

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



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, 2021

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Jami Eglund, Vice Chair

June 30, 2021

Erin Galyean

June 30, 2023

Jack Bibb

June 30, 2021

Susan FitzGerald, Chair

June 30, 2023

Ken Watson

June 30, 2021

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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PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 27, 2021

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 and other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, 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 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 27, 2021, 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, 2021

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, 2021.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets of the District exceeded its liabilities at June 30, 2021 by \$4,549,841.
- The District's total net position increased by \$705,260 for the year ended June 30, 2021.
- As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$3,258,742, a decrease of \$1,750,972 in comparison with the prior year, primarily due to the JCI energy project being completed in the Capital Fund. The ending fund balance includes \$1,404,612 which is non-spendable or reserved for specific programs. \$1,854,130 constitutes unassigned ending fund balance which is available for spending at the District's discretion subject to board policy.
- At June 30, 2021, the General Fund balance was \$1,899,599 or 17.70% 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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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Supplementary Information presented on pages 41 - 43, includes budgetary comparison for nonmajor and other funds, and schedule of property tax transactions and balances. *Other information* includes continuing disclosures information and other financial schedules. Other information can be found on pages 44 - 46.

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 \$4,549,841 as of June 30, 2021.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
NET POSITION			
	Governmental Activities		
	June 30, 2021	June 30, 2020	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 4,206,604	\$ 6,453,535	\$ (2,246,931)
Capital Assets	29,849,667	29,416,720	432,947
Total Assets	34,056,271	35,870,255	(1,813,984)
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related Deferrals	1,385,072	746,271	638,801
Total OPEB Related Deferred Outflows	122,122	80,522	41,600
Total deferred Outflows of Resources	1,507,194	826,793	680,401
LIABILITIES			
Current Liabilities	5,910,468	4,936,674	973,794
Long-Term Obligations	23,626,932	25,173,227	(1,546,295)
Total Liabilities	29,537,400	30,109,901	(572,501)
DEFERRED INFLOWS OF RESOURCES			
Net Pension-Related Deferrals	1,401,511	1,560,221	(158,710)
Total OPEB Related Deferred Inflows	74,713	90,599	(15,886)
Total deferred Inflows	1,476,224	1,650,820	(174,596)
NET POSITION			
Net Investment in Capital Assets	12,003,919	11,997,899	6,020
Restricted	758,714	823,169	(64,455)
Unrestricted	(8,212,792)	(7,884,741)	(328,051)
Total Net Position	\$ 4,549,841	\$ 4,936,327	\$ (386,486)
Prior Period Adjusted	0	(1,091,746)	1,091,746
Total Net Position, restated	\$ 4,549,841	\$ 3,844,581	\$ 705,260

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 87.65% 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 79.99% 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 20.01% 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 \$705,260. The key elements of the change in the District's net position for the years ended June 30, 2021 and June 30, 2020 are as follows:

- \$1,750,973 decrease in ending fund balance primarily in the Capital Projects fund due to the completion of the Johnson Control Inc energy savings project.
- \$1,546,279 payment of bond principals, includes paying off the original 2005 general obligation bond debt.
- \$2,243,262 in additions of Capital Assets, minus the \$671,103 of depreciation expense.
- \$690,872 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.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
CHANGES IN NET POSITION			
Year Ended June 30, 2021			
	Governmental Activities		Increase
	June 30, 2021	June 30, 2020	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 145,689	\$ 502,072	\$ (356,383)
Operating Grants and Contributions	1,883,798	682,503	1,201,295
Capital Grants and Contributions	0	0	0
General Revenues			
Property Taxes Levied for:			
General Purposes	3,570,017	3,393,739	176,278
Debt Service	1,633,886	1,520,327	113,559
State Sources	6,790,980	6,805,287	(14,307)
Other Local Sources	349,531	160,015	189,516
Intermediate Sources	129,070	163,588	(34,518)
Federal, Unrestricted	0	0	0
Miscellaneous	92,686	100,140	(7,454)
Earnings on Investments	48,700	153,427	(104,727)
Total Revenues	<u>14,644,357</u>	<u>13,481,098</u>	<u>1,163,259</u>
EXPENSES			
Instruction	7,524,890	5,825,696	1,699,194
Support services	4,605,265	3,699,625	905,640
Enterprise and community services	417,814	303,135	114,679
Interest on long-term debt	<u>1,391,128</u>	<u>1,620,460</u>	<u>(229,332)</u>
Total expenses	<u>13,939,097</u>	<u>11,448,916</u>	<u>2,490,181</u>
Change in Net Position	705,260	2,032,182	(1,326,922)
Net Position, Beginning as restated	3,844,581	2,904,145	940,436
Net Position, Adjustment	0	(1,091,746)	1,091,746
Net Position, Ending	<u>\$ 4,549,841</u>	<u>\$ 3,844,581</u>	<u>\$ 705,260</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 18 of this report.

At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$3,258,742. Of this amount, \$1,404,612 (43.10%) of the ending fund balances constitutes nonspendable or restricted

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YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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 \$1,854,130 (56.90%) 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, 2021 the unassigned fund balance was \$1,854,130 and the nonspendable or restricted ending fund balance was \$45,469 for a total of \$1,899,599. 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 17.70% of total General Fund expenditures. The total fund balance increased by \$80,239 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, 2021 the restricted fund balance was \$366,180, a decrease of \$23,214 from the prior year.

Debt Service. The Debt Service Fund has a total fund balance of \$673,602, all of which is restricted for the payment of debt service.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Capital Assets. The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2021 the District had invested \$29,849,667 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)			
	<u>Governmental Activities</u>		Increase
	<u>June 30,</u>	<u>Restated</u>	
	<u>2021</u>	<u>June 30,</u>	<u>(Decrease)</u>
		<u>2020</u>	
Land	\$ 5,514,354	\$ 5,514,354	\$ 0
Construction in Progress	797,609	2,128,254	(1,330,645)
Building and Equipment, net of depreciation	<u>23,537,704</u>	<u>20,682,366</u>	<u>2,855,338</u>
Total Capital Assets, net of depreciation	<u>\$ 29,849,667</u>	<u>\$ 28,324,974</u>	<u>\$ 1,524,693</u>

Long-Term Debt. At the end of the current fiscal year, the District had \$23,626,932 in outstanding debt. This is a decrease of \$1,546,295 from prior year, due to the continued pay down of outstanding obligations. Refer to Note 5 on page 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, 2021. For the 2021-23 biennium the Oregon Legislature passed a budget of \$9.299 billion for the State School Fund. The Oregon Legislature voted in August of 2020 to hold the SSF harmless for the 2019-21 biennium, using reserves and reducing other educational funds. The long term impact of COVID-19 still remains a concern.

