

**CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223

CASCADE SCHOOL DISTRICT NO. 5

TURNER, OREGON

June 30, 2023

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

June 30, 2023

<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
Karen Ramseyer, Chair	June 30, 2025
Brett Stegall, Vice Chair	June 30, 2025
Ruth Stevens	June 30, 2027
Jon Remy Jr	June 30, 2027
Aaron Lee	June 30, 2027

All Board members receive mail at the address below.

OFFICERS

Darin Drill
Scott Pillar

Superintendent
Director of Finance (Registered Agent)

ADMINISTRATIVE OFFICE

10226 Marion Road S.E.
Turner, OR 97392

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

June 30, 2023

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TURNER, OREGON

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BASIC FINANCIAL STATEMENTS

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

STATEMENT OF NET POSITION
June 30, 2023

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 13,840,839
Restricted Cash	157,375
Property Tax Receivable	283,989
Accounts Receivable	2,251,167
Grants Receivable	143,112
Inventory	27,598
Prepaid Expenses	18,227
Capital Assets, net	33,735,627
OPEB-RHIA	438,888
Total Assets	50,896,822
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	6,229,549
Pension Related Deferrals - OPEB Health Insurance	232,092
Pension Related Deferrals - OPEB RHIA	54,560
Debt Refunding Deferrals	-
TOTAL ASSETS AND DEFERRED OUTFLOWS:	57,413,023
LIABILITIES	
Accounts Payable	680,807
Payroll Liabilities	3,384,694
Unearned Revenue	14,232
Accrued Vacation	81,242
Long-Term Liabilities:	
Long-Term Obligations due within one year	3,336,078
Long-Term Obligations due in more than one year	10,492,156
Accrued Interest Payable on Long-Term Obligations	10,065
Net Pension Liability (PERS)	15,172,958
Other Post-employment Benefit Obligation (OPEB) - Health Insurance	1,473,658
Other Post-employment Benefit Obligation (OPEB) - Stipends	8,148
Total Liabilities	34,654,038
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferrals - PERS	6,202,671
Pension Related Deferrals - OPEB Health Insurance	657,607
Pension Related Deferrals - OPEB RHIA	80,078
TOTAL LIABILITIES AND DEFERRED INFLOWS:	41,594,394
NET POSITION	
Net Investments in Capital Assets	27,977,393
Restricted for:	
Grants & Student Activities	4,970,388
Debt Service	322,410
Capital Projects	1,450,015
Swimming Pool Endowment	127,172
OPEB - RHIA Asset	438,888
Unrestricted	(19,467,637)
Total Net Position	\$ 15,818,629

See accompanying notes to the basic financial statements

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (DISB.) RECEIPTS AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 23,491,971	\$ 104,806	\$ 3,333,187	\$ (20,053,978)
Supporting Services	16,955,014	2,065,454	1,508,058	(13,381,502)
Enterprise and Community Services	1,963,408	196,249	746,651	(1,020,508)
Debt Service	1,694,556	-	-	(1,694,556)
Total Governmental Activities	<u>\$ 44,104,949</u>	<u>\$ 2,366,509</u>	<u>\$ 5,587,896</u>	<u>(36,150,544)</u>

General Receipts	
Property Taxes Levied for General Fund	6,729,912
Property Taxes Levied for Debt Service	1,717,128
State Support	30,032,966
Interest	676,257
Local Sources and Miscellaneous	2,430,343
Total General Receipts	<u>41,586,606</u>
Changes in Net Position	5,436,062
Net Position - Beginning	<u>10,382,567</u>
Net Position - Ending	<u>\$ 15,818,629</u>

See accompanying notes to the basic financial statements

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2023

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECT FUND	PERMANENT FUND	TOTALS
ASSETS						
Cash and Investments	\$ 7,934,420	\$ 4,052,339	\$ 307,050	\$ 1,419,858	\$ 127,172	\$ 13,840,839
Restricted Cash	-	157,375	-	-	-	157,375
Accounts Receivable	553,870	1,665,786	1,354	30,157	-	2,251,167
Grants Receivable	-	143,112	-	-	-	143,112
Property Taxes Receivable	224,572	-	59,417	-	-	283,989
Inventory	-	27,598	-	-	-	27,598
Prepaid Expenses	18,227	-	-	-	-	18,227
Due From Other Funds	273,908	-	-	-	-	273,908
Total Assets	\$ 9,004,997	\$ 6,046,210	\$ 367,821	\$ 1,450,015	\$ 127,172	\$ 16,996,215
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 315,260	\$ 365,547	\$ -	\$ -	\$ -	\$ 680,807
Payroll Liabilities	2,966,683	418,011	-	-	-	3,384,694
Due to Other Funds	23,474	250,434	-	-	-	273,908
Unearned Revenue	-	14,232	-	-	-	14,232
Total Liabilities	3,305,417	1,048,224	-	-	-	4,353,641
Deferred Inflows of Resources:						
Unavailable Revenue - Property Tax	169,693	-	45,411	-	-	215,104
Total Deferred Inflows of Resources	169,693	-	45,411	-	-	215,104
FUND BALANCES						
Nonspendable	18,227	27,598	-	-	-	45,825
Restricted for:						
Grants & Student Activities	-	4,970,388	-	-	-	4,970,388
Debt Service	-	-	322,410	-	-	322,410
Capital Projects	-	-	-	1,450,015	-	1,450,015
Permanent Fund	-	-	-	-	127,172	127,172
Unassigned	5,511,660	-	-	-	-	5,511,660
Total Fund Balances	5,529,887	4,997,986	322,410	1,450,015	127,172	12,427,470
Total Liabilities, Deferred Inflows, and Fund Balances:	\$ 9,004,997	\$ 6,046,210	\$ 367,821	\$ 1,450,015	\$ 127,172	\$ 16,996,215

See accompanying notes to the basic financial statements

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balances - Governmental Funds	\$	12,427,470
The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(15,172,958)
The OPEB - RHIA net pension asset is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		438,888
Deferred inflows and outflows of resources are applicable to future periods and therefore, are not reported on the governmental funds.		
Deferred Outflows Related to Debt Refunding	\$	0
Deferred Outflows - PERS		6,229,549
Deferred Inflows - PERS		(6,202,671)
Deferred Outflows - OPEB Health Insurance		232,092
Deferred Inflows - OPEB Health Insurance		(657,607)
Deferred Outflows - RHIA		54,560
Deferred Inflows - RHIA		<u>(80,078)</u>
		(424,155)
The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in government accounting. The Statement of Net Position includes those capital assets among the assets of the District as a whole.		
Net Capital Assets		33,735,627
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.		215,104
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of		
Bonds Payable		(13,255,000)
Bond Premium		(573,234)
Accrued Interest		(10,065)
Accrued Compensated Absences		<u>(81,242)</u>
		(13,919,541)
The other postemployment benefit liability obligation is not reported with the governmental funds.		
OPEB - Health Insurance		(1,473,658)
OPEB - Stipends		<u>(8,148)</u>
		<u>(1,481,806)</u>
Ending Net Position	\$	<u><u>15,818,629</u></u>

