

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



12700 SW 72nd Ave.
Tigard, OR 97223

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Jami Eglund, Vice Chair

June 30, 2025

Erin Galyean

June 30, 2023

Susan FitzGerald, Chair

June 30, 2023

JaJetta Dumdi

June 30, 2025

Ken Watson

June 30, 2025

All board members will receive mail at the following address:

120 N. Larch Place
Yamhill, OR 97148
(503) 852-6980

ADMINISTRATION

Clint Raever, Superintendent
Tami Zigler, Business Manager

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

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December 1, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yamhill Carlton School District No. 1
Yamhill County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yamhill Carlton School District No. 1, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Yamhill Carlton School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 87- Leases during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 1, 2022 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



TARA M KAMP, CPA
PAULY, ROGERS AND CO., P.C.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

As management of Yamhill–Carlton School District No. 1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets of the District exceeded its liabilities at June 30, 2022 by \$6,042,614.
- The District's total net position increased by \$1,492,773 for the year ended June 30, 2022.
- As of June 30, 2022, the District's governmental funds reported combined ending fund balances of \$3,537,612, an increase of \$278,870 in comparison with the prior year, primarily due staffing challenges and to a State School Fund reconciliation of FY 2021 based on a formula ratio change for the decrease in statewide ADMw. The ending fund balance includes \$1,310,632 which is non-spendable or reserved for specific programs. \$2,226,980 constitutes unassigned ending fund balance which is available for spending at the District's discretion subject to board policy.
- At June 30, 2022, the General Fund balance was \$2,229,181 or 20.03% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

Governmental activities. The District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and

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YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 4 and 5 of this report.

Fund financial statements. The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 12 - 36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the PERS schedules detailing ten years of pension (assets)/liabilities and pension contributions. With the addition of GASB 73 and GASB 75, implemented in fiscal year ending June 30, 2018, the schedule of changes in other post-employment benefits (OPEB) liability is presented. This requirement is to show information for ten years, however until a full year trend has been compiled the information is presented for which the requirement is available. Along with this information is the budget to actual presentations for required major funds. Required supplementary information can be found on page 37 - 40 of this report.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Supplementary Information presented on pages 41 - 43, includes budgetary comparison for nonmajor and other funds. *Other information* includes continuing disclosures information and other financial schedules. Other information can be found on pages 44 - 54h.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$6,042,614 as of June 30, 2022.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
NET POSITION			
	Governmental Activities		
	June 30, 2022	June 30, 2021	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 4,559,284	\$ 4,206,604	\$ 352,680
Capital Assets	<u>29,923,441</u>	<u>29,849,667</u>	<u>73,774</u>
Total Assets	<u>34,482,725</u>	<u>34,056,271</u>	<u>426,454</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related Deferrals	961,819	1,385,072	(423,253)
Total OPEB Related Deferred Outflows	<u>114,079</u>	<u>122,122</u>	<u>(8,043)</u>
Total deferred Outflows of Resources	<u>1,075,898</u>	<u>1,507,194</u>	<u>(431,296)</u>
LIABILITIES			
Current Liabilities	3,698,612	5,910,468	(2,211,856)
Long-Term Obligations	<u>22,771,684</u>	<u>23,626,932</u>	<u>(855,248)</u>
Total Liabilities	<u>26,470,296</u>	<u>29,537,400</u>	<u>(3,067,104)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Leased Assets	62,186	0	62,186
Net Pension-Related Deferrals	2,796,130	1,401,511	1,394,619
Total OPEB Related Deferred Inflows	<u>187,397</u>	<u>74,713</u>	<u>112,684</u>
Total deferred Inflows	<u>3,045,713</u>	<u>1,476,224</u>	<u>1,569,489</u>
NET POSITION			
Net Investment in Capital Assets	12,439,293	12,003,919	435,374
Restricted	835,564	758,714	76,850
Unrestricted	<u>(7,232,243)</u>	<u>(8,212,792)</u>	<u>980,549</u>
Total Net Position	\$ 6,042,614	\$ 4,549,841	\$ 1,492,773
Prior Period Adjusted	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Position, restated	<u>\$ 6,042,614</u>	<u>\$ 4,549,841</u>	<u>\$ 1,492,773</u>

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 86.78% of total assets. The remaining assets consist mainly of investments, cash, prepaid pension costs, and grants and property taxes receivable.

The District's long-term liability, representing about 86.03% of the District's total liabilities, is for the repayment of general obligation and limited tax pension obligation bonds. Current liabilities, which make up about 13.97% of the District's total liabilities, consist principally of payables on accounts, interest and salaries and benefits.

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

Governmental activities. During the current fiscal year, the District's net position increased by \$1,492,773. The key elements of the change in the District's net position for the years ended June 30, 2022 and June 30, 2021 are as follows:

- \$278,870 net change in fund balances across all funds.
- \$929,528 in repayment of bond principals and capital leases, which reduces long-term liabilities.
- \$240,220 in Pension Expense representing changes in the Net Pension Asset (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.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
CHANGES IN NET POSITION			
Year Ended June 30, 2022			
	Governmental Activities		Increase
	June 30, 2022	June 30, 2021	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 244,043	\$ 145,689	\$ 98,354
Operating Grants and Contributions	2,756,198	1,883,798	872,400
Capital Grants and Contributions	0	0	0
General Revenues			
Property Taxes Levied for:			
General Purposes	3,772,885	3,570,017	202,868
Debt Service	947,126	1,633,886	(686,760)
State Sources	7,127,122	6,790,980	336,142
Other Local Sources	1,197,086	349,531	847,555
Intermediate Sources	166,694	129,070	37,624
Federal, Unrestricted	0	0	0
Miscellaneous	102,512	92,686	9,826
Earnings on Investments	22,781	48,700	(25,919)
Total Revenues	16,336,447	14,644,357	1,692,090
EXPENSES			
Instruction	7,636,423	7,524,890	111,533
Support services	5,419,010	4,605,265	813,745
Enterprise and community services	354,636	417,814	(63,178)
Interest on long-term debt	1,433,605	1,391,128	42,477
Total expenses	14,843,674	13,939,097	904,577
Change in Net Position	1,492,773	705,260	787,513
Net Position, Beginning as restated	4,549,841	3,844,581	705,260
Net Position, Adjustment	0	0	0
Net Position, Ending	<u>\$ 6,042,614</u>	<u>\$ 4,549,841</u>	<u>\$ 1,492,773</u>

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For more information on the details behind each fund balance category see Note 1 beginning on page 12 of this report.

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$3,537,612. Of this amount, \$1,310,632 (37.05%) of the ending fund balances constitutes nonspendable or restricted

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

ending fund balance, which are amounts that are either not expendable (such as inventory or prepaid expenses) or are legally restricted by outside parties for a specific purpose (such as bonded debt). The remaining \$2,226,980 (62.95%) of the ending fund balances is unassigned and available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2022 the unassigned fund balance was \$2,226,980 and the nonspendable or restricted ending fund balance was \$2,201 for a total of \$2,229,181. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents about 20.03% of total General Fund expenditures. The total fund balance increased by \$329,582 as compared to prior year's fund balance.

Special Revenue. The Special Revenue Fund accounts for revenue and expenditures of grants restricted for specific educational projects as well as internal funds segregated by the Board for the food service program, student activities, and other activities. Grant revenues are primarily from Federal sources. As of June 30, 2022 the restricted and assigned fund balance was \$551,336, an increase of \$185,188 from the prior year.

Debt Service. The Debt Service Fund has a total fund balance of \$683,199, all of which is restricted for the payment of debt service.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Capital Assets. The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2022 the District had invested \$29,923,441 in capital assets, net of depreciation. For more information on capital assets, see Note 4 on page 21 of this report.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
CAPITAL ASSETS			
(net of depreciation)			
	Governmental Activities		Increase
	June 30,	Restated	
	2022	June 30,	(Decrease)
	2021		
Land	\$ 5,514,354	\$ 5,514,354	\$ 0
Construction in Progress	178,174	797,609	(619,435)
Building and Equipment, net of depreciation	24,230,913	23,537,704	693,209
Total Capital Assets, net of depreciation	\$ 29,923,441	\$ 29,849,667	\$ 73,774

Long-Term Debt. At the end of the current fiscal year, the District had \$22,771,684 in outstanding debt. This is a decrease of \$855,248 from prior year, due to the continued pay down of outstanding obligations. Refer to Note 5 on pages 21 and 22 of this report for detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Oregon's State School Fund (SSF), is the major economic factor in the District's financial planning. The State School Fund provided 96.47% of the District's General Fund resources for fiscal year ending June 30, 2022. For the 2021-23 biennium the Oregon Legislature passed a budget of \$9.296 billion for the State School Fund. The statewide Average Daily Membership weighted (ADMw) has decreased by an estimate of 24,500. The long term impact of COVID-19 still remains a concern as we head into a new biennium.

In May of 2019, the Student Success Act was signed into law. When fully implemented, this act will invest approximately \$500 million to Oregon School Districts through the Student Investment Account. The District's portion of the \$500 million is approximately \$789,000 for 2022-2023. The focus of the Student Investment Account is to focus on key areas for improvement, from reducing class size, increasing instructional time, addressing health and safety needs and ensuring a well-rounded education. The law requires school districts to engage stakeholders meaningfully to determine the best investments for students in their local community while explicitly focusing on student mental and behavior health, addressing disparities based on race or disability, and improving teacher and learning conditions. The District received approximately 740,500 in the 2021-2022 fiscal year. As this money is derived from the Corporate Activity Tax, there are concerns on being fully funded in upcoming years.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Personnel expenses make up 73% of the program costs for the instruction, support and administrative functions of the General Fund and 66.24% of the Special Revenue Fund.