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 \$790,000. 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 33% in the 2020-2021 fiscal year and expects to receive full funding in 2021-2022.

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For the Fiscal Year Ended June 30, 2021

Personnel expenses make up 76% of the program costs for the instruction, support and administrative functions. Negotiation agreements led to a PERS pickup of employee's 6% contribution in lieu of a salary increase all Employees. The Superintendent negotiated this as well for the 2022 fiscal year. We will begin negotiations in the early part of 2022 to prepare for new agreements for all bargaining units. An area that will require monitoring is Public Employees Retirement System (PERS). For the current biennium, ending June 30, 2021, effective rates are 0.06% of salary covered under the plan for Tier 1 and Tier 2 employees and 0% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). This is in large due to the healthy PERS side accounts that were refinanced, in which we allocate 19% of salaries to cover the debt service.

The Classified negotiation agreement led an extension of the current contract to fiscal year 2022, along with a 3.5% pay increase. The Licensed negotiation agreement will go through fiscal year 2022 with a salary increase of 2.5%. The District began contracting substitute services in the 2018 fiscal year, but as salaries continue to rise, the cost of our substitutes will as well. The District contribution towards medical, dental and vision premiums increased to \$1,450 in 2022. This in turn increases the associated payroll costs. Medical insurance costs are also expected to increase. The premiums for District health insurance plans have increased over the years, consistent with state and national trends, and this trend is expected to continue.

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.

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's Budget Committee and School Board have considered all these factors while preparing the 2021-2022 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, 2021

ASSETS

Cash and Cash Equivalents	\$ 3,093,650
Property Taxes Receivable	208,789
Accounts Receivable	839,057
Prepays	46,578
Supply Inventory	18,530
Capital Assets - Nondepreciable	6,311,963
Capital Assets - Depreciable, Net of Depreciation	<u>23,537,704</u>

Total Assets 34,056,271

DEFERRED OUTFLOWS OF RESOURCES

Pension-Related Deferrals	1,385,072
OPEB Related Deferred Outflows	<u>122,122</u>

Total deferred Outflows of Resources 1,507,194

LIABILITIES:

Accounts Payable	295,211
Interest Payable	542,293
Payroll Liabilities	422,587
Accrued Compensated Absences	1,872
Unearned Revenue	42,602
Noncurrent Liabilities	
Proportionate Share of Net Pension Liability	3,749,823
Total OPEB Liability	856,080
Due within one year	839,581
Due in more than one year	<u>22,787,351</u>

Total Liabilities 29,537,400

DEFERRED INFLOWS OF RESOURCES

Pension-Related Deferrals	1,401,511
OPEB Related Deferred Inflows	<u>74,713</u>

Total deferred Inflows 1,476,224

NET POSITION:

Net Investment in Capital Assets	12,003,919
Restricted for:	
Debt Service	673,602
Food Service	40,814
Unemployment Retiree Reserve	44,298
Unrestricted	<u>(8,212,792)</u>

Total Net Position \$ 4,549,841

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 7,524,890	\$ 111,003	\$ 1,341,872	\$ (6,072,015)
Support Services	4,605,265	34,686	176,515	(4,394,064)
Community Services	417,814	-	365,411	(52,403)
Interest on Long-Term Debt	1,391,128	-	-	(1,391,128)
Total Governmental Activities	<u>\$ 13,939,097</u>	<u>\$ 145,689</u>	<u>\$ 1,883,798</u>	<u>(11,909,610)</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purposes	3,570,017
Property Taxes, Levied for Debt Service	1,633,886
State Sources	6,790,980

Income Not Restricted to Specific Programs

Local Sources	349,531
Intermediate Sources	129,070
Miscellaneous	92,686
Interest and Investment Earnings	48,700

Total General Revenues 12,614,870

Changes in Net Position 705,260

Net Position - Beginning 4,936,327

Prior Period Adjustment (1,091,746)

Net Position - Ending \$ 4,549,841

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and Investments	\$ 2,066,783	\$ -	\$ 644,205	\$ 382,662	\$ 3,093,650
Property Taxes Receivable	144,837	-	63,952	-	208,789
Accounts Receivable	193,662	549,222	22,573	73,600	839,057
Interfund Receivable	89,475	-	-	-	89,475
Prepays	45,470	1,108	-	-	46,578
Inventory	-	18,530	-	-	18,530
Total Assets	\$ 2,540,227	\$ 568,860	\$ 730,730	\$ 456,262	\$ 4,296,079
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 93,008	\$ 66,817	\$ -	\$ 135,386	\$ 295,211
Payroll Liabilities	417,286	5,301	-	-	422,587
Interfund Payable	-	89,475	-	-	89,475
Unearned Revenue	-	41,087	-	1,515	42,602
Total Liabilities	510,294	202,680	-	136,901	849,875
Deferred Inflows:					
Unavailable Property Taxes	130,334	-	57,128	-	187,462
Fund Balances:					
Non-spendable	45,470	19,638	-	-	65,108
Restricted for:					
Capital Projects	-	-	-	319,361	319,361
Debt Service	-	-	673,602	-	673,602
Food Service	-	40,814	-	-	40,814
Unemployment Retiree Reserve	-	44,298	-	-	44,298
Assigned:					
Student Body	-	226,911	-	-	226,911
Other	-	34,519	-	-	34,519
Unassigned	1,854,129	-	-	-	1,854,129
Total Fund Balances	1,899,599	366,180	673,602	319,361	3,258,742
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,540,227	\$ 568,860	\$ 730,730	\$ 456,262	\$ 4,296,079

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, 2021

Total Fund Balances - Governmental Funds \$ 3,258,742

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 29,849,667

Accrued interest payable is not included as a liability in the governmental funds. (542,293)

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	\$ (12,495,000)	
Full Faith & Credit	(3,030,000)	
Limited Tax PERS Bond	(5,461,822)	
QZAB and Note	(424,286)	
Accrued Compensated Absences	<u>(1,872)</u>	(21,412,980)

