



**POWERS
SCHOOL DISTRICT NO. 31
Powers, Oregon**



Annual Financial Report

June 30, 2024

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POWERS SCHOOL DISTRICT No. 31

PO Box 479
Powers, OR 97466
(541) 439-2291

DISTRICT OFFICIALS

RAMSEY BUSHNELL PO Box 479, Powers, OR 97466	Board Chair
MERLE KALB PO Box 479, Powers, OR 97466	Vice Chair
ERIC ANDERSON PO Box 479, Powers, OR 97466	Member
JEFF ALLRED PO Box 479, Powers, OR 97466	Member
JENNIFER CALLAHAN PO Box 479, Powers, OR 97466	Member

ADMINISTRATION

MATT SHORB PO Box 479, Powers, OR 97466	Superintendent
MARISSA ZOUBEK PO Box 479, Powers, OR 97466	Business Manager
PEGGY STALLARD PO Box 479, Powers, OR 97466	Office Manager
LISA HENDON PO Box 479, Powers, OR 97466	Office Assistant

POWERS SCHOOL DISTRICT NO. 31

AUDIT REPORT

June 30, 2024

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	i-iii
BASIC FINANCIAL STATEMENTS:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position	2
Statement of Activities	3
<u>Fund Financial Statements:</u>	
Balance Sheet - Governmental Funds	5
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	8
<u>Notes To The Basic Financial Statements</u>	9-36
SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund #100	38
Special Revenue Fund #200	39
Schedule of Proportionate Share of the Net Pension Liability	40
Schedule of Employer Contributions	41
Schedule of Proportionate Share of the Net OPEB (RHIA) Liability	42
Schedule of Employer Contributions	43
OTHER INFORMATION:	
<u>Additional Supporting Schedules:</u>	
Schedule of Long-Term Debt Transactions & Future Requirements	45-46
Form 581-3211-C	47
Audit Revenue Summary – All Governmental Funds	48
Expenditure Summary – General Fund #100	49
Expenditure Summary – Special Revenue Funds #200	50
Schedule of Expenditures of Federal Awards	51
REPORT ON LEGAL AND OTHER REGULATORY REQUIREMENTS	
Independent Auditor's Report Required by Oregon State Regulations	53

INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
POWERS SCHOOL DISTRICT NO. 31
Powers, Oregon 97114

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund, of Powers School District No. 31 as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Powers School District No. 31’s basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Powers School District No. 31 as of June 30, 2024, and the respective changes in modified cash basis financial position in accordance with modified cash basis of accounting described in the Notes to the Financial Statements.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Powers School District No. 31 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to the Basis of Accounting note in the Notes to the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Powers School District No. 31's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Powers School District No. 31's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

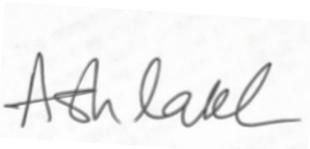
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated May 2, 2025, on our consideration of the Powers School District No. 31's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the District's compliance.



Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
May 2, 2025

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

POWERS SCHOOL DISTRICT No. 31
STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2024

		<u>Governmental Activities</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,507,656	
Total Current Assets		<u>1,507,656</u>
Capital Assets:		
Land	45,020	
Construction in Progress	1,996,375	
Land Improvement	133,252	
Building and Building Improvement	3,041,312	
Machinery and Equipment	518,996	
Less: Accumulated Depreciation	<u>(1,015,759)</u>	
Total Capital Assets, Net of Depreciation		<u>4,719,197</u>
Total Assets		<u>6,226,853</u>
<u>LIABILITIES:</u>		
Leases Payable		
Due within one year	19,510	
Notes Payable		
Due within one year	15,110	
Due in more than one year	<u>33,992</u>	
Total Liabilities		<u>68,612</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	4,650,585	
Unrestricted	<u>1,507,655</u>	
Total Net Position		<u>\$ 6,158,240</u>

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

POWERS SCHOOL DISTRICT No. 31
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2024

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>(Expense) Revenue and Change in Net Position</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				<u>Governmental Activities</u>
Instruction	\$ 2,291,224	\$ 73,740	\$ 1,673,608	\$ (543,876)
Support Services	1,044,270	-	819,580	(224,690)
Enterprise and Community Services	6,000	-	-	(6,000)
Interest on Long-Term Debt	5,536	-	-	(5,536)
Total Governmental Activities	\$ 3,347,031	\$ 73,740	\$ 2,493,188	\$ (780,103)
<u>GENERAL REVENUES:</u>				
				\$ 300,010
Property Taxes, Levied for General Purposes				61,441
Earnings on Investments				28,452
Unrestricted State and Local Revenue				2,217
Intermediate Sources				2,177,906
State School Fund for Education and Support Services				14,690
State Common School Fund				
Subtotal - General Revenues				2,584,716
Net Position, July 1, 2023				4,353,626
Net Position, June 30, 2024				\$ 6,158,240

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

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

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

POWERS SCHOOL DISTRICT No. 31
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

	General Fund #100	Special Revenue Fund #200	Total Governmental Funds
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,507,655	\$ -	\$ 1,507,655
Due From Other Funds	460,062	-	460,062
Total Assets	1,967,717	-	1,967,717
 LIABILITIES:			
Due to Other Funds	-	460,062	460,062
Total Liabilities	-	460,062	460,062
Unassigned	1,967,717	(460,062)	1,507,655
Total Fund Balances	\$ 1,967,717	\$ (460,062)	\$ 1,507,655
Total Liabilities and Fund Balances	\$ 1,967,717	\$ -	\$ 1,967,717

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

POWERS SCHOOL DISTRICT No. 31

**RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - MODIFIED CASH**

For the Fiscal Year Ended June 30, 2024

Total Fund Balances - Governmental Funds \$ 1,507,655

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the governmental funds.