The Classified negotiation agreement was settled in August 2022 for fiscal years 2022-2023, 2023-2024 and 2024-2025. This resulted in an 8% salary increase with no step for 2022-2023, 4% increase in 2023-2024 and a 2% increase in 2024-2025. There was also a bilingual stipend and career employee recognition for 20+ year employees added to the salary schedule. The prior Licensed negotiation agreement ended in fiscal year 2022 and still in negotiations with the District. The District contribution towards medical, dental and vision premiums remained at \$1,450 in fiscal year 2022-2023 for all bargaining groups. This will be subject to change.

These escalating costs continue to be one of the most pressing concerns for the District in the attempt to balance student needs with the provision of a realistic compensation package for staff. The District continues to work with state groups on advocating for schools and the need for current service level funding for the next biennium. ESSER funds granted by the Federal Government will expire in 2023 and 2024. These funds have been used to help with the impacts of the COVID-19 pandemic, including social and emotional learning tools for students.

Other areas of concern include the need for equipment replacement and the continued need for facilities repairs and maintenance at all District schools. The District has been awarded a grant to conduct a Long Range Facilities Plan as well as a Facilities Assessment.

The District's Budget Committee and School Board have considered all these factors while preparing the 2022-2023 budget.

Requests for Information

This financial report is designed to present the user (citizens, taxpayers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information, contact the Business Office, Yamhill-Carlton School District, 120 N. Larch Pl., Yamhill, Oregon 97148.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

ASSETS	
Cash and Cash Equivalents	\$ 2,366,591
Property Taxes Receivable	215,714
Accounts Receivable	1,894,473
Leases Receivable	62,186
Prepays	2,257
Supply Inventory	18,063
Capital Assets - Nondepreciable	5,692,528
Capital Assets - Depreciable, Net of Depreciation	<u>24,230,913</u>
Total Assets	<u>34,482,725</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension-Related Deferrals	961,819
OPEB Related Deferred Outflows	<u>114,079</u>
Total deferred Outflows of Resources	<u>1,075,898</u>
LIABILITIES:	
Accounts Payable	271,963
Interest Payable	517,202
Payroll Liabilities	461,426
Accrued Compensated Absences	1,307
Unearned Revenue	29,661
Noncurrent Liabilities	
Proportionate Share of Net Pension Liability	1,691,731
Total OPEB Liability	725,322
Due within one year	898,485
Due in more than one year	<u>21,873,199</u>
Total Liabilities	<u>26,470,296</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Leased Assets	62,186
Pension-Related Deferrals	2,796,130
OPEB Related Deferred Inflows	<u>187,397</u>
Total deferred Inflows	<u>3,045,713</u>
NET POSITION:	
Net Investment in Capital Assets	12,439,293
Restricted for:	
Debt Service	683,199
Food Service	92,331
Unemployment Retiree Reserve	60,034
Unrestricted	<u>(7,232,243)</u>
Total Net Position	<u>\$ 6,042,614</u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 7,636,423	\$ 165,089	\$ 2,054,241	\$ (5,417,093)
Support Services	5,419,010	78,954	280,461	(5,059,595)
Community Services	354,636	-	421,496	66,860
Interest on Long-Term Debt	1,433,605	-	-	(1,433,605)
Total Governmental Activities	<u>\$ 14,843,674</u>	<u>\$ 244,043</u>	<u>\$ 2,756,198</u>	<u>(11,843,433)</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purposes	3,772,885
Property Taxes, Levied for Debt Service	947,126
State Sources	7,127,122

Income Not Restricted to Specific Programs

Local Sources	1,197,086
Intermediate Sources	166,694
Miscellaneous	102,512
Interest and Investment Earnings	<u>22,781</u>

Total General Revenues 13,336,206

Changes in Net Position 1,492,773

Net Position - Beginning 4,549,841

Net Position - Ending \$ 6,042,614

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and Investments	\$ 1,686,805	\$ -	\$ 671,994	\$ 7,792	\$ 2,366,591
Property Taxes Receivable	162,090	-	53,624	-	215,714
Accounts Receivable	93,928	1,561,074	6,849	232,622	1,894,473
Interfund Receivable	961,901	-	-	-	961,901
Leases Receivable	-	-	-	62,186	62,186
Prepays	2,201	56	-	-	2,257
Inventory	-	18,063	-	-	18,063
Total Assets	\$ 2,906,925	\$ 1,579,193	\$ 732,467	\$ 302,600	\$ 5,521,185
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 96,750	\$ 8,665	\$ -	\$ 166,548	\$ 271,963
Payroll Liabilities	433,826	27,600	-	-	461,426
Interfund Payable	-	961,901	-	-	961,901
Unearned Revenue	-	29,661	-	-	29,661
Total Liabilities	530,576	1,027,827	-	166,548	1,724,951
Deferred Inflows:					
Unavailable Revenue - Leases	-	-	-	62,186	62,186
Unavailable Property Taxes	147,168	-	49,268	-	196,436
Total Deferred Inflows	147,168	-	49,268	62,186	258,622
Fund Balances:					
Non-spendable	2,201	18,119	-	-	20,320
Restricted for:					
Capital Projects	-	-	-	73,866	73,866
Debt Service	-	-	683,199	-	683,199
Food Service	-	92,331	-	-	92,331
Unemployment Retiree Reserve	-	60,034	-	-	60,034
Assigned:					
Student Body	-	321,614	-	-	321,614
Other	-	59,268	-	-	59,268
Unassigned	2,226,980	-	-	-	2,226,980
Total Fund Balances	2,229,181	551,366	683,199	73,866	3,537,612
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,906,925	\$ 1,579,193	\$ 732,467	\$ 302,600	\$ 5,521,185

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2022

Total Fund Balances - Governmental Funds \$ 3,537,612

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets 29,923,441

Accrued interest payable is not included as a liability in the governmental funds. (517,202)

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities		
General Obligation Bonds Payable	\$ (12,045,000)	
Leases	(55,410)	
Full Faith & Credit	(3,030,000)	
Limited Tax PERS Bond	(5,213,670)	
QZAB and Note	(282,857)	
Accrued Compensated Absences	(1,307)	(20,628,244)

The 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. (1,691,731)

The Total OPEB Liability is liability related to the other post employment benefits for health insurance premiums. (725,322)

Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Pension deferred inflows		(2,796,130)
Pension deferred outflows		961,819
Total OPEB deferred inflows		(187,397)
Total OPEB deferred outflows		114,079

The unamortized portion of bond premium revenue is not available to pay for current period revenues, and therefore is not reported in the governmental funds. (2,144,747)

Unearned revenue related to property taxes 196,436

Net Position \$ 6,042,614

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Taxes	\$ 3,772,885	\$ -	\$ 947,126	\$ 91,521	\$ 4,811,532
State and Local Sources	7,271,942	1,281,714	13,034	211,387	8,778,077
Federal Sources	-	1,015,576	-	-	1,015,576
Charges for Services	207,887	246,915	1,048,617	18,189	1,521,608
Interest	21,558	358	568	297	22,781
Contributions and Donations	-	11,205	-	-	11,205
Other	166,694	-	-	-	166,694
Total Revenues	11,440,966	2,555,768	2,009,345	321,394	16,327,473
EXPENDITURES:					
Current:					
Instruction	6,019,662	1,316,071	-	-	7,335,733
Support Services	4,489,750	733,468	-	-	5,223,218
Community Services	-	386,085	-	-	386,085
Facilities Acquisition and Construction	-	-	-	38,367	38,367
Debt Service	-	-	2,298,277	-	2,298,277
Capital Outlay	104,665	39,958	-	669,573	814,196
Total Expenditures	10,614,077	2,475,582	2,298,277	707,940	16,095,876
Excess of Revenues Over, (Under) Expenditures	826,889	80,186	(288,932)	(386,546)	231,597
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	17,273	30,000	-	-	47,273
Transfers In	-	75,000	298,529	141,051	514,580
Transfers Out	(514,580)	-	-	-	(514,580)
Total Other Financing Sources (Uses)	(497,307)	105,000	298,529	141,051	47,273
Net Change in Fund Balance	329,582	185,186	9,597	(245,495)	278,870
Beginning Fund Balance	1,899,599	366,180	673,602	319,361	3,258,742
Ending Fund Balance	<u>\$ 2,229,181</u>	<u>\$ 551,366</u>	<u>\$ 683,199</u>	<u>\$ 73,866</u>	<u>\$ 3,537,612</u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2022

Total Net Changes in Fund Balances - Governmental Funds \$ 278,870

Repayment of bond principal, capital leases and vested compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to bond principal, capital leases and vested compensated absences is an expense for the Statement of Net Position but not the governmental funds.