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. (3,749,823)

The Total OPEB Liability is liability related to the other post employment benefits for health insurance premiums. (856,080)

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	(1,401,511)
Pension deferred outflows	1,385,072
Total OPEB deferred inflows	(74,713)
Total OPEB deferred outflows	122,122

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. (2,215,824)

Unearned revenue related to property taxes 187,462

Net Position \$ 4,549,841
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, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Taxes	\$ 3,570,017	\$ -	\$ 1,633,886	\$ 335,084	\$ 5,538,987
State and Local Sources	6,947,729	602,261	19,013	174,613	7,743,616
Federal Sources	-	891,032	-	-	891,032
Charges for Services	122,704	49,877	1,006,868	-	1,179,449
Interest	43,862	906	760	3,172	48,700
Contributions and Donations	-	14,621	-	113,097	127,718
Other	129,070	-	-	-	129,070
Total Revenues	10,813,382	1,558,697	2,660,527	625,966	15,658,572
EXPENDITURES:					
Current:					
Instruction	6,303,918	932,104	-	-	7,236,022
Support Services	4,177,300	237,866	-	13,309	4,428,475
Community Services	-	356,130	-	-	356,130
Facilities Acquisition and Construction	-	-	-	199,034	199,034
Debt Service	-	-	2,941,623	-	2,941,623
Capital Outlay	5,000	105,809	-	2,137,452	2,248,261
Total Expenditures	10,486,218	1,631,909	2,941,623	2,349,795	17,409,545
Excess of Revenues Over, (Under) Expenditures	327,164	(73,212)	(281,096)	(1,723,829)	(1,750,973)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	50,000	196,926	-	246,926
Transfers Out	(246,926)	-	-	-	(246,926)
Total Other Financing Sources (Uses)	(246,926)	50,000	196,926	-	-
Net Change in Fund Balance	80,238	(23,212)	(84,170)	(1,723,829)	(1,750,973)
Beginning Fund Balance	1,819,361	389,392	757,772	2,043,190	5,009,715
Ending Fund Balance	\$ 1,899,599	\$ 366,180	\$ 673,602	\$ 319,361	\$ 3,258,742

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, 2021

Total Net Changes in Fund Balances - Governmental Funds \$ (1,750,973)

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	\$ 1,086,557	
Bond Premium	73,915	
Limited Tax PERS Bonds	249,394	
Accrued Vacation Payable	(16)	
QZAB Payments	<u>136,429</u>	
		1,546,279

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		2,243,262
Depreciation Expense		(671,103)
Gain(Loss) on Sale of Capital Assets		(47,466)

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. 78,115

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 (7,347)

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. (690,872)

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. 5,365

Change in Net Position of Governmental Activities \$ 705,260

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND
June 30, 2021

	<u>LAUGHLIN SCHOLARSHIP FUND</u>
ASSETS:	
Cash and Investments	\$ 44,562
Total Assets	<u>\$ 44,562</u>
LIABILITIES, AND FUND BALANCES:	
Liabilities:	
Accounts Payable	\$ 2,000
Total Liabilities	<u>2,000</u>
NET POSITION:	
Restricted	<u>42,562</u>
Total Net Position	<u>\$ 42,562</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, 2021

	<u>LAUGHLIN SCHOLARSHIP FUND</u>
ADDITIONS:	
From Local Sources	<u>\$ 400</u>
Total Revenues	<u> 400</u>
DEDUCTIONS:	
Instruction	<u> 1,000</u>
Total Expenditures	<u> 1,000</u>
Net Change in Net Position	(600)
Net Position - Beginning	<u> 43,162</u>
Net Position - Ending	<u><u> \$ 42,562</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)

GOVERNMENTAL FUND TYPES (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, 2021, except the following: Special Revenue Funds – Community and Enterprise in the amount of \$284.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION (CONTINUED)

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 government has two items that qualify for reporting in the category. Net Pension Related Deferrals and Total OPEB Related Deferrals related to the pension plan

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

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 item unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has two types of items, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports deferred inflows from a Net Deferred Pension Asset and a Total OPEB related deferral resulting from actuarial valuations and contributions subsequent to measurement date.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements is \$308,201, 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, 2021, (recorded at fair value) consisted of:

Demand Deposits:			
Checking	\$ 206,503	Governmental Funds	\$ 3,093,650
Savings	5,380	Fiduciary Funds	44,562
Certificate of Deposit	53,463		
Wells Fargo PERS	51		
LGIP	<u>2,872,815</u>		
Total	<u>\$ 3,138,212</u>	Total	<u>\$ 3,138,212</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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. 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, 2021:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Wells Fargo PERS	\$ 51	\$ 51		
State Treasurer's Investment Pool	2,872,815	2,872,815	\$ -	\$ -
Total	<u>\$ 2,872,866</u>	<u>\$ 2,872,866</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2021, 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.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

At June 30, 2021, 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.

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance - Restated July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land and Land Improvements	\$ 5,514,354	\$ -	\$ -	\$ 5,514,354
Construction in Progress	2,128,254	1,889,355	(3,220,000)	797,609
Total capital assets not being depreciated	7,642,608	1,889,355	(3,220,000)	6,311,963
Capital assets being depreciated:				
Buildings and Improvements	26,475,373	2,947,935	(229,675)	29,193,633
Vehicles & Equipment	694,288	625,972	-	1,320,260
Total capital assets being depreciated	27,169,661	3,573,907	(229,675)	30,513,893
Less total accumulated depreciation for:				
Buildings and Improvements	(6,141,393)	(623,409)	182,209	(6,582,593)
Vehicles & Equipment	(345,902)	(47,694)	-	(393,596)
Total accumulated depreciation	(6,487,295)	(671,103)	182,209	(6,976,189)
Total capital assets being depreciated, net	20,682,366	2,902,804	(47,466)	23,537,704
Total Capital Assets, Net - Restated	\$ 28,324,974			\$ 29,849,667

Depreciation expense for the year was charged to the following programs:

Depreciation for the year was charged to the following programs:

Instruction	\$ 403,982
Support Services	247,239
Enterprise and Community Services	19,882
	\$ 671,103

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT

A summary of debt transactions of the year ended June 30, 2021 is as follows:

Issue Date	Interest Rates	Issue Amount	Outstanding July 1, 2020	Issued	Matured and Redeemed	Outstanding June 30, 2021	Due Within One Year
Direct Borrowings and Placements							
2007 QZAB	1.49%	\$ 1,000,000	\$ 275,000	\$ -	\$ 65,000	\$ 210,000	\$ 70,000
2009 QZAB	0.00%	1,000,000	285,715	-	71,429	214,286	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	5,711,216	-	249,394	5,461,822	248,152
2015 Refunding	1.97%	3,685,955	681,557	-	681,557	-	-
2016 GO Bond	2-4.25%	14,200,000	12,900,000	-	405,000	12,495,000	450,000
		Total Governmental Activities	<u>\$ 22,883,488</u>	<u>\$ -</u>	<u>\$ 1,472,380</u>	<u>\$ 21,411,108</u>	<u>\$ 839,581</u>
Bond Premium			\$ 2,289,739	\$ -	\$ 73,915	\$ 2,215,824	\$ -
		Total with premium	<u>\$ 25,173,227</u>	<u>\$ -</u>	<u>\$ 1,546,295</u>	<u>\$ 23,626,932</u>	<u>\$ 839,581</u>

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
2021-22	\$ 698,152	\$ 1,334,470	\$ 2,032,622
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
2027-31	5,905,000	1,788,514	7,693,514
2032-36	5,770,000	743,050	6,513,050
Total	<u>\$ 17,956,822</u>	<u>\$ 7,224,400</u>	<u>\$ 25,181,222</u>

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

Direct Borrowings and Placements

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021-22	\$ 141,429	\$ 124,229	\$ 265,658
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
2027-31	150,000	585,400	735,400
2032-36	485,000	524,100	1,009,100
2037-41	1,005,000	378,100	1,383,100
2042-46	1,340,000	114,200	1,454,200
Total	<u>\$ 3,454,286</u>	<u>\$2,211,410</u>	<u>\$ 5,665,696</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.

Refunding 2015: If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity (excluding acceleration), and may increase the interest rate applicable to the Bond by three percentage points. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

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.

6. PENSION PLAN

Oregon Public Employees Retirement System (PERS)

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 Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.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

NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on 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 disable 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 a variable equities investment 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.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

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

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

- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. 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, 2021 were \$1,103 excluding amounts to fund employer specific liabilities. In addition approximately \$322,673 in employee contributions were paid or picked up by the District in fiscal 2021. At June 30, 2021, the District reported a net pension liability of \$3,749,823 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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, 2020 and 2019, the District's proportion was .017 percent and .013 percent, respectively. Pension expense for the year ended June 30, 2021 was \$690,872.

The rate in effect for the year ended June 30, 2021 was:

- (1) Tier 1/Tier 2 – 0.11%

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 165,038	\$ -
Changes in assumptions	201,241	7,051
Net difference between projected and actual earnings on pension plan investments	440,931	-
Net changes in proportionate share	576,759	732,502
Differences between District contributions and proportionate share of contributions	-	661,958
Subtotal - Amortized Deferrals (below)	1,383,969	1,401,511
District contributions subsequent to measuring date	1,103	-
Deferred outflow (inflow) of resources	\$ 1,385,072	\$ 1,401,511

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, 2022.

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
2022	\$ (87,315)
2023	(63,374)
2024	(21,352)
2025	139,695
2026	14,802
Thereafter	-
Total	\$ (17,542)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 5, 2021. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, 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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
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	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	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, 2018.

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%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS ACFR; p. 102)

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. 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 May 2019 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
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS ACFR; p. 74)

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability

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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Direct proportionate share of the net pension liability	\$ 5,568,178	\$ 3,749,823	\$ 2,225,049

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, 2020 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

NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

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

Death Benefits:

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

Contributions:

The District pay's six (6) percent of employees covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

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 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

under a contractual requirement in effect until June 30, 2021. 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, 2019, 2020 and 2021 were \$22,591, \$5,805 and \$6,361, respectively, which equaled the required contributions each year.

At June 30, 2021, 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>

7. 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, 2019 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:

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Discount Rate per year		2.21%
General Inflation Rate per year		2.50%
Salary Scale per year		3.50%
Annual Medical Premium increase rate	2020-2021	4.25%
	2022-2025	5.00%
	2026-2035	4.75%
	2036-2051	5.00%
	2052-2064	4.75%
	2065-2068	4.50%
	2069-2071	4.25%
	2072+	4.00%

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, 2018. 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:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability - Beginning	\$ 803,959	\$ 859,978	\$ 920,049
Changes for the Year:			
Service Cost	56,464	56,552	55,933
Interest	28,718	33,894	32,580
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	(50,391)	-
Changes of Assumptions or Other Input	47,461	(13,845)	(15,558)
Benefit Payments	<u>(80,522)</u>	<u>(82,229)</u>	<u>(133,026)</u>
Net Changes for the Year	<u>52,121</u>	<u>(56,019)</u>	<u>(60,071)</u>
Total OPEB Liability - Ending	<u>\$ 856,080</u>	<u>\$ 803,959</u>	<u>\$ 859,978</u>

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 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

June 30, 2021	1%	Current	1%
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
Total OPEB Liability	\$ 904,238	\$ 856,080	\$ 810,148

June 30, 2021	1%	Current	1%
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
Total OPEB Liability	\$ 798,078	\$ 856,080	\$ 922,774

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.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (37,131)
Changes in assumptions	41,216	(37,582)
Benefit Payments	80,906	-
Deferred outflow (inflow) of resources	<u>\$ 122,122</u>	<u>\$ (74,713)</u>

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

<u>Year ending June 30</u>	<u>Amount</u>
2022	\$ (9,641)
2023	(9,641)
2024	(9,641)
2025	(6,442)
2026	(3,051)
Thereafter	4,919
Total	<u>\$ (33,497)</u>

8. 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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

9. 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.

10. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 246,926
Special Revenue Funds	50,000	-
Debt Service Fund	196,926	-
	<u>\$ 246,926</u>	<u>\$ 246,926</u>

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.

11. 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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. PROPERTY TAX LIMITATIONS (CONTINUED)

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.

12. 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, 2021 were as follows:

<u>Fund</u>	<u>Fund #</u>	<u>Due From</u>	<u>Due To</u>
General Fund	100	\$ 89,475	\$ -
Special Revenue Fund	200	-	89,475
	Total	<u>\$ 89,475</u>	<u>\$ 89,475</u>

13. COVID-19

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact District revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the District expects this matter to negatively affect its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

14. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the amount of (\$1,091,746) to account for an overstatement of value for the Johnson Controls Project Construction in Process in the previous fiscal year.

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, 2021

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) YCSD covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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

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
2021	\$ 1,103	\$ 1,103	\$ -	\$ 5,643,966	0.0 %
2020	804	804	-	4,970,431	0.0
2019	43,268	43,268	-	4,941,223	0.9
2018	44,344	44,344	-	4,860,496	0.9
2017	23,856	23,856	-	5,219,307	0.5
2016	88,072	88,072	-	5,185,832	1.7
2015	148,632	148,632	-	4,767,772	3.1
2014	81,797	81,797	-	4,758,828	1.7

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, 2021

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

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 3,949,500	\$ 3,949,500	\$ 3,822,650	\$ (126,850)
Intermediate Sources	103,300	103,300	129,070	25,770
State Sources	7,291,570	7,291,570	6,861,662	(429,908)
Total Revenues	11,344,370	11,344,370	10,813,382	(530,988)
EXPENDITURES:				
Instruction	6,703,656	6,703,656 (1)	6,303,918	399,738
Support Services	4,753,788	4,753,788 (1)	4,182,300	571,488
Contingencies	1,000,000	1,000,000 (1)	-	1,000,000
Total Expenditures	12,457,444	12,457,444	10,486,218	1,971,226
Excess of Revenues Over (Under) Expenditures	(1,113,074)	(1,113,074)	327,164	1,440,238
OTHER FINANCING SOURCES (USES)				
Transfers Out	(266,926)	(266,926) (1)	(246,926)	20,000
Total Other Financing Sources (Uses)	(266,926)	(266,926)	(246,926)	20,000
Net Change in Fund Balance	(1,380,000)	(1,380,000)	80,238	1,460,238
Beginning Fund Balance	1,380,000	1,380,000	1,819,361	439,361
Ending Fund Balance	\$ -	\$ -	\$ 1,899,599	\$ 1,899,599

(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, 2021

SPECIAL REVENUE FUNDS

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Local Sources	\$ 512,096	\$ 512,096	\$ 78,584	\$ (433,512)
Intermediate Sources	2,800	2,800	-	(2,800)
State Sources	1,047,079	1,047,079	589,081	(457,998)
Federal Sources	527,937	527,937	891,032	363,095
Total Revenues	<u>2,089,912</u>	<u>2,089,912</u>	<u>1,558,697</u>	<u>(531,215)</u>
 EXPENDITURES:				
Instruction	1,632,286	1,632,286 (1)	987,403	644,883
Support Services	526,780	526,780 (1)	288,376	238,404
Community & Enterprise	355,846	355,846 (1)	356,130	(284)
Total Expenditures	<u>2,514,912</u>	<u>2,514,912</u>	<u>1,631,909</u>	<u>883,003</u>
Excess of Revenues Over (Under) Expenditures	(425,000)	(425,000)	(73,212)	351,788
 Other Financing Sources, (Uses)				
Transfers In	70,000	70,000	50,000	(20,000)
Total Other Financing Sources	<u>70,000</u>	<u>70,000</u>	<u>50,000</u>	<u>(20,000)</u>
Net Change in Fund Balance	(355,000)	(355,000)	(23,212)	331,788
Beginning Fund Balance	<u>355,000</u>	<u>355,000</u>	<u>389,392</u>	<u>34,392</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,180</u>	<u>\$ 366,180</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, 2021

DEBT SERVICE FUND

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Local Sources	\$ 2,550,420	\$ 2,550,420	\$ 2,660,527	\$ 110,107
Total Revenues	<u>2,550,420</u>	<u>2,550,420</u>	<u>2,660,527</u>	<u>110,107</u>
EXPENDITURES:				
Debt Service	<u>3,447,603</u>	<u>3,247,603</u> (1)	<u>2,941,623</u>	<u>305,980</u>
Total Expenditures	<u>3,447,603</u>	<u>3,247,603</u>	<u>2,941,623</u>	<u>305,980</u>
Excess of Revenues Over (Under) Expenditures	(897,183)	(697,183)	(281,096)	416,087
Other Financing Sources, (Uses)				
Transfers Out	-	(200,000) (1)	-	200,000
Transfers In	<u>196,926</u>	<u>196,926</u>	<u>196,926</u>	<u>-</u>
Total Other Financing Sources	<u>196,926</u>	<u>(3,074)</u>	<u>196,926</u>	<u>200,000</u>
Net Change in Fund Balance	(700,257)	(700,257)	(84,170)	616,087
Beginning Fund Balance	<u>700,257</u>	<u>700,257</u>	<u>757,772</u>	<u>57,515</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 673,602</u></u>	<u><u>\$ 673,602</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, 2021

<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	\$ 86,000	\$ 402,270	\$ 469,478	\$ 67,208
State Sources	-	300,000	156,488	(143,512)
Total Revenues	<u>86,000</u>	<u>702,270</u>	<u>625,966</u>	<u>(76,304)</u>
EXPENDITURES:				
Support Services	10,000	28,000 (1)	13,309	14,691
Building & Acquisition	926,500	2,861,550 (1)	2,336,486	525,064
Total Expenditures	<u>936,500</u>	<u>2,889,550</u>	<u>2,349,795</u>	<u>539,755</u>
Excess of Revenues Over (Under) Expenditures	(850,500)	(2,187,280)	(1,723,829)	(463,451)
Other Financing Sources, (Uses)				
Transfers Out	-	(42,899) (1)	-	42,899
Transfers In	-	200,000	-	(200,000)
Total Other Financing Sources, (Uses)	<u>-</u>	<u>157,101</u>	<u>-</u>	<u>(157,101)</u>
Net Change in Fund Balance	(850,500)	(2,030,179)	(1,723,829)	306,350
Beginning Fund Balance	<u>850,500</u>	<u>2,030,179</u>	<u>2,043,190</u>	<u>13,011</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,361</u>	<u>\$ 319,361</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, 2021