See accompanying notes to the basic financial statements

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	PERMANENT FUND	TOTALS
REVENUES						
Local Sources	\$ 7,770,203	\$ 1,932,622	\$ 3,793,077	\$ 89,855	\$ 3,633	\$ 13,589,390
Intermediate Sources	143,617	73,185	-	-	-	216,802
State Sources	24,885,832	4,017,992	-	2,133,845	-	31,037,669
Federal Sources	581,055	3,931,337	-	-	-	4,512,392
Services Provided	-	-	-	-	-	-
Rental	91,000	10,336	-	-	-	101,336
Total Revenues	33,471,707	9,965,472	3,793,077	2,223,700	3,633	49,457,589
EXPENDITURES						
Instruction	18,312,012	6,062,432	-	-	-	24,374,444
Supporting services	13,392,630	2,082,266	1,600	2,172,120	-	17,648,616
Enterprise and community services	-	2,046,922	-	-	-	2,046,922
Facilities Acquisition and Construction	-	490,260	-	474,527	-	964,787
Debt Service	-	-	3,715,852	-	-	3,715,852
Capital Outlay	-	-	-	-	-	-
Total Expenditures	31,704,642	10,681,880	3,717,452	2,646,647	-	48,750,621
Excess of Revenues Over (Under) Expenditures	1,767,065	(716,408)	75,625	(422,947)	3,633	706,968
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Asset	-	-	-	-	-	-
Transfers In	-	801,353	150,000	300,000	-	1,251,353
Transfers Out	(1,145,000)	(106,353)	-	-	-	(1,251,353)
Total Other Financing Sources (Uses)	(1,145,000)	695,000	150,000	300,000	-	-
Net Change in Fund Balance	622,065	(21,408)	225,625	(122,947)	3,633	706,968
Beginning Fund Balance	4,907,822	5,019,394	96,785	1,572,962	123,539	11,720,502
Ending Fund Balance	\$ 5,529,887	\$ 4,997,986	\$ 322,410	\$ 1,450,015	\$ 127,172	\$ 12,427,470

See accompanying notes to the basic financial statements

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
 For the Year Ended June 30, 2023

Total Net Changes in Fund Balances - Total Governmental Funds	\$	706,968
<p>The PERS pension income (expense) represents the changes in net pension liability from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		(374,854)
<p>The OPEB RHIA income (expense) represents the changes in net OPEB asset from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		56,173
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities and Changes in Net Position, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.</p>		
Capital Asset Additions	\$ 3,996,974	
Depreciation Expense	<u>(946,479)</u>	3,050,495
<p>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:</p>		
GO Bonds	1,957,472	
Bond Premium Amortization	191,078	
Deferred Gain on Refunding Amortization	(129,646)	
Accrued Interest Expense	2,392	
Accrued Compensated Absences, Net	<u>(22,319)</u>	1,998,977
<p>In the Statement of Activities, contributions for other postemployment benefits less than the actuarially determined amount increases the other postemployment benefit obligation. In the governmental funds, the entire contribution is recognized as an expenditure. This is the amount by which the obligation changed.</p>		
OPEB - Health Insurance income (expense)	(97,576)	
OPEB - Stipends income (expense)	<u>12,457</u>	(85,119)
<p>Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities.</p>		
		<u>83,422</u>
Change in Net Position of Governmental Activities	\$	<u><u>5,436,062</u></u>

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Cascade School District No. 5 Turner Oregon (the District), was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. All activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide service within the District's boundaries. In applying GASB 61, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

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

Basis of Presentation

Government-wide Financial Statements

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

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

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

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

Special Revenue Fund - This fund accounts for revenues and expenditures of grants restricted for specific educational purposes and the food service programs. Principal revenue sources are federal and state grants, student activities, charges for meals, and other grants.

Debt Service Fund - This fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes.

Capital Projects Fund - This fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by the General Fund. The major sources of revenue are the proceeds from the sale of general obligation bonds, construction insurance settlements, Construction Excise Tax, and private donations.

Permanent Fund - The Permanent Fund accounts for the endowment to assist in the operations of the District's swimming pool. The principal revenue source is earnings on investments.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

Governmental funds are used to account for the general activities. Governmental fund types use the flow of current resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible accrual (i.e., when they are "measureable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Property tax revenue and proceeds from sale of property are not considered available, and there, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due interfund transactions, and certain compensated absences, pension and OPEB costs, and claims and judgments which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

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

Cash and Cash Equivalents

The cash and cash investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are stated at cost, which approximates fair value.

State statutes authorize the District to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the U.S. Treasury and its agencies, the Oregon State Treasury's Local Government Investment Pool (the LGIP), and demand deposits.

The District's investments consist of LGIP accounts. These investments are stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes Receivable

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

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable is due from property owners within the District.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

Inventories

The District utilizes the "purchase" method of accounting for inventories. Under this method, inventories are recorded as expenditures upon acquisition. Inventories on hand at June 30, 2023 are considered by management to be immaterial.

Purchased inventory consists of food and supplies are stated at cost. The cost of purchased inventory is recorded as an expenditure at the time of purchase. Commodities inventory consists of food items donated to the district by USDA and is valued at estimated fair value on the donation date.

Capital Assets

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

Building and Improvements	50 to 100 years
Play Sheds/Modular Buildings	25 to 30 years
Equipment/Vehicles	5 to 110 years

Retirement Plan

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS'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.

The District offers its employees a tax sheltered annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

Long-term Debt Obligations

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

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

Grants

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

Fund Balances

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

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Authority to classify portions of ending fund balance as assigned has been granted to the District's Director of Finance.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There were no committed or assigned fund balances at year end.

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

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy. The minimum Fund Balance policy requires a reserve for economic uncertainties consisting of unassigned amounts equal to not less than one month of General Fund operating expenditures or eight percent of General Fund expenditures.

Net Position

Net Position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net Position is classified in the following three categories.

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

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

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

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

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

A budget is prepared and legally adopted for each fund on the modified accrual basis of accounting. The budgetary basis of accounting is in conformity with a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) for each fund. Capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year. Budget amounts shown in the basic financial statements reflect the original appropriations. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2023.

Use of Estimates

The preparation of the basic 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

The amounts of grant revenue reflected in the basic financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows / Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2023 there were deferred outflows representing PERS pension, OPEB Health Insurance, OPEB RHIA, and debt refunding related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. The first, unavailable revenue, is reported in the governmental funds balance sheet for property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At June 30, 2023 there were also deferred inflows for PERS pension, OPEB Health Insurance, and OPEB RHIA related deferrals reported in the Statement of Net Position.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

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

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

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

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

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

Deposits with Financial Institutions	\$ (81,040)
Investments	14,078,904
Petty Cash	350
Total	<u>\$ 13,998,214</u>

Cash and investments shown on the basic financial statements as:

Statement of Net Position	
Cash and investments	\$ 13,840,839
Restricted Cash	157,375
Total	<u>\$ 13,998,214</u>

Restricted Cash. Restricted cash is comprised of the principal balance of the permanent fund endowment for swimming pool maintenance, amounts held by the District in a fiduciary capacity for scholarships by graduating students, and local grants.