GO Bonds	\$	450,000	
Leases		18,305	
Bond Premium		71,077	
Limited Tax PERS Bonds		248,152	
Accrued Vacation Payable		565	
QZAB Payments		<u>141,429</u>	
			929,528

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

Capital Asset Additions		769,512	
Depreciation Expense		(769,453)	

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 25,091

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Unavailable property taxes recognized on a full accrual basis 8,974

The Pension Expense represents the changes in Net Pension Asset (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. 240,220

The expense related to OPEB liability represents the net changes in the liability balance from year to year and is not recorded in the governmental funds. 10,031

Change in Net Position of Governmental Activities \$ 1,492,773

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND
June 30, 2022

	<u>LAUGHLIN SCHOLARSHIP FUND</u>
ASSETS:	
Cash and Investments	<u>\$ 51,828</u>
Total Assets	<u><u>\$ 51,828</u></u>
NET POSITION:	
Restricted	<u> 51,828</u>
Total Net Position	<u><u>\$ 51,828</u></u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	<u>LAUGHLIN SCHOLARSHIP FUND</u>
ADDITIONS:	
From Local Sources	<u>\$ 11,266</u>
Total Revenues	<u>11,266</u>
DEDUCTIONS:	
Instruction	<u>2,000</u>
Total Expenditures	<u>2,000</u>
Net Change in Net Position	9,266
Net Position - Beginning	<u>42,562</u>
Net Position - Ending	<u><u>\$ 51,828</u></u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district's significant accounting policies are described below.

REPORTING ENTITY

Yamhill Carlton School District No. 1 (the District) is a municipal corporation governed by a separately elected five-member board authorized to transact all business on the District's behalf. The District is a primary government exercising financial accountability for all public education within its boundaries. The Board approves administrative officials. The daily functioning is under supervision of the Superintendent. As required by generally accepted accounting principles, all activities have been included in the basic financial statements.

The financial statements include all funds and account groups. The District is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in GAAP and Governmental Accounting Standards Board (GASB) Statement No. 61. Financial accountability is based primarily on the authority to appoint a voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency. There are no component units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Under terms of grant agreements, certain programs are funded by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are restricted and unrestricted resources available to finance the program. It is policy to first apply cost reimbursement grant resources to such programs and then general revenues. In the process of aggregating data for the Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables were eliminated to minimize the "grossing up" effect on assets and liabilities. Neither fiduciary funds nor component units that are fiduciary in nature are included.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) (CONTINUED)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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 and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

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

The following major governmental funds are reported:

GENERAL FUND

This fund accounts for all financial resources and expenditures except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

SPECIAL REVENUE FUND

This fund consists of all special revenue funds established to account for revenues and expenditures related to grants, student activities and other special revenues.

DEBT SERVICE FUND

This fund accounts for the property tax revenues related to debt service and makes the debt service payments on the general obligation bonds.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL PROJECTS FUND

This fund accounts for activities related to the acquisition, construction, repairing and equipping of facilities. Principal revenue sources are proceeds from the sale of bonds and construction excise tax.

FIDUCIARY FUND – NON-MAJOR

LAUGHLIN SCHOLARSHIP FUND

This fund accounts for donations received from the Laughlin family. The funds are disbursed to award recipients chosen annually by the Laughlin family.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, depreciation and amortization are not recorded and debt, vacation pay, and Other Post-Employment Benefits (OPEB) obligations are expensed when paid instead of when incurred.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through early spring with the budget committee approving the budget in late spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022.

PROPERTY TAXES RECEIVABLE

Real and personal property taxes are attached as an enforceable lien on property as of January 1. All taxes levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

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

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 up on 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.

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. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

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 are recorded as unearned revenue on the statement of net position and the balance sheet.

SUPPLY INVENTORIES

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Supplies are accounted for based on the purchase method. Donated commodities consumed

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes.

CAPITAL ASSETS

Capital assets include land, buildings & improvements, and vehicles & equipment, and are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets were depreciated, in prior years, using the straight-line method over the following useful lives:

Building and Improvements	20 to 50 years
Land Improvements	15 to 25 years
Equipment	5 to 20 years
Vehicles	10 years

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

COMPENSATED ABSENCES

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation, the rate at which vacation is earned is determined by the employee's length of employment. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-retirement benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full form. Current financial resources are reported as obligation of the funds.

USE OF ESTIMATES

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

LONG-TERM OBLIGATIONS

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

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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.

LEASE ASSETS

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

LEASE PAYABLE

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS'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 in accordance with GASB Statements 68, 71, 73 and 75.

PERS

Substantially all employees participate in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

EARLY RETIREMENT

Certificated employees who have reached age 55 or hired before July 1, 2005, the last 10 years of which have been in the District, are eligible for early retirement benefits which are funded and charged to expenditures as payments become due to early retirees.

NET POSITION

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

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

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

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provisions or enabling legislation. There are assets restricted for capital projects, debt service, food service and unemployment retiree reserve.

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

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

FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. 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 of reserved, designated, and unreserved/undesignated were replaced with five classifications – nonspendable, restricted, committed, assigned, and unassigned.

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements is \$356,345, all of which is covered by federal depository insurance. The remainder is covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. State statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may be deposits at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Cash and Investments at June 30, 2022, (recorded at fair value) consisted of:

Demand Deposits:			
Checking	\$ 222,181	Governmental Funds	\$ 2,366,591
Savings	3,305	Fiduciary Funds	51,828
Certificate of Deposit	53,805		
Wells Fargo PERS	61		
LGIP	<u>2,139,067</u>		
Total	<u>\$ 2,418,419</u>	Total	<u>\$ 2,418,419</u>

INVESTMENTS

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares in the Oregon Short Term Fund audited financial statements. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[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.

There were the following investments and maturities at June 30, 2022:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Wells Fargo PERS	\$ 61	\$ 61	\$ -	\$ -
State Treasurer's Investment Pool	2,139,067	2,139,067	-	-
Total	\$ 2,139,128	\$ 2,139,128	\$ -	\$ -

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2022, none of the bank balance was exposed to custodial credit risk because it was fully insured.

Interest Rate Risk

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

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

At June 30, 2022, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:				
Land and Land Improvements	\$ 5,514,354	\$ -	\$ -	\$ 5,514,354
Construction in Progress	797,609	178,174	(797,609)	178,174
Total capital assets not being depreciated	6,311,963	178,174	(797,609)	5,692,528
Capital assets being depreciated:				
Buildings and Improvements	29,193,633	1,321,518	-	30,515,151
Vehicles & Equipment	1,320,260	67,429	-	1,387,689
Leased Machinery & Equipment	-	73,715	-	73,715
Total capital assets being depreciated	30,513,893	1,462,662	-	31,976,555
Less total accumulated depreciation for:				
Buildings and Improvements	(6,582,593)	(685,329)	-	(7,267,922)
Vehicles & Equipment	(393,596)	(65,524)	-	(459,120)
Leased Machinery & Equipment	-	(18,600)	-	(18,600)
Total accumulated depreciation	(6,976,189)	(769,453)	-	(7,745,642)
Total capital assets being depreciated, net	23,537,704	693,209	-	24,230,913
Total Capital Assets, Net - Restated	<u>\$ 29,849,667</u>			<u>\$ 29,923,441</u>

Depreciation for the year was charged to the following programs:

Instruction	\$ 436,036
Support Services	310,468
Enterprise and Community Services	22,949
	<u>\$ 769,453</u>

5. LEASE RECEIVABLES AND DEFERRED INFLOWS

For year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about the governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings for the right to use and underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and deferred inflow of resources.

On 07/01/2021, Yamhill-Carlton Schools, OR entered into a 51 month lease as Lessor for the use of Verizon Cell Tower. An initial lease receivable was recorded in the amount of \$80,376. As of 06/30/2022, the value of the lease receivable is \$62,186. The lessee is required to make monthly fixed payments of \$1,515. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of 06/30/2022 was \$62,186, and Yamhill-Carlton Schools recognized lease revenue of \$18,912 during the fiscal year. The lessee has 8 extension option(s), each for 60 months.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. LEASE RECEIVABLES AND DEFERRED INFLOWS

Governmental Activities

Lease Receivable	July 1, 2021	Additions	Reductions	June 30, 2022
Building				
Verizon Tower Lease	\$ -	\$ 80,376	\$ 18,190	\$ 62,186
Total Lease Receivable	<u>\$ -</u>	<u>\$ 80,376</u>	<u>\$ 18,190</u>	<u>\$ 62,186</u>
Deferred Inflow of Resources				
Building				
Verizon Tower Lease	\$ -	\$ 80,376	\$ 18,190	\$ 62,186
Total Deferred inflow of Resources	<u>\$ -</u>	<u>\$ 80,376</u>	<u>\$ 18,190</u>	<u>\$ 62,186</u>

The deferred inflow is amortized on a straight line basis. Future maturities for the receivables are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 18,612	\$ 245	\$ 18,858
2024	19,076	159	19,235
2025	19,548	71	19,620
2026	4,950	4	4,954
Total	<u>\$ 62,186</u>	<u>\$ 480</u>	<u>\$ 62,666</u>

6. LONG-TERM DEBT

A summary of debt transactions of the year ended June 30, 2022, including leased equipment reported as debt in accordance with GASB Statement No. 87:

Issue Date	Interest Rates	Issue Amount	Outstanding July 1, 2021	Issued	Matured and Redeemed	Outstanding June 30, 2022	Due Within One Year
Direct Borrowings and Placements							
2007 QZAB	1.49%	\$ 1,000,000	\$ 210,000	\$ -	\$ 70,000	\$ 140,000	\$ 70,000
2009 QZAB	0.00%	1,000,000	214,286	-	71,429	142,857	71,429
2019 FF & C	3-4%	3,030,000	3,030,000	-	-	3,030,000	-
Bonds							
2003 PERS UAL	1.50-5.68%	9,421,889	5,461,822	-	248,152	5,213,670	248,670
2016 GO Bond	2-4.25%	14,200,000	12,495,000	-	450,000	12,045,000	490,000
Leases							
Leases	0.46%	73,715	-	73,715	18,305	55,410	18,386
Total Governmental Activities			<u>\$ 21,411,108</u>	<u>\$ 73,715</u>	<u>\$ 857,885</u>	<u>\$ 20,626,937</u>	<u>\$ 898,485</u>
Bond Premium			\$ 2,215,823	\$ -	\$ 71,077	\$ 2,144,747	\$ -
Total with premium			<u>\$ 23,626,931</u>	<u>\$ 73,715</u>	<u>\$ 928,962</u>	<u>\$ 22,771,684</u>	<u>\$ 898,485</u>

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

For further detail on debt service, see the ‘Schedule of Bond and Interest Transactions and Balances’ and ‘Schedule of Future Requirements for Retirement of Long-Term Debt’ in the Other Information section of this report.