Cost of assets	5,734,956	
Accumulated depreciation	<u>(1,015,759)</u>	
Net Value of Capital Assets		4,719,197

Some liabilities are not due and payable in the current period
and therefore are not reported in the governmental funds.

These liabilities consist of :

Leases Payable	19,510	
Notes Payable	<u>49,102</u>	
Total		<u>(68,612)</u>

Net Position of Governmental Activities	<u><u>\$6,158,240</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

POWERS SCHOOL DISTRICT No. 31
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2024

	General Fund #100	Special Revenue Fund #200	Total Governmental Funds
<u>REVENUES:</u>			
Taxes	\$ 300,010	\$ -	\$ 300,010
Earnings on Investments	61,199	241	61,440
Fees and Charges	-	73,740	73,740
Miscellaneous Revenue	19,871	27,586	47,457
Intermediate Government Aid	2,217	-	2,217
State Aid	2,192,596	2,236,054	4,428,650
Federal Aid	-	238,130	238,130
Total Revenues	<u>2,575,893</u>	<u>2,575,751</u>	<u>5,151,644</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction	1,566,693	708,941	2,275,634
Support Services	900,598	351,162	1,251,760
Enterprise and Community Services	6,000	-	6,000
Capital Outlay:			
Facilities Acquisition and Construction	-	1,871,694	1,871,694
Debt Service	33,064	6,000	39,064
Total Expenditures	<u>2,506,355</u>	<u>2,937,797</u>	<u>5,444,152</u>
Net Change in Fund Balance	69,538	(362,046)	(292,508)
Beginning Fund Balance	1,898,179	(98,016)	1,800,163
Ending Fund Balance	<u>\$ 1,967,717</u>	<u>\$ (460,062)</u>	<u>\$ 1,507,655</u>

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

POWERS SCHOOL DISTRICT No. 31

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

For the Fiscal Year Ended June 30, 2024

Net Changes in Fund Balances - Total Governmental Funds \$ (292,508)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	2,160,559	
Less current year depreciation	<u>(96,966)</u>	
		2,063,593

Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Retirement of principal is as follows:

Leases	18,795	
Notes	<u>14,733</u>	
		<u>33,528</u>

Change in Net Position of Governmental Activities **\$ 1,804,613**

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The POWERS SCHOOL DISTRICT NO. 31 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 to operate elementary and secondary schools. The District is governed by a separately elected five-member Board of Directors that appoints the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The basic financial statements of POWERS SCHOOL DISTRICT NO. 31 have been prepared in conformity with accounting principles generally accepted in the United States of America 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 more significant of the District's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, the POWERS SCHOOL DISTRICT NO. 31 complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District can impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, POWERS SCHOOL DISTRICT NO. 31 has no component units.

Basis of Presentation

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

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

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

The District reports on the following major governmental funds:

General Fund #100 - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General Fund expenditures are categorized by "Instruction," which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e., heating, phones, electricity), administration, counseling for students, and technology support.

Special Revenue Fund #200 - The Special Revenue Fund accounts for the majority of state and federal grant money received and disbursed by the District. The principal receipt sources are state and federal grants. The primary disbursements are costs associated with the school nutrition program. The principal source of receipts is National School Lunch reimbursement and sale of lunches. Also accounted for in the fund are the fundraising and student fees earmarked for cocurricular activities and projects.

Measurement Focus/Basis of Accounting

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

The financial statements are reported on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America but are accepted for governmental financial reporting under Oregon law (ORS 294.333) which leaves the selection of the method of accounting to the discretion of the district. This basis of accounting involves modifications to the cash basis of accounting to report in the Statement of Net Position and Balance Sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. For the Statement of Net Position, such reported balances include capital assets, payroll liabilities, and long-term liabilities arising from cash transactions. For the Balance Sheet, such reported balances include payroll liabilities arising from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) other economic assets, deferred outflows, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event that would be reported in GAAP basis financial statements are not reported in this modified cash basis presentation, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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 are available.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Budgeting

Generally, Oregon local budget law requires annual budgets to be adopted for all funds except agency funds. The modified cash basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The district begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, within the budget committee meeting, and approved by the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The board adopts the budget, makes appropriations, and declares the tax levy no later than June 30th. Expenditure on the above appropriations may not be legally made except in the case of grant revenues and bond sale proceeds, which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The district established the levels of budgetary control at the instruction, support services, community services, facilities acquisition, and debt service levels for all funds.

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

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

Cash and Investments

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

Investments are stated at amortized cost, except for the investment in mutual funds, which is stated at fair value.

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

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short-Term Fund (OSTF), which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury on the management and investment options of the LGIP.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred pension contributions and other post-employment benefits (OPEB)-related amounts. The District is reporting on a Modified Cash Basis and therefore, deferred outflows are not reported.