Deposits. Deposits with financial institutions are comprised of bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balances per the bank statements at June 30, 2023 were \$1,698,896, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

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

Investments. State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS (CONTINUED)

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023, the fair value of the position in the LGIP is 99.63% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The District booked a fair market value loss of \$52,285, for the difference between the pool fair market value and the book value. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

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

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

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

Interest Rate Risk-Investments. Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

As of June 30, 2023, the District had the following investments:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
Local Government Investment Pool	\$ 14,078,904	\$ 14,078,904	\$ -	\$ -
Total	<u>\$ 14,078,904</u>	<u>\$ 14,078,904</u>	<u>\$ -</u>	<u>\$ -</u>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 – ACCOUNTS/GRANTS RECEIVABLE

General and special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. No allowance for uncollectible accounts has been recorded because management considers all receivables to be collectible.

NOTE 4 – CAPITAL ASSETS

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

	Balance July 1, 2022	Adjustments	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated					
Land	\$ 182,191	\$ -	\$ -	\$ -	\$ 182,191
Construction in progress	<u>271,419</u>	<u>(271,419)</u>	<u>559,981</u>	<u>-</u>	<u>559,981</u>
Total capital assets not being depreciated	<u>453,610</u>	<u>(271,419)</u>	<u>559,981</u>	<u>-</u>	<u>742,172</u>
Capital assets being depreciated					
Buildings and improvements	41,148,733	271,419	3,302,621	(79,000)	44,643,773
Machinery and equipment	<u>1,269,002</u>	<u>-</u>	<u>134,372</u>	<u>(3,560)</u>	<u>1,399,814</u>
Total capital assets being depreciated	<u>42,417,735</u>	<u>271,419</u>	<u>3,436,993</u>	<u>(82,560)</u>	<u>46,043,587</u>
Accumulated depreciation					
Buildings and improvements	11,356,150	-	804,238	(79,000)	12,081,388
Machinery and equipment	<u>830,063</u>	<u>-</u>	<u>142,241</u>	<u>(3,560)</u>	<u>968,744</u>
Total accumulated depreciation	<u>12,186,213</u>	<u>-</u>	<u>946,479</u>	<u>(82,560)</u>	<u>13,050,132</u>
Total net capital assets	<u>\$ 30,685,132</u>				<u>\$ 33,735,627</u>

During the year ending June 30, 2023, the District disposed of some fully depreciated equipment.

Depreciation was allocated to the functions as follows:

Instruction	\$ 523,483
Support Services	379,035
Enterprise and Community Services	<u>43,961</u>
Total	<u>\$ 946,479</u>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM OBLIGATIONS

Bonds Payable

Full Faith & Credit obligation (Qualified Zone Academy Bond – QZAB) 2010 - the District issued bonds through Capital One Bank to finance costs of capital construction and improvements and to fund the cost of issues. The series 2010 was were issued at a 1.35% interest rate in the amount of \$2,000,000.

General Obligation Bonds - General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of school facilities. The 2013 series were issued at a variable 2.0% to 5.0% interest rate in the amount of \$13,445,000.

Pension Obligation Bonds - Series 2003, the District issued \$15,286,668 of limited tax pension obligation bonds to finance its portion of the unfunded actuarially liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The annual payments on the pension obligation bonds are accounted for as additional contributions to PERS. Interest rates are variable between 1.50% and 6.27%.

There are no default clauses requiring disclosure under GASB 88 for any debt items.

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

	Balance <u>7/1/2022</u>	Increase	Decrease	Balance <u>6/30/2023</u>	Amount Due <u>Within One Year</u>
Direct Borrowing					
FF&C QZAB	\$ 435,000	-	\$ (145,000)	\$ 290,000	\$ 145,000
Other Bonds Payable					
GO Bond	6,305,000	-	(1,410,000)	4,895,000	1,510,000
Pension Bond	8,472,472	-	(402,472)	8,070,000	1,490,000
Total Bonds Payable	<u>\$ 15,212,472</u>	<u>-</u>	<u>\$ (1,957,472)</u>	<u>\$ 13,255,000</u>	<u>\$ 3,145,000</u>
Unamortized Premium	764,312	-	(191,078)	573,234	191,078
Total	<u>\$ 15,976,784</u>	<u>-</u>	<u>\$ (2,148,550)</u>	<u>\$ 13,828,234</u>	<u>\$ 3,336,078</u>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Bonds and Other (Pension) Bonds Payable

Future maturities of the general obligation bonds currently outstanding are as follows:

Year ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 3,145,000	\$ 702,499	\$ 3,847,499
2025	3,440,000	541,452	3,981,452
2026	3,620,000	363,388	3,983,388
2027	2,070,000	173,240	2,243,240
2028	980,000	55,664	1,035,664
	<u>\$ 13,255,000</u>	<u>\$ 1,836,243</u>	<u>\$ 15,091,243</u>

Payment on Bonds payable are made by the Debt Service Fund.

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers were made to subsidize the Special Revenue Fund, Debt Service Fund, and Capital Projects Fund operations for the year ended June 30, 2023 as follows:

	Transfers Out	Transfers In
General Fund	\$ 1,145,000	\$ -
Special Revenue Fund	106,353	801,353
Debt Service Fund	-	150,000
Capital Projects Fund	-	300,000
Total	<u>1,251,353</u>	<u>1,251,353</u>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

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

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 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 benefits 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 1 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 2 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.
 - ii. **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 contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i. **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 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.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - iii. **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.

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. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$1,721,624, excluding amounts to fund employer specific liabilities. In addition, approximately \$993,825 in employee contributions were paid or picked up by the District in 2022-2023.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2023, the District reported a net pension liability of \$15,172,958 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2022 and 2021, the District’s proportion was .099 percent and .094 percent, respectively. Pension expense for the year ended June 30, 2023 was \$374,854.