Bonds

Fiscal Year

Ended	Principal	Interest	Total
2022-23	\$ 738,670	\$ 1,373,452	\$ 2,112,122
2023-24	1,455,000	737,522	2,192,522
2024-25	1,610,000	664,506	2,274,506
2025-26	1,780,000	582,886	2,362,886
2026-27	1,960,000	492,450	2,452,450
2028-33	4,945,000	1,533,489	6,478,489
2033-37	4,770,000	505,625	5,275,625
Total	<u>\$ 17,258,670</u>	<u>\$ 5,889,930</u>	<u>\$ 23,148,600</u>

Direct Borrowings and Placements

Fiscal Year Ended	Principal	Interest	Total
2022-23	\$ 141,429	\$ 123,188	\$ 264,617
2023-24	151,429	121,993	273,422
2024-25	15,000	120,500	135,500
2025-26	25,000	119,700	144,700
2026-27	10,000	119,000	129,000
2028-32	205,000	578,300	783,300
2033-37	575,000	502,900	1,077,900
2038-42	1,135,000	335,300	1,470,300
2043-47	1,055,000	66,300	1,121,300
Total	<u>\$ 3,312,857</u>	<u>\$ 2,087,181</u>	<u>\$ 5,400,038</u>

BONDS:

General Obligation Bond 2016: The grant agreement also stipulates events of default under the agreement and remedies of the State in case of a default by the District. The events of default include any false or misleading representations by the District to the State or failure to perform any covenant after notice from the State and a cure period. The remedies include requiring the District to repay grant funds that have been disbursed (including any costs of decreasing the portion of the State's bonds, allocable costs of issuance and legal fees) and allowing the State to intercept State school fund disbursements due to the District to make these payments. If the grant was not received, terminated, or required to be repaid, the District does not expect it would have a material impact on the District's ability to complete the Project, repay the Bonds or to operate the District.

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

Pension Obligation Bond 2003: If an Event of Default occurs and is continuing the Program Trustee may exercise any remedy available at law or in equity; however, the Bond Payments shall not be subject to acceleration, and the District shall be responsible solely for its Bond Payments and any Additional Charges reasonably allocated to it.

DIRECT BORROWINGS AND PLACEMENTS CONTINUED:

Full Faith & Credit Loan 2019: Upon the occurrence and continuance of any Event of Default, the Escrow Agent may proceed, and upon written request of the Owners of not less than a majority in aggregate principal amount of Obligations the outstanding, shall proceed to take whatever action at law or in equity may appear necessary or desirable to enforce the Financing Agreement or to protect any of the rights vested in the Escrow Agent or the Owners of Obligations by the Escrow Agreement or by the Obligations, either at law or in equity or in bankruptcy or Otherwise, whether for the specific enforcement of any covenant or agreement contained in the Escrow Agreement or in aid of the exercise of any power granted in the Escrow Agreement or for the enforcement of any other legal or equitable right vested in the Escrow Agent by the Escrow Agreement or by law. However, the financing amount and the financing payments shall not be subject to acceleration.

QZAB 2007: Whenever any Event of Default exists, the Seller shall have the right at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years;

(b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments, as well as any other sums due hereunder; and upon written notice to the District, all funds in the Project Account, shall be paid to Seller and shall be applied by Seller to the amount due by the District under this Agreement; The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

QZAB 2009: Whenever any Event of Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years; (b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments, as well as any other sums due hereunder; and upon written notice to the District, all funds in the Project Account, shall be paid to Seller and shall be applied by Seller to the amount due by the District under this agreement The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

OTHER DEBT

For year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about the governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings for the right to use and underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

On 07/01/2021, Yamhill-Carlton Schools, OR entered into a 48 month lease as Lessee for the use of Konica Minolta Multifunction Copiers and FP Postage Machine. An initial lease liability was recorded in the amount of \$73,715. As of 06/30/2022, the value of the lease liability is \$55,410. Yamhill-Carlton Schools is required to make monthly fixed payments of \$1,550. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$73,715 with accumulated amortization of \$18,600 is included with Equipment on the Lease Class activities table found in the capital asset note above.

Long-Term Debt: Leases	July 1, 2021	Additions	Reductions	June 30, 2023
Leases				
Konica Copiers	\$ -	\$ 73,715	\$ 18,305	\$ 55,410
Total Lease Receivable	<u>\$ -</u>	<u>\$ 73,715</u>	<u>\$ 18,305</u>	<u>\$ 55,410</u>

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 18,386	\$ 214	\$ 18,600
2024	18,470	130	18,600
2025	<u>18,554</u>	<u>46</u>	<u>18,600</u>
Total	<u>\$ 55,410</u>	<u>\$ 390</u>	<u>\$ 55,800</u>

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/2021-ACFR.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

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.
 - 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.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- 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, 2022 were \$1,005, excluding amounts to fund employer specific liabilities. In addition approximately \$331,327 in employee contributions were paid or picked up by the District in fiscal 2022. At June 30, 2022, the District reported a net pension liability of \$1,691,731 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. 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 date of June 30, 2021 and 2020, the District's proportion was .014 percent and .017 percent, respectively. Pension expense for the year ended June 30, 2022 was \$(240,220).

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – .05%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 158,357	\$ -
Changes in assumptions	423,491	4,452
Net difference between projected and actual earnings on pension plan investments	-	1,252,375
Net changes in proportionate share	378,966	927,611
Differences between contributions and proportionate share of contributions	-	611,692
Subtotal - Amortized Deferrals (below)	960,814	2,796,130
Contributions subsequent to measuring date	1,005	-
Deferred outflow (inflow) of resources	\$ 961,819	\$ 2,796,130

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, 2023.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (550,163)
2024	(505,162)
2025	(332,333)
2026	(430,295)
2027	(17,363)
Thereafter	-
Total	<u>\$ (1,835,316)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2021 PERS ACFR; p. 104)

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2021 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. 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%)
Proportionate share of the net pension liability	\$ 3,322,155	\$ 1,691,731	\$ 327,658

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 \$2,535 per month on January 1, 2021) 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 made optional contributions to member IAP accounts in the amount of \$242 for the year ended June 30, 2022.

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

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other 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 districts 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, 2022. 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 for the years ended June 30, 2020, 2021 and 2022 were \$5,805, \$6,361 and \$998, respectively, which equaled the required contributions each year.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2022, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

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>

8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75

Plan Description: The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The postretirement 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. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy: The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of July 1, 2021 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year		2.16%
General Inflation Rate per year		2.40%
Salary Scale per year		3.40%
Annual Medical Premium increase rate	2020-2021	3.25%
	2021-2022	5.00%
	2022-2023	5.25%
	2024-2025	5.00%
	2026-2028	4.75%
	2029-2061	4.50%
	2062-2067	4.25%
	2068-2072	4.00%
	2073+	3.75%

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONT.)

Mortality rates were based on the Pub-2010 Teacher Employee and Healthy Retiree tables, sex distinct for members and dependents. Future mortality improvement is not projected as it would be immaterial to the valuation.