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

Long-Term Debt

Under the modified basis of accounting, the District has elected to recognize bonds, notes, capital leases, and other long-term payables in the government-wide financial statements as liabilities of the District. In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases, if any, are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure and expense sections of the statements. In the statement of activities, the district only reports interest expenses, while payments toward principal are accounted for as a reduction in the related liability and therefore reflected on the statement of net position.

Capital Assets

Under the modified basis of accounting, the District has elected to report capital assets on the statement of net position.

Equity Classifications

Government-wide Statements

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

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.)

Governmental Fund Financial Statements

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

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

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

Property Taxes

Ad valorem property taxes are levied and become an enforceable lien on property as of July 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Under the Modified Cash Basis of Accounting, uncollected property taxes are not recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

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

Use of Estimates

The preparation of financial statements, using the modified cash basis of accounting, only requires management to make estimates and assumptions that affect the reported note disclosure amounts of capital assets, when reported, as well as disclosures of contingent assets and liabilities, if any, at the date of the financial. Actual results could differ from those estimates.

Pensions

Using modified cash basis of accounting, no amounts are reported in the financial statements for net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions or OPEB, and pension and OPEB expense. Information is included in the Notes to the Financial Statements regarding pension and OPEB. For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF), the Oregon Public Service Retirement Plan (OPSRP), Oregon Public Service Retirement Plan Retirement Health Plan (RHIA). and additions to/deductions from OPERF's, OPSRP's, and RHIA fiduciary net position have been determined on the same basis as they are reported by PERS. For purposes of measuring the OPEB liabilities, deferred outflows of resources and deferred inflows of resources, and OPEB expense related to implicit rate subsidies, information was obtained from actuarial reports provided by the District's health insurance provider, OEBS.

CASH AND INVESTMENTS:

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

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CASH AND INVESTMENTS (Cont.):

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

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

As of June 30, 2024, the reported amount of the District’s deposits was \$321,471, the bank balance was \$301,825. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

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

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

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

Type of Investment	Fair Value	Credit Rating
Oregon State Treasurer's Local Government		
Investment Pool (LGIP)	\$ 1,186,184	N/A
Total Investments	<u>\$ 1,186,184</u>	

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investment.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

LONG-TERM DEBT:

The following is a summary of debt service transactions for the year ended June 30, 2024:

On June 15, 2012, an agreement was reached between the District and the Oregon Department of Energy to secure a loan to finance the purchase, construction, and equipping of small-scale energy projects in the local area. The loan amount was \$202,000 and carried an interest rate of 2.5 percent per annum until it was fully paid off. The loan is set to be repaid in 180 monthly installments of equal value, with each installment being \$1,347.

During the 2017-2018 fiscal year, the District engaged in capital lease agreements to procure buses. The initial lease amount was \$215,551, and the total cost of the leased items amounted to \$215,869. As of June 30, 2022, the leased items had accumulated depreciation of \$61,650, resulting in a net book value of \$154,219. The lease payments of \$20,269 are payable annually, with an interest rate of 3.85 percent applied to both leases. Moreover, a down payment of \$90,000 was made at the inception of the lease agreement.

The following is a schedule of transactions during the year:

Debt	Outstanding Balance July 1, 2023	Principal Paid	Interest Paid	Outstanding Balance June 30, 2024	Due Within One Year
Leases Payable:					
Bus Leases	\$ 38,305	\$ 18,795	\$ 4,111	\$ 19,510	\$ 19,510
Total Leases Payable	\$ 38,305	\$ 18,795	\$ 4,111	\$ 19,510	\$ 19,510
Notes Payable:					
Oregon Department of Energy Cool Schools Loan	\$ 63,835	\$ 14,733	\$ 1,421	\$ 49,102	\$ 15,110
Total Notes Payable	\$ 63,835	\$ 14,733	\$ 1,421	\$ 49,102	\$ 15,110
Total Long-Term Debt	\$ 102,140	\$ 33,528	\$ 5,532	\$ 68,612	\$ 34,620

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

LONG-TERM DEBT (Cont.):

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

Leases Payable:	Due Fiscal Year			
	<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2025	<u>\$ 19,510</u>	<u>\$ 758</u>	<u>\$ 20,268</u>
	Total	<u>\$ 19,510</u>	<u>\$ 758</u>	<u>\$ 20,268</u>

Notes Payable:	Due Fiscal Year			
	<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2025	\$ 15,110	\$ 1,054	\$ 16,164
	2026	15,489	675	16,164
	2027	15,881	283	16,164
	2028	<u>2,622</u>	<u>8</u>	<u>2,630</u>
	Total	<u>\$ 49,102</u>	<u>\$ 2,020</u>	<u>\$ 51,122</u>

The District has no unused lines of credit.

The District has no assets that are specifically pledged as collateral for any of the debt.

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN:

POWERS SCHOOL DISTRICT NO. 31 offers various retirement plans to qualified employees as described below.

Name of Pension Plan

POWERS SCHOOL DISTRICT NO. 31 participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

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

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

Pension Benefits

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

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

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

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

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

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

Pension Benefits

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

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

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

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

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

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added (\$225,533 as of January 1, 2023). This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,570/month in House Bill 2906 as of June 2023), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

Death Benefits

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

Disability Benefits

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

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits.

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

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Contributions

Description of Funding and Contributions for PERS Benefit Plans

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

The District's employer contributions for the year ended June 30, 2024 were \$495,125 excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2023 to June 30, 2025 are: Tier1/Tier2 – 27.87%, and OPSRP General Service – 25.03%.