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 11.59%
- (2) OPSRP general services – 8.48%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 736,525	\$ 94,621
Changes in assumptions	2,380,719	21,750
Net difference between projected and actual earnings on pension plan investments	-	2,712,631
Net changes in proportionate share	1,390,681	130,024
Difference between District contributions and proportionate share of contributions	-	3,243,645
Subtotal - Amortized deferrals (below)	4,507,925	6,202,671
District contributions subsequent to measurement date	1,721,624	-
Net deferred outflow (inflow) of resources	\$ 6,229,549	\$ 6,202,671

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Subtotal amounts related to pension as deferred outflows of resources \$4,507,925, and deferred inflows of resources, (\$6,202,671), net to (\$1,694,746) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2023	\$ (374,175)
2024	(593,691)
2025	(1,503,926)
2026	921,153
2027	(144,107)
Thereafter	-
Total	\$ (1,694,746)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

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

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer 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 actuarially determined amount for funding a disability benefit component, and (c) 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 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

(Source: June 30, 2022 PERS ACFR; p. 74)

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2022 and 2021 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 26,907,929	\$ 15,172,958	\$ 5,351,329

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going 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. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA)

Plan Description:

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

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2023, the District reported a net OPEB asset of \$438,888 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB 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 dates of June 30, 2022 and 2021, the District's proportion was .124 percent and .110 percent, respectively. OPEB income for the year ended June 30, 2023 was \$56,173.

**CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportion share of collective system OPEB Expense/(Income)	\$ (65,711)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	12,573
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (53,138)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 11,894
Changes in assumptions	3,436	14,629
Net difference between projected and actual earnings on pension plan investments	-	33,471
Net changes in proportionate share	51,124	20,084
Difference between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	<u>54,560</u>	<u>80,078</u>
District contributions subsequent to measurement date	N/A	N/A
Net deferred outflow (inflow) of resources	<u>\$ 54,560</u>	<u>\$ 80,078</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$54,560, and deferred inflows of resources, (\$80,078), net to (\$25,518) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2023	\$ 11,956
2024	(27,071)
2025	(21,122)
2026	10,719
2027	-
Thereafter	-
Total	<u>\$ (25,518)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

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

(Source: June 30, 2022 PERS ACFR; p. 74)

Sensitivity of the District’s proportionate share of the net OPEB asset to changes in the discount rate – The following presents the District’s proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (Asset)	\$ (395,562)	\$ (438,888)	\$ (476,029)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The District follows GASB Statement No. 73 *Accounting and Financial Reporting for Pension and Related Assets That are not within the Scope of GASB 68*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This requires the District to report its liability for other post-employment benefits consistent with generally accepted accounting principles and to reflect an actuarially determined liability for the present value projected future benefits for retired and active employees on the financial statements. The District maintains single employer post-employment benefit programs (commonly referred to as early retirement). These programs cover licensed and administrative personnel of the District, individual employees, and certain retired employees. The Early Retirement Program is not funded, as determined by the July 1, 2022 actuarial valuation.

Program membership consisted of the following at July 1, 2022:

Participant Counts:	<u>Stipend</u>	<u>Health Insurance</u>
Active	0	322
Inactive	<u>2</u>	<u>10</u>
Total Participants	<u>2</u>	<u>332</u>

Health Insurance Subsidy

Plan Description. The District operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses, children and/or domestic partners. Benefits and eligibility for members are established through the collective bargaining agreements.

The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Health Insurance Subsidy (Continued)

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

Different contracts govern the employees. For Administrative staff members hired before July 1, 2004, the program is for current employees who are PERS eligible due to retirement and who have a minimum of twenty (20) years' experience with the District at retirement. Administrative staff hired on or after July 1, 2004 and prior to July 1, 2007, who are PERS eligible due to retirement and who have at least 14 years of service with the District at retirement are also eligible. Coverage for retirees and eligible dependents continues until the participant dies or is eligible for Medicare, whichever comes first. The District shall contribute the same premium offered active administrators toward the purchase of full family medical-dental-vision insurance.

Classified employees are eligible if they meet the following requirements:

- Employee must be at least one-half (1/2) time throughout their employment with the District.
- Hired prior to July 1, 1993 and have at least 15 years of service with the District at retirement.
- Hired on or after July 1, 1993 and prior to July 1, 2000 and have at least 18 years of service with the District at retirement.
- Additionally, classified employees must be PERS eligible due to retirement to be eligible for this program. Employees hired on or after July 1, 2000 will not receive supplemental retirement benefits. Coverage for eligible classified employees will be offered for 120 months, until the participant dies, or is eligible for Medicare, whichever comes earliest. The District will pay for the medical only coverage for the retiree. Retirees choosing to purchase medical coverage for their spouse or dependents will contribute no more than twice the out-of-pocket amount that regular employees pay for the insurance benefit coverage that is then in existence within the District on a year-to-year basis.

Confidential and Supervisory employees, included in Appendix A of the July 1, 2007 collective bargaining agreement, may be eligible if they meet the following requirements:

- Employee must have averaged at least one-half (1/2) time throughout their years of employment with the District.
- Employee hired prior to July 1, 1993 who has at least 15 years of service with the District at retirement.
- Employee hired on or after July 1, 1993 and prior to July 1, 2004 who has at least 20 years of service with the District at retirement.
- Additionally, confidential and supervisory employees must be PERS eligible due to retirement to be eligible for this program. Confidential and supervisory employees hired on or after July 1, 2004 will not receive supplemental retirement benefits. Coverage for eligible Confidential and Supervisory employees will be offered for 120 months, until the participant dies, or is eligible for Medicare, whichever comes earliest. The District will pay for the medical only coverage for the retiree. Retirees choosing to purchase medical coverage for their spouse or dependents will contribute no more than twice the out-of-pocket amount that regular employees pay for the insurance benefit coverage that is then in existence within the District on a year-to-year basis.

Licensed employees listed in Article 14, Section A of the 2012-2015 collective bargaining agreement, who have 15 or 20 years of service upon retirement, depending upon which section of the list they are in, are eligible to receive benefits. Employees hired on or after July 1, 2007 will not receive supplemental retirement benefits. Coverage for eligible licensed retirees and eligible dependents continues until the participant dies or is eligible for Medicare, whichever comes first. The retiree will pay the same percentage of the premium for Medical Insurance as the percentage paid by full time employees for their full insurance coverage. This applies to spouses, domestic partners and children. District will pay for the "medical only" coverage for the retiree.

**CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Health Insurance Subsidy (Continued)

For all classes of employees:

- Qualified spouses and domestic partners (as well as dependent children of participants) may qualify for coverage until the participant becomes eligible for Medicare.
- Only dependents covered at the time of retirement will be eligible.

Funding Policy - The District pays for all the eligible benefits. The contributions are financed on a pay- as-you-go basis.

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 39.

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, level percent of salary
Investment return assumption (Interest discount)	3.75% per year, bases on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2023)
Plan Participation	Of the active employees currently enrolled in a medical plan, 60% are assumed to remain enrolled at retirement until Medicare eligibility.
Medical Premium annual trend rate	4.0% in 2022 and fluctuating between 4.50% and 6.00% thereafter
Inflation rate	2.50% per year
Annual salary rate increase	3.50% per year
Mortality	Basic table: Pub-2010 Teachers table, separate Employee/Healthy Annuitant, sex distinct, generational, no setback. Mortality rates for active male participants are 125% of the above rates, and for active female participants are 100% of the above rates. Beneficiaries: Pub-2010 General Employees table, Healthy Annuitant, sex distinct, generational, set back 12 months for males, no set back for females. Improvement Scale: Unisex Social Security Data Scale (60 year average), with data through 2017.