Disability rates were not used.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2020. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Changes in Medical Benefit OPEB Liability:

Total OPEB Liability - Beginning	2022	2021	2020
	\$ 856,080	\$ 803,959	\$ 859,978
Changes for the Year:			
Service Cost	65,606	56,464	56,552
Interest	19,480	28,718	33,894
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(146,937)	-	(50,391)
Changes of Assumptions or Other Input	11,999	47,461	(13,845)
Benefit Payments	(80,906)	(80,522)	(82,229)
Net Changes for the Year	(130,758)	52,121	(56,019)
Total OPEB Liability - Ending	\$ 725,322	\$ 856,080	\$ 803,959

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following analysis presents the net OPEB liability using a discount rate of 2.16%, as well as what the District's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

June 30, 2022	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 767,556	\$ 725,322	\$ 685,054

June 30, 2022	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 671,785	\$ 725,322	\$ 787,829

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits: The District reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONT.)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (159,071)	\$ -
Changes in assumptions	(28,326)	45,470
Benefit Payments	-	68,609
Deferred outflow (inflow) of resources	\$ (187,397)	\$ 114,079

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

Year ending June 30	Amount
2023	\$ (26,508)
2024	(26,508)
2025	(23,309)
2026	(19,918)
2027	(15,694)
Thereafter	(29,990)
Total	\$ (141,927)

9. COMMITMENTS AND CONTINGENCIES

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 the District expects such amount, 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, there can be increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

10. RISK MANAGEMENT

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

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees. The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees. There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 514,580
Special Revenue Funds	75,000	-
Debt Service Fund	298,529	-
Cap. Proj. Fund	141,051	-
	\$ 514,580	\$ 514,580

The interfund transfers are budgeted amounts from the General Fund to cover the early retiree benefits and food service in the Special Revenue Fund and to cover the payments for the QZAB loans and PERS UAL debt in the Debt Service Fund.

12. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations included community colleges, local school districts, and education service districts. The limitation provided that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. The 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 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 sets 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.

13. DUE TO AND FROM OTHER FUNDS

Interfund balances represent cash owed by one fund to another. The District utilizes a common cash depository. The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Major components of the balances include reimbursement from the State School Fund Transportation Grant for amounts spent on a new facility, debt payments made on bonds for tax receivables due, and payments for reimbursable grants and risk claims. These amounts are not included in the Government Wide Statement of Net Position. For purposes of the fund financial statements, individual fund due to and from other funds at June 30, 2022 were as follows:

Fund	Fund #	Due From	Due To
General Fund	100	\$ 961,901	\$ -
Special Revenue Fund	200	-	961,901
	Total	\$ 961,901	\$ 961,901

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

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) YCS D covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.01 %	\$ 1,691,731	\$ 5,643,966	30.0 %	87.6 %
2021	0.02	3,749,823	4,970,431	75.4	75.8
2020	0.01	2,261,440	4,941,223	45.8	80.2
2019	0.02	3,482,004	4,860,496	71.6	82.1
2018	0.02	3,141,205	5,219,307	60.2	83.1
2017	0.02	3,233,657	5,185,832	62.4	80.5
2016	0.01	354,405	4,767,772	7.4	91.9
2015	0.01	(146,649)	4,758,828	(3.1)	103.6
2014	0.01	330,156	4,182,881	7.9	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

Year	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
2022	\$ 1,005	\$ 1,005	\$ -	\$ 6,219,852	0.02 %
2021	1,103	1,103	-	5,643,966	0.02
2020	804	804	-	4,970,431	0.02
2019	43,268	43,268	-	4,941,223	0.88
2018	44,344	44,344	-	4,860,496	0.91
2017	23,856	23,856	-	5,219,307	0.46
2016	88,072	88,072	-	5,185,832	1.70
2015	148,632	148,632	-	4,767,772	3.10
2014	81,797	81,797	-	4,758,828	1.70

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

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.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
 For the fiscal year ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 856,080	\$ 803,959	\$ 859,978	\$ 920,049	\$ 1,011,762
Changes for the year:					
Service Cost	65,606	56,464	56,552	55,933	58,950
Interest	19,480	28,718	33,894	32,580	28,538
Changes of Benefit Terms	-	-	-	-	-
Effect of Economic/Demographic Gains or Losses	(146,937)	-	(50,391)	-	-
Changes of Assumptions or Other Input	11,999	47,461	(13,845)	(15,558)	(39,457)
Benefit Payments	(80,906)	(80,522)	(82,229)	(133,026)	(139,744)
Net Changes for the Year	(130,758)	52,121	(56,019)	(60,071)	(91,713)
Total OPEB Liability - Ending	\$ 725,322	\$ 856,080	\$ 803,959	\$ 859,978	\$ 920,049
Covered Payroll	6,219,852	5,643,966	4,970,431	4,941,223	4,860,496
Net Single Employer Pension Plan as a Percentage of Covered Payroll	11.66%	15.17%	16.17%	17.40%	18.93%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 75 in the fiscal year ending June 30, 2018.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 4,155,050	\$ 4,155,050	\$ 4,110,200	\$ (44,850)
Intermediate Sources	125,000	125,000	166,694	41,694
State Sources	6,828,811	6,860,491	7,164,072	303,581
Total Revenues	11,108,861	11,140,541	11,440,966	300,425
EXPENDITURES:				
Instruction	6,400,674	6,664,381 (1)	6,019,662	644,719
Support Services	4,873,508	4,905,188 (1)	4,594,415	310,773
Contingencies	1,000,000	536,293 (1)	-	536,293
Total Expenditures	12,274,182	12,105,862	10,614,077	1,491,785
Excess of Revenues Over (Under) Expenditures	(1,165,321)	(965,321)	826,889	1,792,210
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	17,273	17,273
Transfers Out	(334,679)	(534,679) (1)	(514,580)	20,099
Total Other Financing Sources (Uses)	(334,679)	(534,679)	(497,307)	37,372
Net Change in Fund Balance	(1,500,000)	(1,500,000)	329,582	1,829,582
Beginning Fund Balance	1,500,000	1,500,000	1,899,599	399,599
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,229,181</u>	<u>\$ 2,229,181</u>

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

SPECIAL REVENUE FUNDS

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Local Sources	\$ 366,500	\$ 366,500	\$ 328,446	\$ (38,054)
State Sources	2,348,642	2,348,642	1,211,746	(1,136,896)
Federal Sources	821,426	821,426	1,015,576	194,150
Total Revenues	<u>3,536,568</u>	<u>3,536,568</u>	<u>2,555,768</u>	<u>(980,800)</u>
 EXPENDITURES:				
Instruction	2,577,734	2,577,734 (1)	1,371,370	1,206,364
Support Services	942,834	942,834 (1)	718,127	224,707
Community & Enterprise	471,000	471,000 (1)	386,085	84,915
Total Expenditures	<u>3,991,568</u>	<u>3,991,568</u>	<u>2,475,582</u>	<u>1,515,986</u>
Excess of Revenues Over (Under) Expenditures	(455,000)	(455,000)	80,186	535,186
Other Financing Sources, (Uses)				
Sale of Capital Assets	-	-	30,000	30,000
Transfers In	95,000	95,000	75,000	(20,000)
Total Other Financing Sources	<u>95,000</u>	<u>95,000</u>	<u>105,000</u>	<u>10,000</u>
Net Change in Fund Balance	(360,000)	(360,000)	185,186	545,186
Prior Period Adjustment				
Beginning Fund Balance	<u>360,000</u>	<u>360,000</u>	<u>366,180</u>	<u>6,180</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551,366</u>	<u>\$ 551,366</u>

(1) Appropriation Level

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SUPPLEMENTARY INFORMATION

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

<u>DEBT SERVICE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 2,158,627	\$ 2,158,627	\$ 2,009,345	\$ (149,282)
Total Revenues	<u>2,158,627</u>	<u>2,158,627</u>	<u>2,009,345</u>	<u>(149,282)</u>
EXPENDITURES:				
Debt Service	<u>2,827,206</u>	<u>2,827,206</u> (1)	<u>2,298,277</u>	<u>528,929</u>
Total Expenditures	<u>2,827,206</u>	<u>2,827,206</u>	<u>2,298,277</u>	<u>528,929</u>
Excess of Revenues Over (Under) Expenditures	(668,579)	(668,579)	(288,932)	379,647
Other Financing Sources, (Uses) Transfers In	<u>239,679</u>	<u>239,679</u>	<u>298,529</u>	<u>58,850</u>
Total Other Financing Sources	<u>239,679</u>	<u>239,679</u>	<u>298,529</u>	<u>58,850</u>
Net Change in Fund Balance	(428,900)	(428,900)	9,597	438,497
Beginning Fund Balance	<u>428,900</u>	<u>428,900</u>	<u>673,602</u>	<u>244,702</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 683,199</u></u>	<u><u>\$ 683,199</u></u>

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

<u>CAPITAL PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 268,000	\$ 268,000	\$ 109,929	\$ (158,071)
State Sources	<u>1,600,000</u>	<u>1,600,000</u>	<u>211,465</u>	<u>(1,388,535)</u>
Total Revenues	<u>1,868,000</u>	<u>1,868,000</u>	<u>321,394</u>	<u>(1,546,606)</u>
EXPENDITURES:				
Support Services	18,000	18,000 (1)	-	18,000
Building & Acquisition	<u>1,850,000</u>	<u>1,850,000 (1)</u>	<u>707,940</u>	<u>1,142,060</u>
Total Expenditures	<u>1,868,000</u>	<u>1,868,000</u>	<u>707,940</u>	<u>1,160,060</u>
Excess of Revenues Over (Under) Expenditures	-	-	(386,546)	386,546
Other Financing Sources, (Uses)				
Transfers In	<u>-</u>	<u>-</u>	<u>141,051</u>	<u>141,051</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>141,051</u>	<u>141,051</u>
Net Change in Fund Balance	-	-	(245,495)	(245,495)
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>319,361</u>	<u>319,361</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,866</u>	<u>\$ 73,866</u>