Member Contributions

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

During FY 2023-2024, approximately \$89,263 in employee IAP contributions were paid or picked up by the District.

Employer Contributions

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

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

For **Oregon PERS OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The employer rates effective July 1, 2021 through June 20, 2023, are 10.33% for General Service employees, and 14.69% for Police and Fire employees of covered salaries. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

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

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

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

Pension Plan CAFR/ ACFR

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

Actuarial Valuations

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

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

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on July 20, 2021.

Discount Rate

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Depletion Date Projection

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

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

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

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

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

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

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return¹</u>	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
<u>Asset Class</u>	<u>Target Allocation</u>		
Global Equity	27.50%	8.57%	7.07%
Private Equity	25.50%	12.89%	8.83%
Core Fixed Income	25.00%	4.59%	4.50%
Real Estate	12.25%	6.90%	5.83%
Master Limited Partnerships	0.75%	9.41%	6.02%
Infrastructure	1.50%	7.88%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.81%	6.27%
Hedge Fund Equity - Hedge	0.63%	7.39%	6.48%
Hedge Fund - Macro	5.62%	5.44%	4.83%
Assumed Inflation - Mean		2.35%	1.41%

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

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

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net pension liability	\$ 3,600,793	\$ 2,179,905	\$ 990,773

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Changes Since Last Valuation

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

Changes in Actuarial Methods and Allocation Procedures

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

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

Changes in Assumptions

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

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

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

Assumptions for unused sick leave and vacation pay were updated.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Mortality Rates

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

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

Deferred Items

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

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

Employer Contributions

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

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

Elements of Changes in Net Position

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

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

Under the modified cash basis of accounting, pension related liabilities and deferred outflows and inflows are not recorded in the financial statements. Had the District used the accrual basis of accounting they would have reported liability of \$2,179,905 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the employer's proportion was 0.01163815. For the year ended June 30, 2024, the District recognized pension expense of \$377,352 on the cash basis of accounting.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 106,604	\$ 8,644
Changes of assumptions	193,650	1,444
Net difference between projected and actual earnings on investments	39,182	-
Changes in proportionate share	108,593	99,984
Differences between employer contributions and employer's proportionate share of system contributions	37,454	101,803
Total Deferred Outflows/Inflows	\$ 485,483	\$ 211,875
Post-measurement date contributions	495,125	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 980,608	\$ 211,875
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		273,608

Contributions of \$495,125 for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 34,306
2nd Fiscal Year	(76,152)
3rd Fiscal Year	218,238
4th Fiscal Year	86,419
5th Fiscal Year	10,797
Total	\$ 273,608

As a result of the use of the modified cash basis of accounting in this report the amount of net pension will not be reported on the Statement of Net Position.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

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

Plan Description

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

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

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

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2024, 2023, and 2022 were \$86, \$205, and \$264 respectively, which equaled the required contributions for the year.

As a result of the use of the modified cash basis of accounting in this report the amount of net OPEB liability (asset) for RHIA will not be reported on the Statement of Net Position.

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending July 20, 2021.

Discount Rate

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Table 31 on page 92 shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at: www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	\$ (34,624)	\$ (38,090)	\$ (41,064)

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

At June 30, 2024, the District reported a net OPEB RHIA liability/(asset) of \$(38,090) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023, the District’s proportion was 0.01040233 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2024 was \$(2,576).

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 956
Changes of assumptions	-	411
Net difference between projected and actual earnings on investments	108	-
Changes in proportionate share	553	-
Total Deferred Outflows/Inflows	\$ 661	\$ 1,367
Post-measurement date contributions	86	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 747	\$ 1,367
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		(706)

Contributions of \$86 for RHIA OPEB were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (1,307)
2nd Fiscal Year	(1,311)
3rd Fiscal Year	1,408
4th Fiscal Year	505
Total	\$ (706)

Changes Subsequent to the Measurement Date

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

As a result of the use of the modified cash basis of accounting in this report the amount of net OPEB liability (asset) for RHIA will not be reported on the Statement of Net Position.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB:

OEGB Health Insurance Subsidy

Plan Description

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

Funding Policy

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

At June 30, 2024, the District reported an estimated net OPEB OEGB liability/(asset) of \$43,509 for its proportionate share of the net OPEB liability/(asset). The OPEB OEGB liability/(asset) was measured as of June 30, 2023, and the total OPEB OEGB liability/(asset) used to calculate the net OPEB OEGB liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB OEGB liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. Based on the measurement date of June 30, 2023, the District’s estimated OPEB OEGB expense/(income) for the year ended June 30, 2024, was \$9,321.