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the July 1, 2022 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) an interest discount rate of 3.75% per year; (b) an inflation rate of 2.50% per year; (c) a payroll increase of 3.50% per year. Dental and vision costs were assumed to have no implicit subsidy; and (e) of the active employees currently receiving health coverage, 100% of future retirees with District-paid medical benefits and 60% of other future retirees are assumed to remain enrolled at retirement.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Health Insurance Subsidy (Continued)

The following tables show the sensitivity of the Total OPEB Liability to changes in discount and trend rates on June 30, 2023:

	1% Decrease <u>2.75%</u>	Current Discount Rate <u>3.75%</u>	1% Increase <u>4.75%</u>
Total OPEB Liability	\$ 1,587,350	\$ 1,473,658	\$ 1,367,709

	1% Decrease 3.00%, Graded up to 5.00%, then Back <u>Down to 3.50%</u>	Current Trend Rate 4.00%, Graded up to 6.00%, then Back <u>Down to 4.50%</u>	1% Increase 5.00%, Graded Up to 7.00%, then Back <u>Down to 5.50%</u>
Total OPEB Liability	\$ 1,306,268	\$ 1,473,658	\$ 1,673,616

The following are the changes in the OPEB Health Insurance Liability:

	<u>Total OPEB Liability</u>
Total OPEB Health Liability Balance 6/30/2022	\$ 1,558,971
Changes for the Year:	
Service Cost	90,476
Interest	56,399
Changes of Benefit Terms	-
Difference between expected and actual experience	(55,709)
Changes Assumption or the Other Input	(100,382)
Benefit payments	<u>(76,097)</u>
Total OPEB Health Liability Balance 6/30/2023	<u>\$ 1,473,658</u>

For the year ended June 30, 2023, the District recognized OPEB expense for Health Insurance of \$97,576. At June 30, 2023, the District reported deferred outflows of resources of \$232,092 and deferred inflows of resources of (\$657,607) related to OPEB for Health Insurance.

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024.

**CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Health Insurance Subsidy (Continued)

Total amounts related to OPEB as deferred outflows of resources, \$232,092, and deferred inflow of resources (\$657,607), net to (\$425,515) will be recognized in OPEB expense as follows:

Year ended June 30:	Annual Recognition
2024	\$ (46,646)
2025	(46,646)
2026	(46,650)
2027	(38,040)
2028	(96,066)
Thereafter	(151,467)
Total	\$ (425,515)

Stipend Benefit

Plan Description - The District provides a single-employer defined benefit early retirement stipend program. Different contracts govern the employees.

For Administrative staff members hired before July 1, 2004, the early retirement incentive program is for current employees who are PERS eligible due to retirement and who have a minimum of twenty (20) years' experience with the District at retirement. Administrative staff hired on or after July 1, 2004 and prior to July 1, 2007, who are PERS eligible due to retirement and who have at least 14 years of service with the District at retirement are also eligible. In return for this stipend, retirees, if available, agree to work a minimum of three days per year at no cost to the District. The maximum participation allowed by the District is 84 months, until the participant dies, or becomes eligible for Medicare, whichever comes earliest. Eligible Administrative staff members will receive \$225 per month.

Classified employees are eligible if they meet the following requirements:

- Employee must be at least one-half (1/2) time throughout their employment with the District.
- Hired prior to July 1, 1993 and have at least 15 years of service with the District at retirement.
- Hired on or after July 1, 1993 and prior to July 1, 2000 and have at least 18 years of service with the District at retirement.

Additionally, classified employees must be PERS eligible due to retirement to be eligible for this program. Employees hired on or after July 1, 2000 will not receive supplemental retirement benefits. Eligible Classified employees will receive a one-time payment of \$4 for each hour of accumulated sick leave at the time of retirement.

Confidential and Supervisory employees, included in Appendix A of the July 1, 2007 collective bargaining agreement, may be eligible if they meet the following requirements:

- Employee must have averaged at least one-half (1/2) time throughout their years of employment with the District.
- Employee hired prior to July 1, 1993 who has at least 15 years of service with the District at retirement.
- Employee hired on or after July 1, 1993 and prior to July 1, 2004 who has at least 20 years of service with the District at retirement.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Stipend Benefit (Continued)

Additionally, Confidential and Supervisory employees must be PERS eligible due to retirement to be eligible for this program. Confidential and Supervisory employees hired on or after July 1, 2004 will not receive supplemental retirement benefits. Eligible Confidential and Supervisory employees will receive monthly benefits until the participant dies or until they become eligible for Medicare, whichever comes earliest. The amount of benefits is dependent upon the employee's amount of unused sick leave at retirement. Those with 150 to 200 days will receive \$50, those with 200 to 250 days will receive \$75, and those with 250 or greater will receive \$100 per month.

Licensed employees listed in Article 14, Section A of the 2012-2015 collective bargaining agreement, who have 15 or 20 years of service upon retirement, depending upon which section of the list they are in, are eligible to receive benefits. Employees hired on or after July 1, 2007 will not receive supplemental retirement benefits. The maximum participation allowed by the District is 84 months, until the participant dies, or becomes eligible for Medicare, whichever comes earliest. Eligible Licensed retirees will receive \$225 per month. All amounts are prorated if the employee worked less than the full-time equivalent.

Funding Policy -The District pays for all the benefits. The contributions are financed on a pay-as-you-go basis.

Annual OPEB Cost and Total OPEB Liability - The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 73. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 40.

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the July 1, 2022 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) an interest discount rate of 3.75% per year; (b) an inflation rate of 2.50% per year; (c) a payroll increase of 3.50% per year.

The following table shows the sensitivity of Total Pension Liability to changes in discount rates on June 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.75%</u>	<u>3.75%</u>	<u>4.75%</u>
Total Pension Liability	\$ 8,222	\$ 8,148	\$ 8,076

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Stipend Benefit (Continued)

The following are the changes in the Pension Liability:

	Total Pension Liability
Total Stipend Liability Balance 6/30/2022	\$ 20,304
Changes for the Year :	
Service Cost	-
Interest	570
Changes of Benefit Terms	-
Difference between expected and actual experience	(4,673)
Changes Assumption or the Other Input	(18)
Benefit payments	(8,035)
Total Stipend Liability Balance 6/30/2023	\$ 8,148

For the year ended June 30, 2023, the District reported stipend income of \$12,457. At June 30, 2023, the District reported deferred outflows of resources of \$0 and deferred inflows of resources of (\$0) related to OPEB for stipends.

NOTE 10 – INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 273,908	\$ 23,474
Special Revenue Fund	-	250,434
Total	\$ 273,908	\$ 273,908

The internal balances are recorded to show legal and operational commitments between funds.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Substantially all amounts received or receivable from grantor agencies are subject to audit 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 management expects such amounts, if any, to be immaterial.

