\$ 1,725,130

OTHER
INFORMATION

Additional
Supporting Schedules

NORTH BEND SCHOOL DISTRICT #13
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2024

2005 Limited Tax Pension Bonds

The District has issued limited tax pension bonds to finance a portion of its estimated unfunded liability associated with the Oregon Public Employees Retirement System. The repayment of these pension bonds will be facilitated through existing revenue sources within the General Fund. On June 21, 2005, the District formalized an agreement to participate in the Oregon School Board Association Limited Tax Pension Bonds. Bonds totaling \$11,075,000 were issued, with interest rates ranging from 3.684 percent to 4.759 percent, payable semiannually. The bonds are scheduled to mature in 2028. Furthermore, those bonds maturing between 2017 and 2028 are eligible for optional prepayment, either in full or in part, on any date, at a price equivalent to the par value plus accrued interest. The District has elected to report the cost of paying the bonds as part of the program expenditures for modified accrual reporting. Additionally, the District has elected to report the interest portion of the bond payments as part of the program expenditures on the Statement of Activities.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	\$ 5,135,000	\$ -	\$ 975,000	\$ 4,160,000	\$1,080,000
Interest	-	244,375	244,375	-	197,974
Total	<u>\$ 5,135,000</u>	<u>\$ 244,375</u>	<u>\$ 1,219,375</u>	<u>\$ 4,160,000</u>	<u>\$1,277,974</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2025	\$ 1,080,000	\$ 197,974	\$ 1,277,974	4.76%
	2026	1,195,000	146,577	1,341,577	4.76%
	2027	1,315,000	89,707	1,404,707	4.76%
	2028	570,000	27,126	597,126	4.76%
Total		<u>\$ 4,160,000</u>	<u>\$ 461,385</u>	<u>\$ 4,621,385</u>	

NORTH BEND SCHOOL DISTRICT #13
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2024

2010B QSCB FlexFund Program Loan

On October 12, 2010, the District agreed to participate in the Oregon School Board Association Flex Fund Program, which facilitates the issuance of tax-credit bonds and Qualified School Construction Bonds (QSCB). A total of \$1,200,000 in bonds was issued, with a maturity date scheduled for 2027. The District has pledged its full faith and credit to ensure these payments, which are subject to tax levy limitations and will be sourced from general non-restricted revenues. The proceeds from the bond issuance were designated for the financing of a new roof for the elementary school. The bonds carry an interest rate of 4.15 percent; however, in accordance with the Hiring Incentives to Restore Employment Act, the District has elected to receive interest subsidy payments, also referred to as "Direct Payment," from the federal government. Consequently, the effective interest rate on the bonds is reduced to 0.025 percent. Interest payments are to be made on a semiannual basis, while principal payments will be due each June through the Debt Service Fund.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	\$ 290,000	\$ -	\$ 70,000	\$ 220,000	\$ 70,000
Interest	-	14,655	14,655	-	550
Total	\$ 290,000	\$ 14,655	\$ 84,655	\$ 220,000	\$ 70,550

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2025	\$ 70,000	\$ 550	\$ 70,550	0.025%
	2026	75,000	376	75,376	0.025%
	2027	75,000	188	75,188	0.025%
Total		\$ 220,000	\$ 1,114	\$ 221,114	

NORTH BEND SCHOOL DISTRICT #13

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2024

SUPPLEMENTAL INFORMATION 2023-2024

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity & heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 451,501
Function 2550	\$ -

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

- 1113,1122 & 1132 Extra-curricular Activities
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School

Exclude these functions:

- 4150 Construction
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services