Actuarial Methods and Assumptions

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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

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

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

The Discount Rate

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

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

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

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

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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

Sensitivity Analysis

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

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability from Implicit Rate Subsidy	\$ 45,635	\$ 43,509	\$ 41,409
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 39,241	\$ 43,509	\$ 48,367

Participation

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

As of Valuation Date	July 1, 2023
Active Employees	18
Eligible Retirees	0
Spouses of Ineligible Retirees	0
Total Participants	18
Spouses of Eligible Retirees	0

Changes in Net (OPEB) OEGB Liability

	Increase (Decrease) Total OPEB Liability
Changes in Total OPEB Liability June 30, 2023 to June 30, 2024	
Balance per actuarial as of June 30, 2023	\$ 35,918
Changes for the year:	
Service Cost	7,833
Interest	1,522
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	-
Changes in assumptions or other inputs	(234)
Employer Contributions	-
Benefit payments	(1,530)
Net OPEB Liability per actuarial at June 30, 2024	\$ 43,509

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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

Components of (OPEB) OEGB Expense

OPEB Expense	<u>July 1, 2023 to June 30, 2024</u>
Service cost	\$ 7,833
Interest on total OPEB liability	1,522
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of assumption changes	<u>(34)</u>
OPEB Expense	<u>\$ 9,321</u>

Schedule of Deferred Inflows and Outflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or inputs	<u>-</u>	<u>200</u>
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	<u>\$ -</u>	<u>\$ 200</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(200)</u>

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

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (34)
2nd Fiscal Year	(34)
3rd Fiscal Year	(34)
4th Fiscal Year	(34)
5th Fiscal Year	(34)
Thereafter	<u>(30)</u>
Total	<u>\$ (200)</u>

Changes Subsequent to the Measurement Date

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

As a result of the use of the cash basis of accounting in this report the amount of net OPEB liability (asset) for OEGB will not be reported on the Statement of Net Position.

POWERS SCHOOL DISTRICT NO. 31
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if it is any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial. The District is not currently named as a defendant in any pending or threatened litigation. The potential effects of an illegal act or material revenue derived from transactions involving illegal acts or significant unusual risks may constitute a liability of the applicable fund. The District expects such a liability amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

RISK:

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

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment Insurance to the State to pay for any claims paid to former employees. Any reimbursements are paid by the fund, incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected but unpaid claims based on historical experience and ongoing concern assessments. The District's estimated liability for unpaid unemployment claims is immaterial. Therefore, no liability amount appears on the District's statement of net position or balance sheet. Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible employees. There have been no significant reductions in coverage from prior years, and settlements have not exceeded insurance coverage in the past three years.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

For the fiscal year of June 30, 2024, the District had no interfund balances or transfers budgeted.

OVER-EXPENDITURE OF APPROPRIATIONS:

The over-expended appropriations in the following funds:

<u>Fund Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Over - Expenditure Variance</u>
Special Revenue Fund/Instruction	538,155	708,941	170,786
Special Revenue Fund/Debt Service	-	6,000	6,000

DEFICIT FUND BALANCE:

The ending fund balance in the Capital Project Fund is (\$460,062).

SUPPLEMENTARY
INFORMATION

POWERS SCHOOL DISTRICT No. 31
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Modified Cash Basis - Budget and Actual
General Fund #100
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 268,000	\$ 268,000	\$ 300,010	\$ 32,010
Earnings on Investments	15,000	15,000	61,199	46,199
Miscellaneous Revenue	15,000	15,000	19,871	4,871
Intermediate Government Aid	1,500	1,500	2,217	717
State Aid	1,970,000	1,970,000	2,192,596	222,596
Federal Aid	500	500	-	(500)
Total Revenues	<u>2,270,000</u>	<u>2,270,000</u>	<u>2,575,893</u>	<u>305,893</u>
<u>EXPENDITURES:</u>				
Instruction	2,160,020	2,160,020	1,566,693	(593,327)
Support Services	1,099,200	1,099,200	900,598	(198,602)
Enterprise and Community Services	6,000	6,000	6,000	-
Debt Service	60,000	60,000	33,064	(26,936)
Contingency	92,000	92,000	-	(92,000)
Total Expenditures	<u>3,417,220</u>	<u>3,417,220</u>	<u>2,506,355</u>	<u>(910,865)</u>
Net Change in Fund Balance	(1,147,220)	(1,147,220)	69,538	1,216,758
Beginning Fund Balance	1,300,000	1,300,000	1,898,179	598,179
Ending Fund Balance	<u>\$ 152,780</u>	<u>\$ 152,780</u>	<u>\$ 1,967,717</u>	<u>\$ 1,814,937</u>

POWERS SCHOOL DISTRICT No. 31
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Modified Cash Basis - Budget and Actual
Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ 250	\$ 250	\$ 241	\$ (9)
Fees and Charges	40,000	40,000	73,740	33,740
Miscellaneous Revenue	7,000	7,000	27,586	20,586
State Aid	(54,000)	53,000	2,236,054	2,183,054
Federal Aid	3,103,978	3,103,978	238,130	(2,865,848)
Total Revenues	<u>3,097,228</u>	<u>3,204,228</u>	<u>2,575,751</u>	<u>(628,477)</u>
<u>EXPENDITURES:</u>				
Instruction	431,155	538,155	708,941	170,786
Support Services	622,063	622,063	351,162	(270,901)
Facilities Acquisition and Construction	2,127,705	2,127,705	1,871,694	(256,011)
Debt Service	-	-	6,000	6,000
Total Expenditures	<u>3,180,923</u>	<u>3,287,923</u>	<u>2,937,797</u>	<u>(350,126)</u>
Net Change in Fund Balance	(83,695)	(83,695)	(362,046)	(278,351)
Beginning Fund Balance	83,695	83,695	(98,016)	(181,711)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (460,062)</u>	<u>\$ (460,062)</u>

POWERS SCHOOL DISTRICT No. 31

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
PERS
Last 10 Fiscal Years***