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

The COVID-19 outbreak worldwide has resulted in government mandated closures that have caused disruption in the District's ability to deliver-in-person education. The outbreak has affected local and global economies. The extent and duration of the impact of this outbreak on the operations of the District is unknown at this time.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12 – PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The state voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution set restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured with Property & Casualty Coverage for Education, a property and liability risk pool for school entities in Oregon and pays an annual premium for its property, crime, public liability, boiler and machinery, difference in conditions, excess earthquake, foreign liability, errors and omission coverage, builders risk coverage and Oregon contractor's license bonds. The District also carries worker's compensation coverage through SAIF. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage in the past three fiscal years.

NOTE 14 - LEASE LIABILITY

The District leases certain property and equipment from others. The district has individual school copiers and district wide leases for copy machines. Leases were deemed immaterial by management and were not recorded under GASB 87

NOTE 15 – TAX ABATEMENTS

As of June 30, 2023, the District potentially had tax abatements through various state allowed programs that impacted levied taxes and would require disclosure under GASB 77. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2023 for any program covered under GASB 77.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2023

OPEB - HEALTH INSURANCE SUBSIDY

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Difference Between Expected & Actual	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2023 * \$	1,558,971	\$ 90,476	\$ 56,399	\$ -	\$ (55,709)	\$ (100,382)	\$ (76,097)	\$ 1,473,658	\$ 16,824,857	8.76%
2022	1,651,913	109,796	38,739	-	-	(161,521)	(79,956)	1,558,971 *	13,681,969	11.39%
2021 *	1,834,106	120,978	43,232	-	(96,089)	(182,972)	(67,342)	1,651,913	13,283,465	12.44%
2020	1,501,549	88,572	77,857	-	-	232,090	(65,962)	1,834,106 *	17,846,692	10.28%
2019	1,442,554	68,313	55,779	-	16,179	(34,410)	(46,866)	1,501,549	17,243,181	8.71%
2018	1,370,480	66,647	51,774	-	-	-	(46,347)	1,442,554	11,051,883	13.05%
2017	1,286,229	66,647	48,896	-	-	-	(31,292)	1,370,480	10,782,325	12.71%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2023	\$ N/A	\$ N/A	\$ N/A	\$ 16,824,857	N/A
2022	N/A	N/A	N/A	13,681,969	N/A
2021	N/A	N/A	N/A	13,283,465	N/A
2020	N/A	N/A	N/A	17,846,692	N/A
2019	N/A	N/A	N/A	17,243,181	N/A
2018	N/A	N/A	N/A	11,051,883	N/A
2017	N/A	N/A	N/A	10,782,325	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement benefit.

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

* A new actuary reevaluated the liability amount at June 30, 2020 and July 1, 2022

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS
June 30, 2023

OPEB - STIPEND BENEFIT

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total Pension Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Difference Between Expected & Actual	Changes of Assumptions	Benefit Payments	Total Pension Liability - End of Year	Estimated Covered Payroll	Total Liability as a % of Covered Payroll
2023 *	\$ 20,304	\$ -	\$ 570	\$ -	\$ (4,673)	\$ (18)	\$ (8,035)	\$ 8,148	\$ N/A	N/A
2022	32,829	-	594	-	-	(301)	(12,818)	20,304 *	N/A	N/A
2021 *	49,745	-	918	-	9	67	(17,910)	32,829	N/A	N/A
2020	67,420	-	2,268	-	-	1,505	(21,448)	49,745 *	99,745	49.87%
2019	82,268	-	2,669	-	5,019	(366)	(22,170)	67,420	96,372	69.96%
2018	105,908	228	3,463	-	-	-	(27,331)	82,268	61,769	133.19%
2017	132,133	228	4,381	-	-	-	(30,834)	105,908	60,262	175.75%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2023	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	99,745	N/A
2019	N/A	N/A	N/A	96,372	N/A
2018	N/A	N/A	N/A	61,769	N/A
2017	N/A	N/A	N/A	60,262	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend .

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

* A new actuary reevaluated the liability amount at June 30, 2020 and July 1, 2022.

CASCADE SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (NOA)	(b) Employer's proportionate share of the net OPEB asset (NOA)	(c) Employer's covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.12 %	\$ 438,888	\$ 16,646,656	2.6 %	194.6 %
2022	0.11	378,873	15,239,229	2.5	183.9
2021	0.21	431,113	13,949,706	3.1	150.1
2020	0.11	220,726	12,328,362	1.8	144.4
2019	0.11	125,265	11,750,189	1.1	124.0
2018	0.11	44,937	10,933,500	0.4	108.9

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

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

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ N/A	\$ N/A	\$ N/A	\$ 18,502,771	N/A %
2022	N/A	N/A	N/A	16,646,656	N/A
2021	N/A	N/A	N/A	15,239,229	N/A
2020	N/A	N/A	N/A	13,949,706	N/A
2019	N/A	N/A	N/A	12,328,362	N/A
2018	N/A	N/A	N/A	11,750,189	N/A
2017	N/A	N/A	N/A	10,933,500	N/A

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

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

All statutorily required contributions were made and are included within PERS contributions (see p. 42).

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.0991 %	\$ 15,172,958	\$ 16,646,656	91.15 %	84.5 %
2022	0.0940	11,242,618	15,239,229	73.77	87.6
2021	0.0942	20,556,059	13,949,706	147.36	75.8
2020	0.0839	14,508,695	12,328,362	117.69	80.2
2019	0.0877	13,285,063	11,750,189	113.06	82.1
2018	0.0780	10,521,143	10,933,500	96.23	83.1
2017	0.0744	11,166,021	10,458,771	106.76	80.5
2016	0.0561	3,220,625	9,968,257	32.31	91.9
2015	0.0529	(1,191,997)	9,546,101	(12.49)	103.6
2014	0.0529	2,683,592	8,718,549	30.78	92.0

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

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 1,721,624	\$ 1,721,624	\$ -	\$ 18,502,771	9.30 %
2022	1,517,543	1,517,543	-	16,646,656	9.12
2021	1,525,356	1,525,356	-	15,239,229	10.01
2020	1,497,106	1,497,106	-	13,949,706	10.73
2019	731,063	731,063	-	12,328,362	5.93
2018	779,238	779,238	-	11,750,189	6.63
2017	232,765	232,765	-	10,933,500	2.13
2016	243,517	243,517	-	10,458,771	2.33
2015	762,314	762,314	-	9,968,257	7.65
2014	500,641	500,641	-	9,546,101	5.24
2013	563,225	563,225	-	8,718,549	6.46
2012	604,906	604,906	-	9,287,194	6.51

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

These schedules are presented to illustrate the requirements to show information for 10 years.