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

LAUGHLIN SCHOLARSHIP FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 1,000	\$ 1,000	\$ 11,266	\$ 10,266
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>11,266</u>	<u>10,266</u>
EXPENDITURES:				
Instruction	<u>2,000</u>	<u>2,000 (1)</u>	<u>2,000</u>	<u>-</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net Change in Fund Balance	(1,000)	(1,000)	9,266	10,266
Beginning Fund Balance	<u>42,500</u>	<u>42,500</u>	<u>42,562</u>	<u>62</u>
Ending Fund Balance	<u>\$ 41,500</u>	<u>\$ 41,500</u>	<u>\$ 51,828</u>	<u>\$ 10,328</u>

(1) Appropriation Level

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

OTHER INFORMATION

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For the Year Ended June 30, 2022

<u>DATE OF ISSUE</u>	<u>BONDS & COUPONS MATURING DURING THE YEAR</u>	<u>BONDS REDEEMED AND COUPONS PAID DURING THE YEAR</u>
April 21, 2003	\$ 248,152	\$ 248,152
June 12, 2007	70,000	70,000
July 1, 2009	71,429	71,429
July 19, 2016	<u>450,000</u>	<u>450,000</u>
Total	<u>\$ 839,581</u>	<u>\$ 839,581</u>

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT
 For the Year Ended June 30, 2022

	YEAR	PRINCIPAL	INTEREST	INTEREST RATES
		Due 12/20 & 6/20	Due 12/20 & 6/20	
Full Faith and Credit Loan Agreement and Note, Series 2019 - Original issue \$3,030,000				
	2022-23	\$ -	\$ 121,100	3.00%
	2023-24	10,000	120,950	3.00%
	2024-25	15,000	120,500	3.00%
	2025-26	25,000	119,700	4.00%
	2026-27	10,000	119,000	4.00%
	2028-32	205,000	578,300	4.00%
	2033-37	575,000	502,900	4.00%
	2038-42	850,000	335,300	4.00%
	2043-47	1,340,000	66,300	4.00%
		<u>\$ 3,030,000</u>	<u>\$ 2,084,050</u>	
Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2003, Wells Fargo Bank Northwest, NA, Trustee - Original Balance \$9,421,889				
	2022-23	\$ 248,670	\$ 897,702	6.22%
	2023-24	920,000	281,372	6.26%
	2024-25	1,025,000	229,756	6.27%
	2025-26	1,145,000	171,536	6.27%
	2026-27	1,270,000	106,500	5.68%
	2028-32	605,000	34,364	5.68%
		<u>\$ 5,213,670</u>	<u>\$ 1,721,230</u>	
		<u>Due 6/30</u>	<u>Due 12/30 & 6/30</u>	

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT
 For the Year Ended June 30, 2022

	YEAR	PRINCIPAL	INTEREST	INTEREST RATES
General Obligation Bond				
July 19, 2016				
- Original issue: \$14,200,000				
- Premium: \$1,923,680				
	2022-23	\$ 490,000	\$ 475,750	
	2023-24	535,000	456,150	
	2024-25	585,000	434,750	
	2025-26	635,000	411,350	
	2026-27	690,000	385,950	
	2028-32	4,340,000	1,499,125	
	2033-37	4,770,000	505,625	
		<u>\$ 12,045,000</u>	<u>\$ 4,168,700</u>	
		<u>Due 7/10</u>	<u>Due 7/10</u>	
Qualified Zone Academy Bond (QZAB)				
held by LaSalle Bank N.A.				
- Original Balance \$1,000,000				
	2022-23	\$ 70,000	\$ 2,088	1.49%
	2023-24	70,000	1,043	1.49%
		<u>\$ 140,000</u>	<u>\$ 3,131</u>	
		<u>Due 7/1</u>	<u>Due 7/1</u>	
Qualified Zone Academy Bond (QZAB)				
held by All Points Capital Corporation				
- Original Balance \$1,000,000				
	2022-23	\$ 71,429	\$ -	0.00%
	2023-24	71,429	-	0.00%
		<u>\$ 142,857</u>	<u>\$ -</u>	

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2022

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700	TOTAL
Revenue from Local Sources						
1110 Ad Valorem Taxes Levied by District	\$ 3,760,663	\$ -	\$ 942,307	\$ -	\$ -	\$ 4,702,970
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	91,521	-	91,521
1190 Penalties and Interest on Taxes	12,223	-	4,819	-	-	17,042
1311 Tuition From Individuals	-	-	-	-	-	-
1312 Tuition From Other Districts Within the State	159,355	-	-	-	-	159,355
1313 Tuition From Other Districts Outside the State	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-
1411 Transportation Fees from Individuals	5,734	-	-	-	-	5,734
1500 Earnings on Investments	7,051	345	(6,295)	218	(534)	785
1600 Food Service	-	588	-	-	-	588
1700 Extracurricular Activities	42,798	313,929	-	-	-	356,727
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	4,740	-	-	18,189	-	22,929
1920 Contributions and Donations From Private Sources	-	11,205	-	-	11,800	23,005
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	1,829	-	-	-	-	1,829
1970 Services Provided Other Funds	-	-	1,048,617	-	-	1,048,617
1980 Fees Charged to Grants	35,568	-	-	-	-	35,568
1990 Miscellaneous	80,236	2,379	19,897	-	-	102,512
Total Revenue from Local Sources	4,110,197	328,446	2,009,345	109,928	11,266	6,569,182
Revenue from Intermediate Sources						
2101 County School Funds	3,608	-	-	-	-	3,608
2102 General ESD Funds	162,613	-	-	-	-	162,613
2110 Intermediate "I" Tax	473	-	-	-	-	473
2200 Restricted Revenue	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-
Total Revenue from Intermediate Sources	166,694	-	-	-	-	166,694
Revenue from State Sources						
3101 State School Fund - General Support	7,003,956	-	-	-	-	7,003,956
3102 SSF - School Lunch Match	-	3,000	-	-	-	3,000
3103 Common School Fund	120,165	-	-	-	-	120,165
3199 Other Unrestricted Grants-In-Aid	39,950	-	-	-	-	39,950
3200 Restricted Grants-In-Aid	-	-	-	-	-	-
3299 Other Restricted Grants-In-Aid	-	1,208,745	-	211,465	-	1,420,210
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-
Total Revenue from State Sources	7,164,071	1,211,745	-	211,465	-	8,587,281
Revenue from Federal Sources						
4500 Restricted Rev Fed Gov through State	-	979,197	-	-	-	979,197
4700 Grants-In-Aid from the Fed Gov through Other Intermediate Agencies	-	-	-	-	-	-
4900 USDA Donated Commodities	-	36,378	-	-	-	36,378
Total Revenue from Federal Sources	-	1,015,575	-	-	-	1,015,575
Revenue from Other Sources						
5100 Long Term Debt Financing Sources	-	-	-	-	-	-
5200 Interfund Transfers	-	75,000	298,529	141,051	-	514,580
5300 Sale/Compensation Fixed Assets	17,273	30,000	-	-	-	47,273
5400 Resources - Beginning Fund Balance	1,899,600	366,178	673,601	319,362	42,562	3,301,303
Total Revenue from Other Sources	1,916,873	471,178	972,130	460,413	42,562	3,863,156
Total	\$ 13,357,835	\$ 3,026,944	\$ 2,981,475	\$ 781,806	\$ 53,828	\$ 20,201,888

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022

Fund: 100 General Funds								
Instruction Expenditures	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
1111 Primary, K-3	\$ 725,314	\$ 371,484	\$ 64,770	\$ 10,461	\$ -	\$ -	\$ -	\$ 1,172,029
1113 Elementary Extracurricular	1,207	398	-	266	-	-	-	1,871
1121 Middle/Junior high school programs	674,280	393,272	73,648	22,316	-	-	-	1,163,516
1122 Middle/Junior high school extracurricular	2,320	758	-	-	-	-	-	3,078
1131 High school programs	879,544	500,470	44,547	16,024	-	50	-	1,440,635
1132 High school extracurricular	162,555	33,433	35,318	17,137	4,790	7,997	-	261,230
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1220 Restrictive programs for student with disabilities	426,307	320,449	36,539	760	-	-	-	784,055
1250 Less restrictive programs for student with disabilities	253,070	135,474	30,421	1,611	-	-	-	420,576
1280 Alternative education	381,587	202,045	96,130	45,941	-	-	-	725,703
1291 English second language programs	22,271	16,134	8,308	186	-	-	-	46,899
1400 Summer school programs	-	-	-	68	-	-	-	68
Total Instruction Expenditures	3,528,455	1,973,917	389,681	114,770	4,790	8,047	-	6,019,660
Support Services Expenditures								
2110 Attendance and social work	24,637	5,033	10,000	-	-	-	-	39,670
2120 Guidance services	87,758	45,591	51,995	1,544	-	-	-	186,888
2130 Health services	-	-	34,271	1,113	-	-	-	35,384
2140 Psychological services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	25,163	-	-	-	-	25,163
2190 Service direction, student support services	61,925	29,013	-	-	-	-	-	90,938
2210 Improvement of instruction services	70	23	125	-	-	-	-	218
2220 Educational media services	57,916	36,518	123	3,811	-	-	-	98,368
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of education services	-	-	37,195	3,142	-	37,416	-	77,753
2320 Executive administration services	194,086	92,542	1,650	1,528	-	1,363	-	291,169
2410 Office of the principal services	613,083	287,583	8,660	10,908	-	2,975	-	923,209
2520 Fiscal services	131,369	63,859	12,379	42,506	-	20,517	-	270,630
2540 Operation and maintenance of plant services	336,171	196,150	495,717	61,373	32,509	171,958	-	1,293,878
2550 Student transportation services	-	-	752,517	-	-	-	-	752,517
2640 Staff services	90,740	39,952	14,678	908	-	2,436	-	148,714
2660 Technology services	31,755	11,035	202,065	47,544	67,365	150	-	359,914
Total Support Services Expenditures	1,629,510	807,299	1,646,538	174,377	99,874	236,815	-	4,594,413
Other Uses Expenditures								
5100 Debt service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	514,579	514,579
Total Other Uses Expenditures	-	-	-	-	-	-	514,579	514,579
Total 100 General Funds	\$ 5,157,965	\$ 2,781,216	\$ 2,036,219	\$ 289,147	\$ 104,664	\$ 244,862	\$ 514,579	\$ 11,128,652