LAUGHLIN SCHOLARSHIP FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 1,000	\$ 1,000	\$ 400	\$ (600)
Total Revenues	1,000	1,000	400	(600)
EXPENDITURES:				
Instruction	2,000	2,000 (1)	1,000	1,000
Total Expenditures	2,000	2,000	1,000	1,000
Net Change in Fund Balance	(1,000)	(1,000)	(600)	400
Beginning Fund Balance	43,000	43,000	43,162	162
Ending Fund Balance	\$ 42,000	\$ 42,000	\$ 42,562	\$ (1,438)

(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, 2021

<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	\$ 249,394	\$ 249,394
June 12, 2007	65,000	65,000
July 1, 2009	71,429	71,429
March 17, 2015	681,557	681,557
July 19, 2016	<u>405,000</u>	<u>405,000</u>
Total	<u>\$ 1,472,380</u>	<u>\$ 1,472,380</u>

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT
 For the Year Ended June 30, 2021

	YEAR	PRINCIPAL	INTEREST	INTEREST
		Due 12/20 & 6/20	Due 12/20 & 6/20	RATES
Full Faith and Credit Loan Agreement and Note, Series 2019 - Original issue \$3,030,000				
	2021-22	\$ -	121,100	3.00%
	2022-23	-	121,100	3.00%
	2023-24	10,000	120,950	3.00%
	2024-25	15,000	120,500	4.00%
	2025-26	25,000	119,700	4.00%
	2027-31	150,000	585,400	4.00%
	2032-36	485,000	524,100	4.00%
	2037-41	1,005,000	378,100	4.00%
	2042-46	1,340,000	114,200	4.00%
		<u>\$ 3,030,000</u>	<u>\$ 2,205,150</u>	
Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2003, Wells Fargo Bank Northwest, NA, Trustee - Original Balance \$9,421,889				
	2021-22	\$ 248,152	\$ 843,220	6.22%
	2022-23	248,670	897,702	6.26%
	2023-24	920,000	281,372	6.27%
	2024-25	1,025,000	229,756	6.27%
	2025-26	1,145,000	171,536	5.68%
	2027-31	1,875,000	140,864	5.68%
		<u>\$ 5,461,822</u>	<u>\$ 2,564,450</u>	

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT
For the Year Ended June 30, 2021

	YEAR	PRINCIPAL	INTEREST	INTEREST RATES
General Obligation Bond				
July 19, 2016				
- Original issue: \$14,200,000				
- Premium: \$1,923,680				
	2021-22	\$ 450,000	\$ 491,250	
	2022-23	490,000	475,750	
	2023-24	535,000	456,150	
	2024-25	585,000	434,750	
	2025-26	635,000	411,350	
	2027-31	4,030,000	1,647,650	
	2032-36	5,770,000	743,050	
		<u>\$ 12,495,000</u>	<u>\$ 4,659,950</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				
	2021-22	\$ 70,000	\$ 3,129	1.49%
	2022-23	70,000	2,088	1.49%
	2023-24	70,000	1,043	1.49%
		<u>\$ 210,000</u>	<u>\$ 6,260</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				
	2021-22	\$ 71,429	\$ -	0.00%
	2022-23	71,429	-	0.00%
	2023-24	71,429	-	0.00%
		<u>\$ 214,286</u>	<u>\$ -</u>	

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

REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2021

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700	TOTAL
Revenue from Local Sources						
1110 Ad Valorem Taxes Levied by District	\$ 3,557,514	\$ -	\$ 1,628,282	\$ -	\$ -	\$ 5,185,796
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	335,084	-	335,084
1190 Penalties and Interest on Taxes	12,503	-	5,604	-	-	18,107
1311 Tuition From Individuals	-	-	-	-	-	-
1312 Tuition From Other Districts Within the State	108,000	-	-	-	-	108,000
1313 Tuition From Other Districts Outside the State	-	-	-	-	-	-
1330 Summer School Tuition	3,003	-	-	-	-	3,003
1411 Transportation Fees from Individuals	-	-	-	-	-	-
1500 Earnings on Investments	43,858	904	759	3,172	-	48,693
1600 Food Service	-	1,082	-	-	-	1,082
1700 Extracurricular Activities	11,701	48,795	-	-	-	60,496
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	-	-	-	18,125	-	18,125
1920 Contributions and Donations From Private Sources	-	14,613	-	113,098	400	128,111
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	3,672	-	-	-	-	3,672
1970 Services Provided Other Funds	-	-	1,006,868	-	-	1,006,868
1980 Fees Charged to Grants	21,902	-	-	-	-	21,902
1990 Miscellaneous	60,493	13,180	19,015	-	-	92,688
Total Revenue from Local Sources	3,822,646	78,574	2,660,528	469,479	400	7,031,627
Revenue from Intermediate Sources						
2101 County School Funds	2,985	-	-	-	-	2,985
2102 General ESD Funds	125,000	-	-	-	-	125,000
2110 Intermediate 'I' Tax	1,085	-	-	-	-	1,085
2200 Restricted Revenue	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-
Total Revenue from Intermediate Sources	129,070	-	-	-	-	129,070
Revenue from State Sources						
3101 State School Fund - General Support	6,670,628	-	-	-	-	6,670,628
3102 SSF - School Lunch Match	-	3,000	-	-	-	3,000
3103 Common School Fund	117,352	-	-	-	-	117,352
3199 Other Unrestricted Grants-In-Aid	73,682	-	-	-	-	73,682
3200 Restricted Grants-In-Aid	-	4,928	-	-	-	4,928
3299 Other Restricted Grants-In-Aid	-	581,154	-	156,488	-	737,642
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-
Total Revenue from State Sources	6,861,662	589,082	-	156,488	-	7,607,232
Revenue from Federal Sources						
4500 Restricted Rev Fed Gov through State	-	854,560	-	-	-	854,560
4700 Grants-In-Aid from the Fed Gov through Other Intermediate Agencies	-	-	-	-	-	-
4900 USDA Donated Commodities	-	36,473	-	-	-	36,473
Total Revenue from Federal Sources	-	891,033	-	-	-	891,033
Revenue from Other Sources						
5100 Long Term Debt Financing Sources	-	-	-	-	-	-
5200 Interfund Transfers	-	50,000	196,926	-	-	246,926
5300 Sale/Compensation Fixed Assets	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	1,819,360	389,394	757,770	2,043,189	43,162	5,052,875
Total Revenue from Other Sources	1,819,360	439,394	954,696	2,043,189	43,162	5,299,801
Total	\$ 12,632,738	\$ 1,998,083	\$ 3,615,224	\$ 2,669,156	\$ 43,562	\$ 20,958,763

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

**GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2021**

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	\$ 858,124	\$ 457,392	\$ 11,009	\$ 12,581	\$ -	\$ -	\$ -	\$ 1,339,106
1113 Elementary Extracurricular	-	-	-	67	-	-	-	67
1121 Middle/Junior high school programs	648,810	359,599	9,842	38,415	-	105	-	1,056,771
1122 Middle/Junior high school extracurricular	3,596	1,165	-	97	-	-	-	4,858
1131 High school programs	821,057	441,497	8,496	15,699	-	-	-	1,286,749
1132 High school extracurricular	136,428	33,144	18,124	15,550	-	3,975	-	207,221
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1220 Restrictive programs for student with disabilities	360,547	289,734	56,224	1,579	-	-	-	708,084
1250 Less restrictive programs for student with disabilities	274,146	156,807	26,695	200	-	-	-	457,848
1280 Alternative education	561,680	313,680	205,549	113,452	-	-	-	1,194,361
1291 English second language programs	27,484	16,967	-	-	-	-	-	44,451
1400 Summer school programs	3,231	1,124	-	47	-	-	-	4,402
Total Instruction Expenditures	3,695,103	2,071,109	335,939	197,687	-	4,080	-	6,303,918
Support Services Expenditures								
2110 Attendance and social work	23,327	7,906	10,000	40	-	595	-	41,868
2120 Guidance services	83,447	42,767	103,282	1,298	-	-	-	230,794
2130 Health services	-	-	-	628	-	-	-	628
2140 Psychological services	-	-	-	-	-	-	-	-
2190 Service direction, student support services	59,731	27,663	-	-	-	-	-	87,394
2210 Improvement of instruction services	-	-	55	-	-	-	-	55
2220 Educational media services	54,877	34,189	-	4,231	-	-	-	93,297
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of education services	-	-	52,777	3,581	-	30,483	-	86,841
2320 Executive administration services	201,353	59,795	3,946	5,222	-	4,666	-	274,982
2410 Office of the principal services	607,418	303,159	5,317	7,488	-	1,864	-	925,246
2520 Fiscal services	121,192	54,038	11,675	44,833	-	4,403	-	236,141
2540 Operation and maintenance of plant services	362,629	224,071	393,808	101,220	-	156,266	-	1,237,994
2550 Student transportation services	-	-	507,521	-	-	-	-	507,521
2640 Staff services	87,303	44,819	11,215	219	-	2,353	-	145,909
2660 Technology services	30,995	10,549	196,950	69,685	5,000	448	-	313,627
Total Support Services Expenditures	1,632,272	808,956	1,296,546	238,445	5,000	201,078	-	4,182,297
Other Uses Expenditures								
5100 Debt service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	246,926	246,926
Total Other Uses Expenditures	-	-	-	-	-	-	246,926	246,926
Total 100 General Funds	\$ 5,327,375	\$ 2,880,065	\$ 1,632,485	\$ 436,132	\$ 5,000	\$ 205,158	\$ 246,926	\$ 10,733,141

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

SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2021

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	\$ 101,436	\$ 43,510	\$ -	\$ 16,854	\$ -	\$ -	\$ -	\$ 161,800
1113 Elementary extracurricular	-	-	-	57,730	-	-	-	57,730
1121 Middle/Junior High Programs	31,815	10,457	-	18,876	-	-	-	61,148
1122 Middle/Junior high school extracurricular	-	-	-	16,596	-	-	-	16,596
1131 High school programs	83,095	44,868	15,188	86,162	55,299	18,027	-	302,639
1132 High school extracurricular	-	-	-	33,140	-	475	-	33,615
1220 Restrictive programs for student with disabilities	-	-	-	-	-	-	-	-
1250 Less restrictive programs for student with disabilities	88,729	46,725	(1)	-	-	-	-	135,453
1272 Title I	63,875	37,147	-	9,065	-	-	-	110,087
1291 English Language Learner	8,377	2,756	-	-	-	-	-	11,133
1400 Summer School Programs	16,909	5,378	5,500	65,674	-	3,738	-	97,199
Total Instruction Expenditures	394,236	190,841	20,687	304,097	55,299	22,240	-	987,400
Support Services Expenditures								
2120 Guidance Services	3,684	1,715	13,180	-	-	-	-	18,579
2210 Improve instruction services	-	-	2,624	-	-	-	-	2,624
2212 Other improvement of instruction services	-	-	-	-	-	-	-	-
2230 Assessment and testing	-	-	-	3,098	-	-	-	3,098
2240 Instructional staff development	7,990	2,373	9,376	-	-	-	-	19,739
2310 Board of Education	-	-	-	-	-	-	-	-
2410 Office of principal services	-	-	-	991	-	-	-	991
2490 Other support services - school administration	-	-	-	-	-	-	-	-
2520 Fiscal services	-	7,622	-	-	-	-	-	7,622
2529 Other fiscal services	-	-	-	-	-	-	-	-
2540 Operation and maintenance of plant services	-	-	-	43,461	34,495	-	-	77,956
2558 Special education transportation services	-	-	-	-	-	-	-	-
2579 Other internal services	-	-	-	-	-	-	-	-
2620 Plan, research and development	-	-	-	-	-	-	-	-
2640 Staff services	-	9,324	-	-	-	-	-	9,324
2660 Technology services	-	-	15,121	109,524	-	-	-	124,645
2700 Supplemental retirement program	-	23,800	-	-	-	-	-	23,800
Total Support Services Expenditures	11,674	44,834	40,301	157,074	34,495	-	-	288,378
Enterprise and Community Services								
3100 Food services	114,583	76,076	13,781	129,686	16,015	5,988	-	356,129
Total Enterprise and Community Services	114,583	76,076	13,781	129,686	16,015	5,988	-	356,129
Total 200 Special Revenue Funds	\$ 520,493	\$ 311,751	\$ 74,769	\$ 590,857	\$ 105,809	\$ 28,228	\$ -	\$ 1,631,907

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

DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2021

Fund: 300 Debt Service	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,941,622	\$ -	\$ 2,941,622
Total Other Uses Expenditures	-	-	-	-	-	2,941,622	-	2,941,622
Total 500 Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,941,622	\$ -	\$ 2,941,622

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

CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2021

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	-	-	-	-	-	13,309	-	13,309
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
Total Support Services Expenditures	-	-	-	-	-	13,309	-	13,309
Facilities Acquisition and Construction								
4150 Building Acquisition, Construction, and Impr	-	-	190,160	180	2,137,452	8,694	-	2,336,486
Total Other Uses Expenditures	-	-	190,160	180	2,137,452	8,694	-	2,336,486
Other Uses Expenditures								
5200 Transfers of Funds	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Total 400 Capital Projects Funds								
	\$ -	\$ -	\$ 190,160	\$ 180	\$ 2,137,452	\$ 22,003	\$ -	\$ 2,349,795

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

FIDUCIARY FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2021

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	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Total Instruction Expenditures	-	-	1,000	-	-	-	-	1,000
Total 700 Agency Funds	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000

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

SUPPLEMENTAL INFORMATION
As Required by The Department of Education
For the Year Ended June 30, 2021

<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>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">Objects 325 & 326</td> </tr> <tr> <td style="width: 10px; text-align: right;">\$</td> <td style="text-align: right;">190,922</td> </tr> <tr> <td></td> <td style="text-align: right;">-</td> </tr> </table>	Objects 325 & 326		\$	190,922		-
Objects 325 & 326								
\$	190,922							
	-							

<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: 15%;">1113, 1122 & 1132</td> <td style="width: 30%;">Co-curricular Activities</td> <td style="width: 15%; text-align: center;">4150</td> <td style="width: 40%;">Construction</td> </tr> <tr> <td>1140</td> <td>Pre-Kindergarten</td> <td style="text-align: center;">2550</td> <td>Pupil Transportation</td> </tr> <tr> <td>1300</td> <td>Continuing Education</td> <td style="text-align: center;">3100</td> <td>Food Service</td> </tr> <tr> <td>1400</td> <td>Summer School</td> <td style="text-align: center;">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		<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">Amount</td> </tr> <tr> <td style="width: 10px; text-align: right;">\$</td> <td style="text-align: right;">-</td> </tr> </table>	Amount		\$	-
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																			
Amount																						
\$	-																					

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Representative Levy Rate			
(Rates per \$1,000 of Assessed Value)			
	2021		
	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	0.2909	5.3007
New Carlton Fire	1.0500	0.3524	1.4024
Total General Government	<u>8.7994</u>	<u>0.6433</u>	<u>9.4427</u>
Education			
Yamhill-Carlton SD	4.7818	2.1020	6.8838
Willamette Regional ESD	0.2967	-	0.2967
Chemekata Community College	0.6259	0.2602	0.8861
Total Education	<u>5.7044</u>	<u>2.3622</u>	<u>8.0666</u>
Total Tax Rate	<u>\$ 14.5038</u>	<u>\$ 3.0055</u>	<u>\$ 17.5093</u>

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 27, 2021

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, 2021, and have issued our report thereon dated December 27, 2021. 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., except for the following:

1. We noted expenditures exceeded appropriation amounts as noted on page 14.

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.

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, 2021

Program Title	Federal CFDA Number	Pass Through Number	Grant Period	Grant Amount	2020-2021 Revenue and Expenditures
U.S. Department of Education					
Title I, Part A Cluster:					
Grants to Local Educational Agencies	84.010	53400	7/1/2019 - 9/30/2020	\$ 94,009	\$ 1,760
Grants to Local Educational Agencies	84.010	54427	7/1/2020 - 9/30/2021	49,750	11,133
Grants to Local Educational Agencies	84.010	58394	7/1/2020 - 9/30/2021	108,327	108,327
Total, Title I, Part A Cluster				<u>252,086</u>	<u>121,220</u>
Special Education Cluster (IDEA):					
Special Education Grants to States	84.027	49979	7/1/2018 - 9/30/2021	185,855	1,753
Special Education Grants to States	84.027	56781	7/1/2019 - 9/30/2021	2,324	2,324
Special Education Grants to States	84.027	53829	7/1/2019 - 9/30/2021	180,767	131,377
Total, Special Education Cluster (IDEA)				<u>368,946</u>	<u>135,454</u>
Title IIA - Improving Teacher Quality State Grants	84.367	58888	7/1/2020 - 9/30/2021	24,291	11,984
Title IIA - Improving Teacher Quality State Grants	84.367	53662	7/1/2019 - 9/30/2020	23,156	1,488
Total, Title IIA				<u>47,447</u>	<u>13,472</u>
Elem&Secondary Sch Emergency Relief Fund - COVID-19	84.425 (D)	57942	3/13/2020 - 9/30/2022	76,989	76,989
Governors Emergency Ed Relief Fund - COVID-19	84.425 (C)	61069	7/1/2020 - 5/30/2021	78,921	78,921
LEA ESSER II Fund - COVID-19	84.425 (D)	64713	3/13/2020 - 9/30/2023	353,821	99,565
				<u>509,732</u>	<u>255,476</u> (2)
Total, Passed through Oregon Department of Education				<u>1,178,211</u>	<u>525,621</u>
Total, U.S. Department of Education				<u>1,178,211</u>	<u>525,621</u>
U.S. Department of Agriculture					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
Commodities - Non-Cash Assistance	10.555		7/1/2020 - 6/30/2020	30,550	36,473
School Breakfast Program	10.553		7/1/2020 - 6/30/2020	50,526	114,302
National School Lunch Program	10.555		7/1/2020 - 6/30/2020	901	214,636
Total, Child Nutrition Cluster				<u>81,977</u>	<u>365,412</u> (1)
Total, U.S. Department of Agriculture				<u>81,977</u>	<u>365,412</u>
Total, Federal Awards				<u>\$ 1,260,188</u>	<u>\$ 891,032</u>

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



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 27, 2021

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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 27, 2021.

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) to determine the 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.

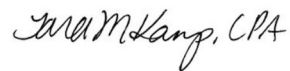
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

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 determination of financial statement 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. 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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12700 SW 72nd Ave. Tigard, OR 97223
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December 27, 2021

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

We have audited Yamhill Carlton School District No. 1's compliance with the types of compliance requirements described 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, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

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, 2021.

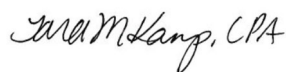
Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, we do not express an opinion on the effectiveness of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



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, 2021

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 National School Lunch Program

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, 2021

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.