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 7,500,679	\$ 7,500,679	\$ 7,861,203	\$ 360,524
Intermediate Sources	170,000	170,000	143,617	(26,383)
State Sources	22,645,000	22,645,000	24,885,832	2,240,832
Federal Sources	445,000	445,000	581,055	136,055
Total Revenues	<u>30,760,679</u>	<u>30,760,679</u>	<u>33,471,707</u>	<u>2,711,028</u>
EXPENDITURES				
Instruction	18,679,986	18,679,986 (1)	18,312,012	367,974
Supporting services	13,071,841	13,071,841 (1)	13,392,630	(320,789)
Contingency	3,230,801	3,230,801 (1)	-	3,230,801
Total Expenditures	<u>34,982,628</u>	<u>34,982,628</u>	<u>31,704,642</u>	<u>3,277,986</u>
Excess of Revenue Over (Under) Expenditures	(4,221,949)	(4,221,949)	1,767,065	5,989,014
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	-	-	-	-
Transfers Out	(645,000)	(645,000) (1)	(1,145,000)	(500,000)
Total Other Financing Sources (Uses)	<u>(645,000)</u>	<u>(645,000)</u>	<u>(1,145,000)</u>	<u>(500,000)</u>
Net Change in Fund Balance	(4,866,949)	(4,866,949)	622,065	5,489,014
Beginning Fund Balance	4,866,949	4,866,949	4,907,822	40,873
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,529,887</u>	<u>\$ 5,529,887</u>

(1) Appropriation level

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

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

For the Year Ended June 30, 2023

<u>SPECIAL REVENUE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 1,163,973	\$ 1,163,973	\$ 1,942,958	\$ 778,985
Intermediate Sources	22,000	22,000	73,185	51,185
State Sources	2,920,322	2,920,322	4,017,992	1,097,670
Federal Sources	6,728,409	6,728,409	3,931,337	(2,797,072)
Services Provided	8,000	8,000	-	(8,000)
	<u>10,842,704</u>	<u>10,842,704</u>	<u>9,965,472</u>	<u>(877,232)</u>
EXPENDITURES				
Instruction	6,681,984	6,681,984 (1)	6,062,432	619,552
Supporting services	2,461,255	2,461,255 (1)	2,082,266	378,989
Enterprise and community services	1,633,840	1,633,840 (1)	2,046,922	(413,082)
Facilities Acquisition and Construction	2,741,774	2,741,774 (1)	490,260	2,251,514
Contingency	1,151,700	1,151,700 (1)	-	1,151,700
	<u>14,670,553</u>	<u>14,670,553</u>	<u>10,681,880</u>	<u>3,988,673</u>
Excess of Revenue Over (Under) Expenditures	(3,827,849)	(3,827,849)	(716,408)	3,111,441
OTHER FINANCING SOURCES (USES)				
Transfers In	669,167	669,167	801,353	132,186
Transfers Out	(1,089,167)	(1,089,167) (1)	(106,353)	982,814
	<u>(420,000)</u>	<u>(420,000)</u>	<u>695,000</u>	<u>1,115,000</u>
Net Change in Fund Balance	(4,247,849)	(4,247,849)	(21,408)	4,226,441
Beginning Fund Balance	4,247,849	4,247,849	5,019,394	771,545
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,997,986</u>	<u>\$ 4,997,986</u>

(1) Appropriation level

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 1,712,650	\$ 1,712,650	\$ 3,793,077	\$ 2,080,427
Services Provided	1,849,334	1,849,334	-	(1,849,334)
Total Revenues	<u>3,561,984</u>	<u>3,561,984</u>	<u>3,793,077</u>	<u>231,093</u>
EXPENDITURES				
Supporting Services	-	- (1)	1,600	(1,600)
Debt service	3,715,857	3,715,857 (1)	3,715,852	5
Contingency	129,678	129,678 (1)	-	129,678
Total Expenditures	<u>3,845,535</u>	<u>3,845,535</u>	<u>3,717,452</u>	<u>128,083</u>
Excess of Revenue Over (Under) Expenditures	(283,551)	(283,551)	75,625	359,176
OTHER FINANCING SOURCES (USES)				
Transfers In	150,000	150,000	150,000	-
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balance	(133,551)	(133,551)	225,625	359,176
Beginning Fund Balance	<u>133,551</u>	<u>133,551</u>	<u>96,785</u>	<u>(36,766)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,410</u>	<u>\$ 322,410</u>

(1) Appropriation level

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2023

<u>CAPITAL PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 60,000	\$ 60,000	\$ 89,855	\$ 29,855
State Sources	2,140,000	2,140,000	2,133,845	(6,155)
Rental	25,000	25,000	-	(25,000)
Total Revenues	<u>2,225,000</u>	<u>2,225,000</u>	<u>2,223,700</u>	<u>(1,300)</u>
EXPENDITURES				
Support services	3,470,000	3,470,000 (1)	2,172,120	1,297,880
Facilities acquisition and construction	-	- (1)	474,527	(474,527)
Contingency	734,769	734,769 (1)	-	734,769
Total Expenditures	<u>4,204,769</u>	<u>4,204,769</u>	<u>2,646,647</u>	<u>1,558,122</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,979,769)</u>	<u>(1,979,769)</u>	<u>(422,947)</u>	<u>1,556,822</u>
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	-	-	-	-
Transfers In	175,000	175,000	300,000	125,000
Transfers Out	-	- (1)	-	-
Total Other Financing Sources	<u>175,000</u>	<u>175,000</u>	<u>300,000</u>	<u>125,000</u>
Net Change in Fund Balance	<u>(1,804,769)</u>	<u>(1,804,769)</u>	<u>(122,947)</u>	<u>1,681,822</u>
Beginning Fund Balance	<u>1,804,769</u>	<u>1,804,769</u>	<u>1,572,962</u>	<u>(231,807)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,450,015</u>	<u>\$ 1,450,015</u>

(1) Appropriation level

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2023

PERMANENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 1,800	\$ 1,800	\$ 3,633	\$ 1,833
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>3,633</u>	<u>1,833</u>
EXPENDITURES				
Debt Service	<u>26,366</u>	<u>26,366 (1)</u>	<u>-</u>	<u>26,366</u>
Total Expenditures	<u>26,366</u>	<u>26,366</u>	<u>-</u>	<u>26,366</u>
Excess (Deficiency) of Revenues over Disbursements	<u>(24,566)</u>	<u>(24,566)</u>	<u>3,633</u>	<u>28,199</u>
OTHER FINANCING SOURCES (USES)				
Apportionment of Funds	(100,000)	(100,000) (1)	-	100,000
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	(124,566)	(124,566)	3,633	128,199
Beginning Fund Balance	<u>124,566</u>	<u>124,566</u>	<u>123,539</u>	<u>(1,027)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,172</u>	<u>\$ 127,172</u>

(1) Appropriation level

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2023

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED JULY 1, 2022	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2023
<u>GENERAL FUND</u>						
CURRENT						
2022-23	\$ 6,946,158	\$ 189,693	\$ (7,672)	\$ 1,264	\$ 6,627,998	\$ 122,059
PRIOR YEARS						
2021-22	119,115	(203)	(12,422)	4,579	65,086	46,389
2020-21	41,359	(145)	(7,875)	2,784	11,464	24,949
2019-20	25,449	(135)	(8,668)	3,979	9,584	11,312
2018-19	10,985	(75)	(4,907)	2,233	3,977	4,409
Prior Years	19,102	-	(2,992)	2,585	3,241	15,454
Total Prior	216,010	(558)	(36,864)	16,160	93,352	102,513
Total	<u>\$ 7,162,168</u>	<u>\$ 189,135</u>	<u>\$ (44,536)</u>	<u>\$ 17,424</u>	<u>\$ 6,721,350</u>	<u>\$ 224,572</u>

RECONCILIATION OF REVENUE:

Cash Collections by County Treasurer, Above	\$ 6,721,350
Accrual of Receivables:	
June 30, 2022	(113,373)
June 30, 2023	54,879
Change in deferred property tax revenue from prior year	<u>67,056</u>
Total Revenue	<u>\$ 6,729,912</u>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2023

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED JULY 1, 2022	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2023
DEBT SERVICE FUND						
CURRENT						
2022-23	\$ 1,772,791	\$ 48,413	\$ (1,958)	\$ 323	\$ 1,691,590	\$ 31,153
PRIOR YEARS						
2021-22	31,709	(54)	(3,307)	1,219	17,326	12,349
2020-21	10,999	(39)	(2,094)	740	3,049	6,635
2019-20	7,290	(39)	(2,483)	1,140	2,745	3,241
2018-19	3,452	(24)	(1,542)	702	1,250	1,386
Prior Years	5,775	-	(922)	778	977	4,653
Total Prior	59,225	(156)	(10,348)	4,579	25,347	28,264
Total	\$ 1,832,016	\$ 48,257	\$ (12,306)	\$ 4,902	\$ 1,716,937	\$ 59,417

RECONCILIATION OF REVENUE:

Cash Collections by County Treasurer, Above	\$ 1,716,937
Accrual of Receivables:	
June 30, 2022	(30,181)
June 30, 2023	14,006
Change in deferred property tax revenue from prior year	16,366
Total Revenue	<u>\$ 1,717,128</u>

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

OTHER INFORMATION

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON

OTHER INFORMATION
 As Required by The Oregon Department of Education
 For the Year Ended June 30, 2023

A. Energy bills for heating - all funds

		<u>Objects 325, 326 & 327</u>	
Function 2542	\$	547,310	
Function 2550		-	

B. Replacement of equipment - General Fund:

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

Exclude these functions:

					<u>Amount</u>
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$	-
1140	Pre-kindergarten	2550	Pupil Transportation		
1300	Continuing education	3100	Food service		
1400	Summer school	3300	Community services		

CASCADE SCHOOL DISTRICT NO. 5
TURNER, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

GRANTS						
<u>Program Title</u>	<u>Pass Through Organization</u>	<u>Federal AL Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Education						
Title IA Grants to Local Educational Agencies	Oregon Department of Education	84.010	66934	7/1/21-6/30/2022	\$ 229,745	-
	Oregon Department of Education	84.010	72474	7/1/22-6/30/2023	483,396	-
Total Title I Grants to Local Education Agencies					<u>713,141</u>	<u>-</u>
Title IIA - Teacher Quality	Oregon Department of Education	84.367	72671	7/1/22-6/30/2023	10,120	-
	Oregon Department of Education	84.367	67367	7/1/21-6/30/2022	17,207	-
Total Title IIA - Teacher Quality					<u>27,327</u>	<u>-</u>
Student Support and Academic Enrichment	Oregon Department of Education	84.424	72868	7/1/22-6/30/2023	-	-
	Oregon Department of Education	84.424	66723	7/1/21-6/30/2022	27,339	-
	Oregon Department of Education	84.424	58540	7/1/20-6/30/2021	7,242	-
Total Student Support					<u>34,581</u>	<u>-</u>
Special Education Cluster IDEA Part B Section 611	Oregon Department of Education	84.027	68583	7/1/21-6/30/2022	1,246	-
	Oregon Department of Education	84.027	68334	7/1/22-6/30/2023	114,942	-
	Oregon Department of Education	84.027	73979	7/1/22-6/30/2023	482,174	-
	Oregon Department of Education	84.027	75286	7/1/22-6/30/2023	28,396	-
					<u>626,758</u>	<u>-</u>
IDEA 619 Part B	Oregon Department of Education	84.173	60469	7/1/20-6/30/2021	738	-
	Oregon Department of Education	84.173	69116	7/1/21-6/30/2022	4,537	-
	Oregon Department of Education	84.173	68872	7/1/21-6/30/2022	5,994	-
	Oregon Department of Education	84.173	74174	7/1/22-6/30/2023	527	-
					<u>11,796</u>	<u>-</u>
Total Special Education Cluster					<u>638,554</u>	<u>-</u>
Title III Consortium	Oregon Department of Education	84.365	67108	7/1/21-6/30/2022	17,193	-
	Oregon Department of Education	84.365	73067	7/1/22-6/30/2023	40,462	-
					<u>57,655</u>	<u>-</u>
Education Stabilization Fund (COVID-19)						
COVID-19, Elem&Sec Sch Emergency Relief Fund (EII)	Oregon Department of Education	84.425	64541	7/1/20-6/30/2021	581,055	-
COVID-19, Elem&Sec Sch Emergency Relief Fund (EIII)	Oregon Department of Education	84.425	64846	7/1/20-6/30/2021	1,127,882	-
COVID-19, ARP ESSER HOMELESS CHILDREN AND YOUTH	Oregon Department of Education	84.425	69281	7/1/20-6/30/2021	13,530	-
COVID-19, ARP ESSER HOMELESS CHILDREN AND YOUTH	Oregon Department of Education	84.425	69324	7/1/20-6/30/2021	14,544	-
Total Education Stabilization Fund (COVID-19)					<u>1,737,011</u>	<u>-</u>
Total U.S. Department of Education					<u>3,208,269</u>	<u>-</u>
U.S. Department of Agriculture:						
Child Nutrition Cluster:						
NSLP Supply Chain Assistance	Oregon Department of Education	10.555	N/A	7/1/22-6/30/2023	50,856	-
CNP BLOCK-NATL SCHOOL BREAKFAST	Oregon Department of Education	10.533	N/A	7/1/22-6/30/2023	188,628	-
National School Lunch	Oregon Department of Education	10.555	N/A	7/1/22-6/30/2023	632,215	-
Total Child Nutrition Cluster					<u>871,699</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>871,699</u>	<u>-</u>
Total Grants Expended or Passed Through to Subrecipients					<u>\$ 4,079,968</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE					<u>\$ 4,079,968</u>	<u>-</u>
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances						
					\$ 4,079,968	-
					432,424	-
					<u>\$ 4,512,392</u>	<u>-</u>