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022

Fund: 200 Special Revenue Funds

Instruction Expenditures	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
1111 Primary, K-3	\$ 157,342	\$ 68,379	\$ -	\$ 53,427	\$ -	\$ -	\$ -	\$ 279,148
1113 Elementary extracurricular	-	-	-	18,539	-	-	-	18,539
1121 Middle/Junior High Programs	94,200	44,472	-	11,513	-	-	-	150,185
1122 Middle/Junior high school extracurricular	-	-	-	28,538	-	-	-	28,538
1131 High school programs	94,468	50,015	4,571	41,014	26,259	8,286	-	224,613
1132 High school extracurricular	-	-	-	180,244	-	-	-	180,244
1220 Restrictive programs for student with disabilities	-	-	-	-	-	-	-	-
1250 Less restrictive programs for student with disabilities	106,191	62,825	(1)	1,624	-	-	-	170,639
1272 Title I	60,290	28,356	11,699	4,551	-	-	-	104,896
1280 Alternative Education	342	112	-	-	-	-	-	454
1291 English Language Learner	18,900	19,022	-	-	-	-	-	37,922
1400 Summer School Programs	42,667	13,739	96	113,648	-	6,042	-	176,192
Total Instruction Expenditures	574,400	286,920	16,365	453,098	26,259	14,328	-	1,371,370
Support Services Expenditures								
2120 Guidance Services	129,176	75,528	2,379	558	-	-	-	207,641
2130 Health services	19,746	16,298	-	-	-	-	-	36,044
2210 Improve instruction services	16,403	5,406	419	-	-	-	-	22,228
2212 Other improvement of instruction services	-	-	-	-	-	-	-	-
2230 Assessment and testing	-	-	-	3,055	-	-	-	3,055
2240 Instructional staff development	9,000	2,965	11,668	-	-	-	-	23,633
2310 Board of Education	-	-	-	1,652	-	-	-	1,652
2410 Office of principal services	108,069	52,281	-	-	-	-	-	160,350
2490 Other support services - school administration	-	-	-	-	-	-	-	-
2520 Fiscal services	-	11,072	-	-	-	20,987	-	32,059
2529 Other fiscal services	-	-	-	-	-	-	-	-
2540 Operation and maintenance of plant services	42,881	25,391	17,500	23,875	13,699	-	-	123,346
2550 Transportation Services	-	-	26,659	-	-	-	-	26,659
2558 Special education transportation services	-	-	-	-	-	-	-	-
2579 Other internal services	-	-	-	-	-	-	-	-
2620 Plan, research and development	-	-	-	-	-	-	-	-
2640 Staff services	3,500	21,682	-	-	-	-	-	25,182
2660 Technology services	-	-	-	33,085	-	-	-	33,085
2700 Supplemental retirement program	1,500	21,692	-	-	-	-	-	23,192
Total Support Services Expenditures	330,275	232,315	58,625	62,225	13,699	20,987	-	718,126
Enterprise and Community Services								
3100 Food services	127,229	76,902	5,079	171,381	-	5,493	-	386,084
Total Enterprise and Community Services	127,229	76,902	5,079	171,381	-	5,493	-	386,084
Total 200 Special Revenue Funds	\$ 1,031,904	\$ 596,137	\$ 80,069	\$ 686,704	\$ 39,958	\$ 40,808	\$ -	\$ 2,475,580

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022

Fund: 300 Debt Service								
	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,298,276	\$ -	\$ 2,298,276
Total Other Uses Expenditures	-	-	-	-	-	2,298,276	-	2,298,276
Total 500 Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,298,276	\$ -	\$ 2,298,276

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022

Fund: 400 Capital Projects Funds

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Support Services Expenditures								
2310 Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
Total Support Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction								
4150 Building Acquisition, Construction, and Impr	-	-	32,549	-	669,574	5,817	-	707,940
Total Other Uses Expenditures	-	-	32,549	-	669,574	5,817	-	707,940
Other Uses Expenditures								
5200 Transfers of Funds	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
 Total 400 Capital Projects Funds	 \$ -	 \$ -	 \$ 32,549	 \$ -	 \$ 669,574	 \$ 5,817	 \$ -	 \$ 707,940

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

FIDUCIARY FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2022

Fund: 700 Fiduciary Fund								
	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>
Instruction								
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Total Instruction Expenditures	-	-	2,000	-	-	-	-	2,000
Total 700 Agency Funds	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

SUPPLEMENTAL INFORMATION
As Required by The Department of Education
For the Year Ended June 30, 2022

<p>A. Energy Bill for Heating - All Funds: Please enter your expenditures for electricity & heating fuel for these Functions & Objects.</p>	<p>Function 2540 Function 2550</p>	<p style="text-align: center;"><u>Objects 325 & 326</u></p> <p>\$ 277,937 -</p>																
<p>B. Replacement of Equipment – General Fund: Include all General Fund expenditures in object 542, except for the following exclusions: Exclude these functions:</p>																		
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">1113, 1122 & 1132</td> <td style="width: 30%;">Co-curricular Activities</td> <td style="width: 10%; text-align: right;">4150</td> <td style="width: 30%;">Construction</td> </tr> <tr> <td>1140</td> <td>Pre-Kindergarten</td> <td style="text-align: right;">2550</td> <td>Pupil Transportation</td> </tr> <tr> <td>1300</td> <td>Continuing Education</td> <td style="text-align: right;">3100</td> <td>Food Service</td> </tr> <tr> <td>1400</td> <td>Summer School</td> <td style="text-align: right;">3300</td> <td>Community Services</td> </tr> </table>	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		<p style="text-align: center;"><u>Amount</u></p> <p>\$ 69,310</p>
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															

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Representative Levy Rate			
(Rates per \$1,000 of Assessed Value)			
	2022		
	Operating	Bond Levy	Consolidated
General Government	Rate	Rate	Rate
Yamhill County	\$ 2.5775	-	\$ 2.5775
Yamhill County Extension Service	0.0449	-	0.0449
Yamhill County Soil & Water	0.0354	-	0.0354
Chemekata Library	0.0818	-	0.0818
City of Carlton	5.0098	0.3095	5.3193
New Carlton Fire	1.0500	0.2474	1.2974
Total General Government	<u>8.7994</u>	<u>0.5569</u>	<u>9.3563</u>
Education			
Yamhill-Carlton SD	4.7818	1.1663	5.9481
Willamette Regional ESD	0.2967	-	0.2967
Chemekata Community College	0.6259	0.2679	0.8938
Total Education	<u>5.7044</u>	<u>1.4342</u>	<u>7.1386</u>
Total Tax Rate	<u>\$ 14.5038</u>	<u>\$ 1.9911</u>	<u>\$ 16.4949</u>

Source: Yamhill County Assessor's Office, Tax Code 11

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Taxable Property Values

Fiscal Year	M5 Real Market Value	Total Assessed Value	Urban Renewal Excess	Net Assessed Value
2022	\$ 1,401,536,935	\$ 815,319,037	\$ 15,919,413	\$ 831,238,450
2021	1,255,954,218	779,848,872	13,812,691	793,661,563
2020	1,233,587,463	737,161,209	12,058,787	749,219,996
2019	1,146,491,541	700,499,778	8,744,168	709,243,946
2018	1,077,253,841	667,298,085	8,039,947	675,338,032
2017	923,637,986	643,686,198	6,961,018	650,647,216
2016	815,265,599	612,467,346	6,431,725	618,899,071
2015	784,024,262	585,124,515	4,446,352	589,570,867
2014	801,527,897	565,421,402	3,610,473	569,031,875
2013	740,047,841	543,068,722	3,075,193	546,143,915

Yamhill Carlton School District No. 1
Yamhill County, Oregon
Major Taxpayers - Fiscal Year 2022

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Portland General Electric Co	Electrical/Utility	\$ 111,215	\$ 26,365,000	3.17%
Weyerhaeuser Company by Merger to	Wood Products	50,272	10,513,305	1.26%
Jackson Family Investments	Investment	30,536	7,010,484	0.84%
Louis Jadot Estates LLC	Winery	21,426	4,480,656	0.54%
Bailey Nurseries Inc	Agriculture	18,783	3,961,480	0.48%
Jackson Family Investments III LLC	Investment	16,897	3,755,506	0.45%
Carlton Packing Co Inc	Farm	16,684	3,966,241	0.48%
HOB Oregon LLC	Domesticated LLC	15,545	3,484,022	0.42%
Jackson Family Wines Inc	Winery	15,440	3,577,720	0.43%
Somar Ranches LLC	Farm	12,766	2,801,206	0.34%
Subtotal - Ten of District's largest taxpayers			69,915,620	8.41%
All other District's taxpayers			761,322,830	91.59%
Total District			\$ 831,238,450	100.00%