\$ -

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

NORTH BEND SCHOOL DISTRICT #13

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2024

Revenue from Local Sources		Fund 100	Fund 200	Fund 300	Fund 400
1110	Ad Valorem Taxes Levied by District	\$ 6,426,342	\$ -	\$ -	\$ -
1500	Earnings on Investments	763,567	21,953	2,677	92,258
1600	Food Service	-	35,872	-	-
1700	Extracurricular Activities	-	248	-	-
1910	Rentals	-	-	-	11,863
1920	Contributions and Donations From Private Sources	250	(3,072)	-	-
1980	Fees Charged to Grants	195,383	-	-	-
1990	Miscellaneous	73,288	798,276	86	524
Total Revenue from Local Sources		\$ 7,458,831	\$ 853,277	\$ 2,763	\$ 104,644
Revenue from Intermediate Sources		Fund 100	Fund 200	Fund 300	Fund 400
2101	County School Funds	\$ 46,312	\$ -	\$ -	\$ -
2199	Other Intermediate Sources	7,218	-	-	-
Total Revenue from Intermediate Sources		\$ 53,529	\$ -	\$ -	\$ -
Revenue from State Sources		Fund 100	Fund 200	Fund 300	Fund 400
3101	State School Fund - General Support	\$ 34,576,396	\$ -	\$ -	\$ -
3102	State School Fund - School Lunch Match	-	9,171	-	-
3103	Common School Fund	285,325	-	-	-
3199	Other Unrestricted Grants-In-Aid	179,319	-	-	-
3299	Other Restricted Grants-In-Aid	3,900	3,097,238	-	-
Total Revenue from State Sources		\$ 35,044,940	\$ 3,106,409	\$ -	\$ -
Revenue from Federal Sources		Fund 100	Fund 200	Fund 300	Fund 400
4300	Restricted Revenue From the Federal Government	\$ -	\$ 21,428	\$ -	\$ -
4500	Restricted Revenue From the Federal Government Through the State	\$ -	\$ 4,040,902	\$ -	\$ -
4700	Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	30,751	-	-
4900	Revenue for/on Behalf of the District	-	71,369	13,127	-
Total Revenue from Federal Sources		\$ -	\$ 4,164,450	\$ 13,127	\$ -
Revenue from Other Sources		Fund 100	Fund 200	Fund 300	Fund 400
5200	Interfund Transfers	-	150,000	70,725	135,000
5400	Resources - Beginning Fund Balance	5,334,256	5,114,810	51,318	1,855,251
Total Revenue from Other Sources		\$ 5,334,256	\$ 5,264,810	\$ 122,043	\$ 1,990,251
Grand Total		\$ 47,891,556	\$ 13,388,947	\$ 137,932	\$ 2,094,896

NORTH BEND SCHOOL DISTRICT #13
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2024

FUND: General Fund #100

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures									
1111	Elementary, K-5 or K-6	\$ 5,029,363	\$ 2,879,151	\$ 1,996,964	\$ 1,665	\$ 151,582	\$ -	\$ -	\$ -
1121	Middle/Junior High Programs	2,090,896	1,159,627	836,194	2,723	92,057	-	295	-
1122	Middle/Junior High School Extracurricular	126,224	79,006	28,248	14,016	4,955	-	-	-
1131	High School Programs	3,527,077	1,962,825	1,286,553	61,551	212,659	-	3,490	-
1132	High School Extracurricular	406,016	233,249	66,428	76,079	25,580	-	4,680	-
1140	Pre-Kindergarten Programs	206	-	-	206	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	1,231,547	683,172	541,293	596	6,485	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	1,006,692	579,652	384,763	38,886	3,194	-	197	-
1280	Alternative Education	13,010,829	-	(1,532)	13,012,361	-	-	-	-
1291	English Second Language Programs	142,386	82,713	59,160	-	513	-	-	-
1400	Summer School Programs	39,098	25,080	9,558	4,283	176	-	-	-
Total Instruction Expenditures		\$26,610,334	\$ 7,684,476	\$5,207,629	\$13,212,367	\$ 497,201	\$ -	\$ 8,662	\$ -
Support Services Expenditures									
2110	Attendance and Social Work Services	\$ 143,299	\$ 7,259	\$ 6,371	\$ 122,737	\$ 6,932	\$ -	\$ -	\$ -
2120	Guidance Services	470,789	272,902	194,816	1,125	1,588	-	358	-
2130	Health Services	553,419	295,171	250,479	3,785	3,976	-	8	-
2140	Psychological Services	231,912	140,257	86,092	3,788	1,776	-	-	-
2160	Other Student Treatment Services	386,226	224,631	142,815	10,488	7,647	-	645	-
2210	Improvement of Instruction Services	531,280	319,435	185,119	9,284	15,672	-	1,770	-
2220	Educational Media Services	407,817	207,671	164,747	2,137	32,936	-	326	-
2230	Assessment & Testing	2,803	329	124	-	2,350	-	-	-
2240	Instructional Staff Development	104,285	-	-	104,285	-	-	-	-
2310	Board of Education Services	121,915	-	-	78,929	6,417	-	36,569	-
2320	Executive Administration Services	508,566	291,708	188,927	17,820	8,544	-	1,567	-
2410	Office of the Principal Services	1,937,424	1,119,230	770,557	29,167	13,400	-	5,070	-
2490	Other Support Services - School Administration	257,828	161,896	87,839	6,253	706	-	1,134	-
2510	Direction of Business Support Services	124,350	76,801	39,346	4,608	1,177	-	2,419	-
2520	Fiscal Services	563,821	336,746	204,968	12,276	6,471	-	3,360	-
2540	Operation and Maintenance of Plant Services	2,996,058	950,414	722,568	1,039,414	28,919	974	253,769	-
2550	Student Transportation Services	1,971,346	-	-	1,971,346	-	-	-	-
2570	Internal Services	106,106	-	-	106,106	-	-	-	-
2640	Staff Services	393,442	221,270	137,322	19,370	14,256	-	1,224	-
2660	Technology Services	787,609	256,853	185,612	100,532	243,818	-	795	-
Total Support Services Expenditures		\$12,600,296	\$ 4,882,574	\$3,367,700	\$ 3,643,448	\$ 396,586	\$ 974	\$ 309,014	\$ -
Enterprise and Community Services Expenditures									
3100	Food Services	300	218	82	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$ 300	\$ 218	\$ 82	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures									
5100	Debt Service	\$ 48,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,389	\$ -
5200	Transfers of Funds	285,000	-	-	-	-	-	-	285,000
Total Other Uses Expenditures		\$ 333,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,389	\$ 285,000
Grand Total		\$39,544,319	\$12,567,267	\$8,575,411	\$16,855,816	\$ 893,787	\$ 974	\$ 366,065	\$ 285,000

NORTH BEND SCHOOL DISTRICT #13
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2024

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Elementary, K-5 or K-6	\$ 1,406,102	\$ 734,425	\$ 487,685	\$ 12,421	\$ 7,516	\$ 136,856	\$ 27,200
1113 Elementary Extracurricular	55,588	-	-	-	55,588	-	-
1121 Middle/Junior High Programs	223,752	65,806	46,057	-	111,888	-	-
1122 Middle/Junior High School Extracurricular	60,986	-	-	-	60,986	-	-
1131 High School Programs	927,593	423,734	278,917	20,596	188,614	15,733	-
1132 High School Extracurricular	486,773	3,780	1,504	-	481,489	-	-
1140 Pre-Kindergarten Programs	13,356	9,020	3,484	-	852	-	-
1220 Restrictive Programs for Students with Disabilities	239,679	147,212	91,910	-	556	-	-
1250 Less Restrictive Programs for Students with Disabilities	681,133	383,416	275,374	11,382	8,072	-	2,890
1272 Title I	775,855	444,413	284,516	44,532	2,394	-	-
1280 Alternative Education	11,043	-	-	11,043	-	-	-
1291 English Second Language Programs	64,472	36,565	25,435	1,887	405	-	180
1400 Summer School Programs	6,933	4,982	1,801	-	150	-	-
Total Instruction Expenditures	\$ 4,953,264	\$ 2,253,353	\$ 1,496,683	\$ 101,859	\$ 918,510	\$ 152,589	\$ 30,270

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110 Attendance and Social Work Services	\$ 130,365	\$ 66,160	\$ 58,162	\$ 1,330	\$ 4,713	\$ -	\$ -
2120 Guidance Services	55,835	33,976	21,859	-	-	-	-
2130 Health Services	\$ 591,544	\$ 306,884	\$ 216,135	\$ 37,500	\$ 31,025	\$ -	\$ -
2210 Improvement of Instruction Services	225,960	134,746	90,552	661	-	-	-
2220 Educational Media Services	10,045	473	188	-	9,384	-	-
2240 Instructional Staff Development	168,056	12,860	7,090	104,659	42,215	-	1,232
2320 Executive Administration Services	344	146	198	-	-	-	-
2410 Office of the Principal Services	149,900	94,688	54,724	488	-	-	-
2510 Direction of Business Support Services	181,112	-	-	-	-	-	181,112
2540 Operation and Maintenance of Plant Services	138,705	691	68	19,384	10,090	105,787	2,686
2570 Internal Services	524	-	-	524	-	-	-
2640 Staff Services	4,226	-	-	-	4,226	-	-
2660 Technology Services	64,821	-	-	18,019	6,251	40,550	-
Total Support Services Expenditures	\$ 1,721,437	\$ 650,626	\$ 448,976	\$ 182,564	\$ 107,905	\$ 146,337	\$ 185,029

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	\$ 1,412,714	\$ 436,930	\$ 314,030	\$ 19,355	\$ 623,100	\$ 15,025	\$ 4,274
3300 Community Services	4,319	2,992	848	-	479	-	-
Total Enterprise and Community Services Expenditures	\$ 1,417,033	\$ 439,923	\$ 314,878	\$ 19,355	\$ 623,578	\$ 15,025	\$ 4,274

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150 Building Acquisition, Construction, and Improvement	489,201	-	-	26,040	-	460,538	2,623
Total Facilities Acquisition and Construction	\$ 489,201	\$ -	\$ -	\$ 26,040	\$ -	\$ 460,538	\$ 2,623
Grand Total	\$ 8,580,935	\$ 3,343,901	\$ 2,260,537	\$ 329,819	\$ 1,649,994	\$ 774,489	\$ 222,195

NORTH BEND SCHOOL DISTRICT #13
Audit Expenditure Summary-Debt Service Fund #300
For the Fiscal Year Ended June 30, 2024

FUND: Debt Service Fund #300

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 600
\$ 84,655	\$ 84,655
\$ 84,655	\$ 84,655
\$ 84,655	\$ 84,655

NORTH BEND SCHOOL DISTRICT #13
Audit Expenditure Summary-Capital Projects Fund #400
For the Fiscal Year Ended June 30, 2024

FUND: Capital Projects Fund #400

Support Services Expenditures

2540 Operation and Maintenance of Plant Services

Total Support Services Expenditures

Totals	Object 300	Object 500	Object 700
\$ 65,266	\$ 20,439	\$ 44,827	-
\$ 65,266	\$ 20,439	\$ 44,827	\$ -

Other Uses Expenditures

5200 Transfers of Funds

Total Other Uses Expenditures

Grand Total

Totals	Object 300	Object 500	Object 700
\$ 70,725	\$ -	\$ -	\$ 70,725
\$ 70,725	\$ -	\$ -	\$ 70,725
\$ 135,991	\$ 20,439	\$ 44,827	\$70,725

REPORT ON LEGAL
AND OTHER
REGULATORY REQUIREMENTS

NORTH BEND SCHOOL DISTRICT NO. 13

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2024

To the Governing Body of the North Bend School District No. 13
North Bend, Oregon

We have audited the basic financial statements of the North Bend School District No. 13 as of and for the year ended June 30, 2024, and have issued our report thereon dated December 4, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the North Bend School District No. 13's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures. We expressed our opinion on the financial statements, but not on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of North Bend School District No. 13 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 4, 2024

NORTH BEND SCHOOL DISTRICT NO. 13

SINGLE AUDIT SECTION



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*

To the Board of Directors
North Bend School District No. 13

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Bend School District No. 13, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the North Bend School District No. 13’s basic financial statements and have issued our report thereon dated December 4, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Bend School District No. 13’s internal control over financial reporting (internal control) as a basis for designing the 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 North Bend School District No. 13’s internal control. Accordingly, we do not express an opinion on the effectiveness of North Bend School District No. 13’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 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 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 North Bend School District No. 13's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 'Steve Tuchscherer', is written in a cursive style.

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 4, 2024



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

To the Board of Directors
North Bend School District No. 13

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Bend School District No. 13's compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of North Bend School District No. 13's major federal programs for the year ended June 30, 2024. North Bend School District No. 13'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, North Bend School District No. 13 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and 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 North Bend School District No. 13 and meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions on compliance for each major federal program. Our audit does not provide a legal determination of North Bend School District No. 13's 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 North Bend School District No. 13'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 North Bend School District No. 13’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with 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 North Bend School District No. 13’s compliance with the requirements of each major program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding North Bend School District No. 13’s compliance with the compliance requirements referred to above and performing such other procedures as we have considered necessary in the circumstances.
- Obtain an understanding of North Bend School District No. 13’s internal control over compliance relevant to the audit to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not to express an opinion on the effectiveness of North Bend School District No. 13’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Government Auditing Standards require the auditor to perform limited procedures on North Bend School District No. 13’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. North Bend School District No. 13’s response was not subject to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.



Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 and 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 'Steve Tuchscherer', is written over a horizontal line.

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 4, 2024

NORTH BEND SCHOOL DISTRICT #13
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing (AL) #			Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Receivable)/ Deferred Revenue June 30, 2023	Cash Received	Expenditures	(Receivable)/ Deferred Revenue June 30, 2024
	Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification										
US. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	010				Fund #201	84.010	2023-24	\$ 849,184	\$ -	\$ 592,874	\$ 759,199	\$ (166,325)
Title ID - Neglected and Delinquent Children and Youth Total Title I	84	013				Fund #294	84.013	2023-25	50,538	-	11,742	24,889	(13,147)
									899,722	-	604,616	784,088	(179,472)
Title II-A Teacher Quality	84	367				Fund #216	84.367	2022-24	102,310	-	26,557	26,557	-
Title II-A Teacher Quality	84	367				Fund #215	84.367	2023-24	105,962	-	62,190	69,120	(6,930)
Total Title II-A									208,272	-	88,747	95,677	(6,930)
Title IV - Student Support and Academic Enrichment	84	424				Fund #213	84.424	2023-24	44,578	-	42,190	44,578	(2,388)
Title IV - Student Support and Academic Enrichment	84	424				Fund #213	84.424	2023-24	-	-	-	-	-
Total IV - Student Support and Academic Enrichment									44,578	-	42,190	44,578	(2,388)
Elementary & Secondary School Emergency Relief, III	84	425U	COVID-19, 84.425U	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #227	84.425U	2021-24	4,318,012	(430,397)	1,481,512	1,269,092	(217,977)
Elementary & Secondary School Emergency Relief, II	84	425D	COVID-19, 84.425D	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #295	84.425DU	2021-23	40,000	-	2,001	2,001	-
Homeless Children & Youth (ARP HCY I)	84	425W	COVID-19, 84.425W	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #299	84.425W	2021-23	29,761	-	25,353	27,447	(2,094)
Homeless Children & Youth (ARP HCY II)	84	425W	COVID-19, 84.425W	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #299	84.425W		28,389	-	-	20,206	(20,206)
School Library Grant	84	425	COVID-19, 84.425	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #299	84.425		10,000	-	6,955	10,000	(3,045)
Total Educational Stabilization Fund									4,426,162	(430,397)	1,515,821	1,328,746	(243,322)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027	A			Fund #294	84.027A	2023-25	19,025	-	4,389	19,024	(14,635)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #242	84.027	2022-24	814,371	-	360,999	360,999	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #242	84.027	2023-24	744,293	-	204,488	326,742	(122,254)
IDEA - Equipment and Supplies Grant	84	027				Fund #243	84.027	2022-23	43,286	-	5,062	5,062	-
IDEA - Special Ed Preschool Grant (section 619)	84	173				Fund #243	84.173	2023-24	4,285	-	4,285	4,285	-
Total IDEA									1,625,260	-	579,233	716,112	(136,889)
Title V-B - Rural and Low Income Schools Grant	84	358				Fund #204.958	84.358	2023-24	62,652	-	37,660	44,511	(6,851)
Total Title V - Rural and Low Income Schools									62,652	-	37,660	44,511	(6,851)
Total Passed through Oregon Department of Education									\$ 7,266,646	\$ (430,397)	\$ 2,868,257	\$ 3,013,712	\$ (575,852)
US Department of Education Direct Awards:													
Indian Education	84	060				Fund #222	84.060	2023-24	\$ 21,428	\$ -	\$ 20,343	\$ 21,428	\$ (1,085)
Total US Department of Education Direct Awards									\$ 21,428	\$ -	\$ 20,343	\$ 21,428	\$ (1,085)
Passed Through South Coast ESD Perkins Grant													
Carl Perkins Grant	84	048				Fund #232	84.048	2023-24	\$ 30,751	\$ -	\$ 30,751	\$ 30,751	\$ -
Total Passed Through South Coast ESD									30,751	-	30,751	30,751	-
Total U.S. Department of Education									\$ 7,318,825	\$ (430,397)	\$ 2,919,351	\$ 3,065,891	\$ (576,937)
U.S. DEPARTMENT OF AGRICULTURE													
Passed Through Oregon Department of Education:													
National School Lunch - Lunch	10	555				Fund #250	10.555	2023-24	\$ 236,552	\$ -	\$ 223,838	\$ 236,552	(12,714)
National School Lunch - Breakfast	10	553				Fund #250	10.553	2023-24	597,948	-	565,516	597,948	(32,432)
National School Lunch - Commodities	10	555				Fund #250	10.555	2023-24	71,369	-	71,369	71,369	-
Summer Food Service Program	10	559				Fund #250	10.559	2023-24	58,011	(6,423)	48,122	51,588	(9,889)
SNAP State & Local EBT Program	10	649				Fund #250	10.649	2023-24	3,256	-	3,256	3,256	-
Fresh Fruits and Vegetables Program	10	582				Fund #251	10.582	2023-24	34,737	-	33,981	34,737	(756)
Fresh Fruits and Vegetables Program	10	582				Fund #250	10.582	2022-23	4,514	(4,514)	4,514	-	-
Local Food for Schools (LFS) Cooperative	10	185				Fund #251	10.185	2022-24	8,430	-	8,430	8,430	-
Supply Chain	10	555				Fund #250	10.555	2022-24	21,650	-	21,650	21,650	-
Child and Adult Care Food Program	10	358				Fund #250	10.558	2023-24	71,686	(3,397)	68,422	68,289	(3,264)
Child and Adult Care Food Program Cash Commodities	10	558				Fund #250	10.558	2023-24	4,993	(253)	4,766	4,740	(227)
Total National School Lunch Program									\$ 1,113,146	\$ (14,587)	\$ 1,053,864	\$ 1,098,559	\$ (59,282)
Total U.S. Department of Agriculture									\$ 1,113,146	\$ (14,587)	\$ 1,053,864	\$ 1,098,559	\$ (59,282)
TOTALS									\$ 8,431,971	\$ (444,984)	\$ 3,973,215	\$ 4,164,450	\$ (636,219)

This schedule is prepared using the modified accrual basis of accounting.

RECONCILIATION TO REVENUE:	
Cash Receipts per Schedule Above	\$ 3,973,215
Grants Receivable/Deferred Revenue Beginning of Year	(444,984)
Grants Receivable/Deferred Revenue End of Year	636,219
Federal Revenue Recognized per Financial Statements	\$ 4,164,450

NORTH BEND SCHOOL DISTRICT NO. 13

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of North Bend School District No. 13 under programs of the federal government for the year ended June 30, 2024. 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 North Bend School District No. 13, it is not intended to and does not present the financial position, changes in net assets, or cash flows of North Bend School District No. 13.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COSTS RATE

North Bend School District No. 13 has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of North Bend School District No. 13 in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of North Bend School District No. 13 were disclosed during the audit.
4. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The programs tested as a major program were the
 - Special Education Grants to States (IDEA) AL #: 84.027
 - Grants to Local Education Agencies (Title I) AL #: 84.010
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2024.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

There were no findings for the fiscal year ended June 30, 2024.