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c)	Plan fiduciary net position as a percentage of the total pension liability
					Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	
2024	June 30, 2023	0.01163815%	\$ 2,179,905	\$ 1,031,553	211.32%	81.7%
2023	June 30, 2022	0.01111786%	1,702,367	1,136,872	149.74%	84.5%
2022	June 30, 2021	0.01080505%	1,292,984	938,088	137.83%	87.6%
2021	June 30, 2020	0.01211554%	2,644,028	898,086	294.41%	75.8%
2020	June 30, 2019	0.01183184%	2,046,625	847,917	241.37%	80.2%
2019	June 30, 2018	0.01149934%	1,741,999	815,348	213.65%	82.1%
2018	June 30, 2017	0.00977201%	1,317,271	720,919	182.72%	83.1%
2017	June 30, 2016	0.01274848%	1,913,843	760,292	251.72%	80.5%
2016	June 30, 2015	0.01558265%	894,672	758,121	118.01%	91.9%
2015	June 30, 2014	0.01675698%	(379,833)	782,252	-48.56%	103.6%

¹Measurement date is one year in arrears.

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

POWERS SCHOOL DISTRICT No. 31
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2024	\$ 495,125	\$ 495,125	\$ -	\$ 1,459,453	33.93%
2023	331,332	331,332	-	1,031,553	32.12%
2022	367,022	367,022	-	1,136,872	32.28%
2021	360,466	360,466	-	938,088	38.43%
2020	343,094	343,094	-	898,086	38.20%
2019	280,869	280,869	-	847,917	33.12%
2018	246,566	246,566	-	815,348	30.24%
2017	211,094	211,094	-	720,919	29.28%
2016	192,879	192,879	-	760,292	25.37%
2015	206,317	206,317	-	758,121	27.21%
2014	212,760	212,760	-	782,252	27.20%

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

POWERS SCHOOL DISTRICT No. 31

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years***

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	June 30, 2023	0.01040233%	\$ (38,090)	\$ 1,031,553	-3.69%	201.6%
2023	June 30, 2022	0.01070195%	(38,028)	1,136,872	-3.34%	194.6%
2022	June 30, 2021	0.01076043%	(36,951)	938,088	-3.94%	183.9%
2021	June 30, 2020	0.01347174%	(27,450)	898,086	-3.06%	150.1%
2020	June 30, 2019	0.00876965%	(16,946)	847,917	-2.00%	144.4%
2019	June 30, 2018	0.00813525%	(9,081)	815,348	-1.11%	124.0%
2018	June 30, 2017	0.00814599%	(3,400)	720,919	-0.47%	108.9%
2017	June 30, 2016	0.00774418%	2,103	760,292	0.28%	94.2%

¹Measurement date is one year in arrears.

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

POWERS SCHOOL DISTRICT No. 31

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

<u>Year Ended June 30,</u>	<u>(a) Contractually required contribution</u>	<u>(b) Contributions in relation to the contractually required contribution</u>	<u>(a-b) Contribution deficiency (excess)</u>	<u>(c) Employer's covered payroll</u>	<u>(b/c) Contributions as a percent of covered payroll</u>
2024	\$ 86	\$ 86	\$ -	\$ 1,459,453	0.01%
2023	205	205	-	1,031,553	0.02%
2022	264	264	-	1,136,872	0.02%
2021	288	288	-	938,088	0.03%
2020	962	962	-	898,086	0.11%
2019	4,346	4,346	-	847,917	0.51%
2018	3,939	3,939	-	815,348	0.48%
2017	4,057	4,057	-	720,919	0.56%
2016	3,702	3,702	-	760,292	0.49%
2015	4,254	4,254	-	758,121	0.56%

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

OTHER INFORMATION

Additional Supporting Schedules

POWERS SCHOOL DISTRICT No. 31
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2024

Oregon Department of Energy Cool Schools Loan

On June 15, 2012, an agreement was reached between the District and the Oregon Department of Energy to secure a loan to finance the purchase, construction, and equipping of small-scale energy projects in the local area. The loan amount was \$202,000 and carried an interest rate of 2.5 percent per annum until it was fully paid off. The loan is set to be repaid in 180 monthly installments of equal value, with each installment being \$1,347.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	\$ 63,835	\$ -	\$ 14,733	\$ 49,102	\$ 15,110
Interest	-	1,421	1,421	-	1,054
Total	\$ 63,835	\$ 1,421	\$ 16,154	\$ 49,102	\$ 16,164

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2025	\$ 15,110	\$ 1,054	\$ 16,164	2.50%
	2026	15,489	675	16,164	2.50%
	2027	15,881	283	16,164	2.50%
	2028	2,622	8	2,630	2.50%
Total		\$ 49,102	\$ 2,020	\$ 51,122	

POWERS SCHOOL DISTRICT No. 31
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2024

Bus Leases

During the 2017-2018 fiscal year, the District engaged in capital lease agreements to procure buses. The initial lease amount was \$215,551, and the total cost of the leased items amounted to \$215,869. As of June 30, 2022, the leased items had accumulated depreciation of \$61,650, resulting in a net book value of \$154,219. The lease payments of \$20,269 are payable annually, with an interest rate of 3.85 percent applied to both leases. Moreover, a down payment of \$90,000 was made at the inception of the lease agreement.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	\$ 38,305	\$ -	\$ 18,795	\$ 19,510	\$ 19,510
Interest	-	4,111	4,111	-	758
Total	\$ 38,305	\$ 4,111	\$ 22,906	\$ 19,510	\$ 20,268

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2025	\$ 19,510	\$ 758	\$ 20,268	3.85%
Total		\$ 19,510	\$ 758	\$ 20,268	

POWERS SCHOOL DISTRICT No. 31

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2024

SUPPLEMENTAL INFORMATION 2023-2024

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

B. Energy Bills for Heating - All Funds:

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

	Objects 325 & 326 & *327
Function 2540	\$ 43,814
Function 2550	\$ -

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

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

Exclude these functions:

4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

\$ -

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

POWERS SCHOOL DISTRICT No. 31

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2024

		Fund 100	Fund 200
Revenue from Local Sources			
1110	Ad Valorem Taxes Levied by District	\$ 300,010	\$ -
1500	Earnings on Investments	61,199	241
1700	Extracurricular Activities	-	73,740
1920	Contributions and Donations From Private Sources	-	19,005
1990	Miscellaneous	19,871	8,581
	Total Revenue from Local Sources	\$ 381,081	\$ 101,568
Revenue from Intermediate Sources			
2101	County School Funds	\$ 2,217	\$ -
	Total Revenue from Intermediate Sources	\$ 2,217	\$ -
Revenue from State Sources			
3101	State School Fund - General Support	\$ 2,177,906	\$ -
3103	Common School Fund	14,690	-
3299	Other Restricted Grants-In-Aid	-	2,236,054
	Total Revenue from State Sources	\$ 2,192,596	\$ 2,236,054
Revenue from Federal Sources			
4300	Restricted Revenue From the Federal Government	\$ -	\$ 19,601
4500	Restricted Revenue From the Federal Government Through the State	\$ -	\$ 218,529
	Total Revenue from Federal Sources	\$ -	\$ 238,130
Revenue from Other Sources			
5400	Resources - Beginning Fund Balance	1,898,179	(98,016)
	Total Revenue from Other Sources	\$ 1,898,179	\$ (98,016)
	Grand Total	\$ 4,474,072	\$ 2,477,736

POWERS SCHOOL DISTRICT No. 31
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2024

FUND: General Fund #100

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111	Elementary, K-5 or K-6	\$ 590,572	\$ 325,199	\$ 250,604	\$ 5,325	\$ 9,443	\$ -	\$ -
1121	Middle/Junior High Programs	145,820	89,952	55,714	-	155	-	-
1122	Middle/Junior High School Extracurricular	27,107	18,054	4,533	1,893	2,455	-	173
1131	High School Programs	542,791	311,479	215,643	6,715	8,185	-	770
1132	High School Extracurricular	131,663	64,356	29,958	21,783	12,807	-	2,760
1250	Less Restrictive Programs for Students with Disabilities	128,739	87,652	39,293	-	1,794	-	-
Total Instruction Expenditures		\$ 1,566,693	\$ 896,692	\$ 595,745	\$ 35,716	\$ 34,838	\$ -	\$ 3,703

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2120	Guidance Services	\$ 413	\$ -	\$ -	\$ -	\$ 413	\$ -	\$ -
2130	Health Services	829	-	-	-	829	-	-
2190	Service Direction, Student Support Services	10,342	-	10,342	-	-	-	-
2210	Improvement of Instruction Services	43,551	26,696	16,855	-	-	-	-
2220	Educational Media Services	495	-	-	-	495	-	-
2310	Board of Education Services	39,726	-	-	28,051	151	-	11,524
2320	Executive Administration Services	164,455	105,142	57,970	1,343	-	-	-
2410	Office of the Principal Services	136,121	74,267	57,339	1,489	2,161	-	864
2520	Fiscal Services	49,115	25,038	22,700	40	166	-	1,171
2540	Operation and Maintenance of Plant Services	364,446	86,617	68,763	99,724	22,593	52,450	34,299
2550	Student Transportation Services	25,629	1,536	285	7,885	12,203	-	3,720
2660	Technology Services	65,475	-	-	62,489	2,986	-	-
Total Support Services Expenditures		\$ 900,598	\$ 319,296	\$ 234,256	\$ 201,021	\$ 41,998	\$ 52,450	\$ 51,578

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100	Food Services	6,000	-	-	-	6,000	-	-
Total Enterprise and Community Services Expenditures		\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
5100	Debt Service	\$ 33,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,064
Total Other Uses Expenditures		\$ 33,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,064
Grand Total		\$ 2,506,355	\$ 1,215,988	\$ 830,000	\$ 236,737	\$ 82,836	\$ 52,450	\$ 88,344

POWERS SCHOOL DISTRICT No. 31

Audit Expenditure Summary-Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2024

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Elementary, K-5 or K-6	\$ 335,463	\$ 189,926	\$ 104,537	\$ 3,204	\$ 23,045	\$ 14,750	\$ -
1131 High School Programs	59,406	21,300	3,386	14,832	19,889	-	-
1132 High School Extracurricular	99,326	-	-	44,882	53,028	-	1,416
1250 Less Restrictive Programs for Students with Disabilities	37,034	28,256	8,778	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-
1271 Remediation	84,686	43,965	12,034	12,367	8,918	-	7,403
1272 Title I	83,460	60,852	22,608	-	-	-	-
1299 Other Programs	9,565	7,278	2,287	-	-	-	-
Total Instruction Expenditures	\$ 708,941	\$ 351,577	\$ 153,630	\$ 75,285	\$ 104,880	\$ 14,750	\$ 8,819

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2120 Guidance Services	47,112	17,726	6,695	16,720	5,971	-	-
2410 Office of the Principal Services	42,884	-	-	41,215	1,669	-	-
2540 Operation and Maintenance of Plant Services	205,208	-	-	19,384	13,950	171,874	-
2660 Technology Services	55,959	-	-	-	4,314	51,644	-
Total Support Services Expenditures	\$ 351,162	\$ 17,726	\$ 6,695	\$ 77,319	\$ 25,904	\$ 223,519	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150 Building Acquisition, Construction, and	1,871,694	-	-	1,870,691	1,003	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 1,871,694	\$ -	\$ -	\$ 1,870,691	\$ 1,003	\$ -	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
5100 Debt Service	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Total Other Uses Expenditures	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Grand Total	\$ 2,937,796	\$ 369,303	\$ 160,324	\$ 2,023,295	\$ 131,786	\$ 238,269	\$ 14,819

POWERS SCHOOL DISTRICT No. 31

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing (AL) #			Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Receivable)/ Deferred Revenue June 30,	Cash Received	Expenditures	(Receivable)/ Deferred Revenue June 30, 2024
	Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification										
US. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	010				Fund #210	84.010	2023-24	\$ 83,561	\$ (5,135)	\$ 54,675	\$ 73,424	\$ (23,884)
Title IA -ESSA Partnership Grant	84	010				Fund #217	84.010	2021-22	40,946	31,015	1,020	-	32,035
Total Title I									124,507	25,880	55,695	73,424	8,151
Title II-A Teacher Quality	84	367				Fund #211	84.367	2022-23	7,645	(3,045)	3,045	-	-
Total Title II-A									7,645	(3,045)	3,045	-	-
Title IV - Student Support and Academic Enrichment	84	424				Fund #211	84.424	2021-22	10,000	(5,535)	5,535	-	-
Title IV - Student Support and Academic Enrichment	84	424				Fund #211	84.424	2020-21	10,000	(8,379)	8,379	-	-
Title IV - Student Support and Academic Enrichment	84	424				Fund #211	84.424	2022-23	10,763	(103)	3,848	23,914	(20,169)
									30,763	(14,017)	17,762	23,914	(20,169)
Elementary & Secondary School Emergency Relief, II	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Education Stabilization Fund	Fund #219	84.425	2020-23	240,405	(104,774)	104,774	-	-
Elementary & Secondary School Emergency Relief, III	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Education Stabilization Fund	Fund #219	84.425	2020-24	540,295	(33,744)	-	473,451	(507,195)
Library Grant - ESSER	84	425	COVID-19, 84.425C	Elementary and Secondary School Emergency Relief Fund	Education Stabilization Fund	Fund #204	84.425	2022-23	10,000			7,513	(7,513)
Total Educational Stabilization Fund									790,700	(138,518)	104,774	480,964	(514,708)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #224	84.027	2022-23	36,571	-	36,571	36,352	219
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #224	84.027	2021-22	29,519	-	307	307	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #224	84.027	2022-23	671	-	375	375	-
Total IDEA									104,003	-	37,253	37,034	219
Total Passed through Oregon Department of Education									\$ 1,057,618	\$ (129,701)	\$ 218,529	\$ 615,336	\$ (526,507)
U.S. Department of Education - Direct													
Title IX Indian Education	84	060				Fund #205	84.048	2023-24	\$ 12,622	\$ (2,763)	\$ 9,565	\$ 9,565	\$ (2,762)
Title V-B REAP funds Rural Education (SRSA/RLIS)	84	358A				Fund #214	84.196	2022-23	-	(2,325)	10,036	10,036	(2,325)
Total Received / Expended from U.S. Department of Education - Direct									\$ 12,622	\$ (5,088)	\$ 19,601	\$ 19,601	\$ (5,088)
Total U.S. Department of Education									\$ 1,070,240	\$ (134,789)	\$ 238,131	\$ 634,937	\$ (531,595)
TOTALS									\$ 1,070,240	\$ (134,789)	\$ 238,131	\$ 634,937	\$ (531,595)

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

RECONCILIATION TO REVENUE:	
Cash Receipts per Schedule Above	\$ 238,131
Grants Receivable/Deferred Revenue Beginning of Year	(134,789)
Grants Receivable/Deferred Revenue End of Year	531,595
Federal Revenue Recognized per Financial Statements	\$ 634,937

REPORTS ON OTHER LEGAL
AND
REGULATORY REQUIREMENTS

POWERS SCHOOL DISTRICT NO. 31

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

As of June 30, 2024

To the Governing Body of the POWERS SCHOOL DISTRICT NO. 31
Powers, Oregon

We have audited the basic financial statements of the POWERS SCHOOL DISTRICT NO. 31 as of and for the year ended June 30, 2024, and have issued our report thereon dated May 2, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the POWERS SCHOOL DISTRICT NO. 31's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

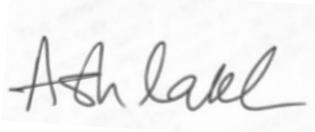
In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

- **Expenditure exceeded budget appropriations by a material amount in two funds. See the Notes to the Financial Statement.**

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the Board of Directors and management of POWERS SCHOOL DISTRICT NO. 31 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
May 2, 2025