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Representative Levy Rate

Fiscal Year	Permanent Rate	Bond Levy	Total
2022	\$ 4.7818	\$ 1.1663	\$ 5.9481
2021	4.7818	2.1020	6.8838
2020	4.7818	2.0827	6.8645
2019	4.7818	2.1996	6.9814
2018	4.7818	2.3550	7.1368
2017	4.7818	2.2804	7.0622
2016	4.7818	0.9371	5.7189
2015	4.7818	1.2178	5.9996
2014	4.7818	1.0985	5.8803
2013	4.7818	1.1171	5.8989
2012	4.7818	1.2178	5.9996

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Historical Enrollment

Fiscal Year	Average Daily Membership(w)⁽¹⁾	Enrollment⁽²⁾
2022 ⁽³⁾	1,159	1,029
2021	1,174	1,053
2020	1,174	1,061
2019	1,142	1,028
2018	1,172	1,023
2017	1,178	1,035
2016	1,268	1,051
2015	1,271	1,077
2014	1,295	1,166

(1) Weighted Average Daily Membership is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts. Districts receive funding based on the higher ADMw of current and prior year.

(2) Enrollment is the number of students attending classes.

(3) Preliminary, subject to change.

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Issue	Issue Date	Final Maturity	Original Amount	Outstanding Amount
<i><u>General Obligation Bonds</u></i>				
General Obligation Refunding Bonds, Series 2016	8/3/2016	6/15/2036	\$14,200,000	\$ 12,045,000
<i><u>Full Faith and Credit Obligations</u></i>				
Full Faith and Credit Obligations, Series 2019	10/24/2019	5/1/2044	3,030,000	3,030,000
Qualified Zone Academy Bonds, Series 2009	5/1/2009	6/30/2024	1,000,000	142,857
Qualified Zone Academy Bonds, Series 2007	6/1/2007	6/30/2024	1,000,000	140,000
Total Full Faith and Credit Obligations				3,312,857
<i><u>Pension Obligations</u></i>				
Pension Obligation Bond, Series 2003	4/21/2003	6/30/2028	\$ 9,421,889	\$ 5,213,670
Total Long-Term Debt				\$ 20,571,527

Summary of Overlapping Debt

Overlapping Issuer Name	Percent Overlapping	Overlapping Debt	
		Gross Direct Debt	Net Direct Debt
City of Carlton	100.00%	\$ 3,245,895	\$ 3,245,895
City of Yamhill	100.00%	1,534,512	904,512
Yamhill RFPD	94.03%	464,514	464,514
New Carlton RFPD	93.58%	533,400	533,400
Yamhill County	7.85%	654,560	654,560
Chemeketa Community College	1.93%	2,415,033	1,818,342
Willamette ESD	1.75%	301,830	112,489
Dundee RFPD	75.00%	6,458	6,458
Tualatin Valley Fire & Rescue District	0.00%	\$ 871	\$ 781
TOTAL		\$ 9,157,073	\$ 7,740,951

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Debt Ratios – 2022

Measure 5 Real Market Value (Fiscal Year 2022) ⁽¹⁾	\$1,401,536,935	
Estimated Population ⁽²⁾	7,290	
Per Capita Real Market Value	<u>\$192,254.72</u>	
Debt Information	Gross Direct Debt⁽³⁾⁽⁵⁾	Net Direct Debt⁽⁴⁾⁽⁵⁾
Direct Debt	\$20,571,527	\$20,571,527
Overlapping Direct Debt	9,157,073	7,740,951
Total Direct Debt	<u>\$29,728,600</u>	<u>\$28,312,478</u>
Bonded Debt Ratios		
Direct Debt to Real Market Value	1.47%	1.47%
Total Direct Debt to Real Market Value	2.12%	2.02%
Per Capita Direct Debt	\$2,822	\$2,822
Per Capita Total Direct Debt	\$4,078	\$3,884

(1) Source: Yamhill County Assessor as of September 30, 2022.

(2) Source: December 2019 U.S. Census Bureau SAIPE School District Estimates.

(3) Gross Direct Debt includes all limited and unlimited tax supported debt, including the Obligations.

(4) Net Direct Debt is Gross Direct Debt less self-supporting unlimited tax general obligation debt and less self-supporting full faith and credit debt.

(5) The following obligations are not included in the property tax-backed debt calculations: appropriation credits, conduit revenue bonds, dedicated niche obligations, revenue bonds, obligations issued for less than 13-months, lease purchase agreements, loans, lines of credit or other non-publicly offered financial obligations. For additional information regarding debt types see the Oregon Bond Education Center, Types of Debt Instruments, at <https://www.oregon.gov/treasury/public-financial-services/pages/oregon-bond-education-center.aspx>.

Source: Debt Management Division, The Office of the State Treasurer as of June 30, 2022, and District.

Yamhill Carlton School District No. 1
Yamhill County, Oregon

District General Obligation Debt Capacity

Measure 5 Real Market Value (Fiscal Year 2022) ⁽¹⁾	\$ 1,401,536,935
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$111,422,186
Less: Outstanding Debt Subject to Limit ⁽²⁾	12,045,000
Remaining General Obligation Bond Capacity	99,377,186
Percent of Capacity Issued	10.81%

(1) *Source: Yamhill County Assessor.*

(2) Represents voter-approved unlimited tax general obligation bonds of the District. *Source: District.*

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS



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December 1, 2022

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Yamhill Carlton School District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 1, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

TARA M KAMP, CPA
PAULY, ROGERS AND CO., P.C.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON
GRANT COMPLIANCE REVIEW

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

Program Title	Federal CFDA Number	Pass Through Number	Grant Period	Grant Amount	2021-2022 Revenue and Expenditures
U.S. Department of Education					
Title I, Part A Cluster:					
Grants to Local Educational Agencies	84.010	60444	7/1/2020-9/30/2022	\$ 45,770	\$ 37,922
Grants to Local Educational Agencies	84.010	67104	7/1/2021-9/30/2022	107,361	105,173
Total, Title I, Part A Cluster				<u>153,131</u>	<u>143,095</u>
Special Education Cluster (IDEA):					
Special Education Grants to States	84.027	60774	7/1/2020-9/30/2022	184,683	106,008
Special Education Grants to States	84.027	53829	7/1/2019 - 9/30/2021	180,767	13,521
Total, Special Education Cluster (IDEA)				<u>365,450</u>	<u>119,529</u>
Student Support and Academic Enrichment	84.424	58696	7/1/2020-9/30/2022	10,000	10,000
				<u>10,000</u>	<u>10,000</u>
Title IIA - Supporting Effective Instruction	84.367	67538	7/1/2021-9/30/2022	23,554	23,554
Title IIA - Supporting Effective Instruction	84.367	58888	7/1/2020-9/30/2022	24,291	12,307
Total, Title IIA				<u>47,845</u>	<u>35,861</u>
Education Stabilization Fund II - COVID-19	84.425 (D)	67413	3/13/2020 - 9/30/2023	353,821	127,205
Education Stabilization Fund III - COVID-19	84.425 (U)	61069	3/13/2020 - 9/30/2024	795,189	158,390
				<u>1,149,010</u>	<u>285,595</u> (2)
Total, Passed through Oregon Department of Education				<u>1,725,436</u>	<u>594,080</u>
Total, U.S. Department of Education				<u><u>1,725,436</u></u>	<u><u>594,080</u></u>
U.S. Department of Agriculture					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
Commodities - Non-Cash Assistance	10.555		7/1/2021-6/30/22022	36,378	36,378
School Breakfast Program	10.553		7/1/2021-6/30/22022	86,279	86,279
USDA NSLP - COVID-19	10.555		7/1/2021-6/30/22022	1,458	1,458
USDA NSLP Supply Chain Assistance	10.555		7/1/2021-6/30/22023	23,421	23,421
National School Lunch Program	10.555		7/1/2021-6/30/22022	273,346	273,346
Total, Child Nutrition Cluster				<u>420,882</u>	<u>420,882</u> (1)
State Pandemic Electronic Benefit Transfer (P-EBT)	10.649		7/1/2021-6/30/22022	614	614
Total, State P-EBT Administrative Costs Grant				<u>614</u>	<u>614</u>
Total, U.S. Department of Agriculture				<u><u>421,496</u></u>	<u><u>421,496</u></u>
Total, Federal Awards				<u>\$ 2,146,932</u>	<u>\$ 1,015,576</u>

(1) Major Program
(2) COVID-19 Funds



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December 1, 2022

To the Board of Directors
Yamhill Carlton School District No. 1
Yamhill County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yamhill Carlton School District No. 1 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 1, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.



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December 1, 2022

To the Board of Directors
Yamhill Carlton School District No. 1
Yamhill County, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Yamhill Carlton School District No. 1's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yamhill Carlton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards,

Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) indentified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reporting in accordance with section the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) indentified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER NAME OF FEDERAL PROGRAM CLUSTER

10.555, 10.553 Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? yes no

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance.