

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024



Coquille

School District #8

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

DISTRICT OFFICIALS

June 30, 2024

BOARD OF DIRECTORS

Melinda Millet, Chair
970 N. Central Boulevard
Coquille, Oregon 97423

Julie Nighswonger, Vice Chair
970 N. Central Boulevard
Coquille, Oregon 97423

Steve Britton
970 N. Central Boulevard
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970 N. Central Boulevard
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Lucas Taylor
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Cliff Wheeler
970 N. Central Boulevard
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ADMINISTRATION

Wayne Gallagher, Superintendent
970 N. Central Boulevard
Coquille, Oregon 97423

Denese Hale, Assistant Business Manager
970 N. Central Boulevard
Coquille, Oregon 97423

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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FINANCIAL SECTION

KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coquille School District #8
Coquille, Oregon 97423

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coquille School District #8, Coquille, Oregon as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Unmodified
Special Revenue Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Unmodified Opinions on the Major Funds and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Coquille School District #8 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to Qualified Opinion on Governmental Activities section, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities of Coquille School District #8 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coquille School District #8 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on Governmental Activities

Coquille School District #8 elected to not implement the provisions of Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* nor GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The effects on the financial statements of not implementing these standards cannot be determined.

Responsibilities of Management for the Financial Statements

Coquille School District #8's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coquille School District #8's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Coquille School District #8'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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 12 and 49 through 50, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coquille School District #8's basic financial statements. The combining and individual fund statements and schedules, revenue and expenditure summaries, schedule of property tax transactions, supplemental information required by the Oregon Department of Education, and the schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, revenue and expenditure summaries, and the schedule of expenditures of federal awards are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, revenue and expenditure summaries, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of property tax transactions and supplemental information required by the Oregon Department of Education have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

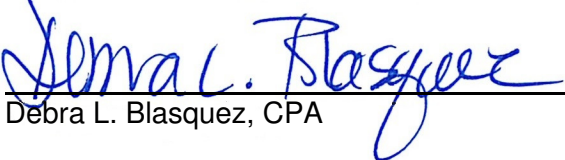
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024 on our consideration of Coquille School District #8's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coquille School District #8's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coquille School District #8's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2024 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
December 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

COQUILLE SCHOOL DISTRICT #8

Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Coquille School District #8, Coquille, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2024, total net position of Coquille School District #8 amounted to \$11,855,272. Of this amount, \$7,553,854 was invested in capital assets, net of related debt; \$2,337 was restricted for scholarships; \$1,270,247 was restricted for special projects; and \$244,032 was restricted for student body activities. The remaining balance of \$2,784,802 was unrestricted.
- At June 30, 2024, the District's governmental funds reported combined ending fund balances of \$4,193,865.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Coquille School District #8's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 13 through 15 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Coquille School District #8 can be divided into two categories: governmental funds and fiduciary funds.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

□ **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, and Capital Projects Funds, all of which are considered to be major governmental funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Coquille School District #8 adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

□ **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for governmental funds.

The District maintains two fiduciary funds. Information is presented separately in the statement of fiduciary net position and statement of changes in fiduciary net position for the Hupperich Trust Fund, which is a private-purpose trust fund and the Alumni Fund, which is a custodial fund.

Coquille School District #8 adopts an annual appropriated budget for its fiduciary funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The basic fiduciary fund financial statements can be found on pages 20 through 21 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 through 48 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 49 through 50 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 51 through 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2024, the District's total assets and deferred outflows of resources exceeded total liabilities by \$11,855,272.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position increased by \$89,805 during the current fiscal year.

Condensed statement of net position information is shown on the following page.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Net Position

	Governmental Activities	
	2024	2023
Assets and deferred outflows of resources		
Current assets	\$ 3,990,984	\$ 6,171,783
Restricted assets	1,583,188	1,202,887
Capital assets	16,157,517	14,924,057
Deferred outflows of resources	5,676	6,622
Total assets and deferred outflows of resources	21,737,365	22,305,349
Liabilities		
Current liabilities	1,857,657	1,948,719
Noncurrent liabilities	8,024,436	8,591,163
Total liabilities	9,882,093	10,539,882
Net position		
Net investment in capital assets	7,553,854	5,786,499
Restricted for various purposes	1,516,616	1,167,470
Unrestricted	2,784,802	4,811,498
Total net position	\$ 11,855,272	\$ 11,765,467

District's Changes in Net Position

The condensed statement of activities information shown on the following page explains changes in net position.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Activities

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Program revenues		
Regular programs	\$ 895,575	\$ 894,392
Special programs	3,568,858	3,942,062
Student support services	134,280	135,848
Food services	5,489	2,424
Community service activities	<u>114,513</u>	<u>129,973</u>
Total program revenues	<u>4,718,715</u>	<u>5,104,699</u>
General revenues		
Property taxes - general	2,618,719	2,498,373
Other taxes	775	-
State school fund - general support	13,239,655	12,285,469
State school fund - lunch match	5,356	4,805
Common school fund	23,768	40,558
Unrestricted federal revenue	-	230,689
Investment earnings	269,530	208,447
Miscellaneous	<u>324,299</u>	<u>151,137</u>
Total general revenues	<u>16,482,102</u>	<u>15,419,478</u>
Total revenues	<u>21,200,817</u>	<u>20,524,177</u>
Program expenses		
Regular programs	6,665,575	6,144,943
Special programs	4,320,740	3,793,457
Summer school programs	-	88,073
Student support services	1,186,604	1,138,350
Instructional staff support	405,846	478,216
General administrative support	605,267	538,420
School administrative support	1,558,579	1,434,419
Business support services	2,832,357	3,166,310
Central activities support	974,722	1,036,049
Food services	1,130,172	970,025
Community service activities	275,939	330,301
Unallocated depreciation expense	863,862	818,590
Unallocated amortization expense	90,224	12,496
Interest on long-term debt	<u>201,125</u>	<u>210,011</u>
Total program expenses	<u>21,111,012</u>	<u>20,159,660</u>
Change in net position	89,805	364,517
Net position - beginning of year	<u>11,765,467</u>	<u>11,400,950</u>
Net position - end of year	<u>\$ 11,855,272</u>	<u>\$ 11,765,467</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide the majority (78%) of the funding required for governmental programs. Property taxes and state school funding combined for 96% of general revenues and 75% of total revenues.

Charges for services make up 1.6% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition or fees:

• Food service charges for breakfast and lunch	\$ 5,489
• Various student extracurricular activities	213,955
• Community service activities	<u>114,513</u>
Total charges for services	<u>\$ 333,957</u>

Operating grants and contributions represent 17% of total revenues. Included in this category are \$3,570,987 for grants and contributions to support various educational activities. Capital grants and contributions represent 4% of total revenues. Included in this category are \$813,771 for grants and contributions to capital projects.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 52% of the total expenses of \$21,111,012. In addition, approximately 41% of the costs of supporting services relate to students, instructional staff, and school administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

At the end of the current fiscal year, the District's major governmental funds reported combined fund balances of \$4,191,528, a decrease of \$1,711,061 from the prior year. This amount included \$35,417 of nonspendable amounts related to inventories, \$31,155 of nonspendable amounts related to prepaids, \$1,270,247 restricted for special projects, \$244,032 restricted for student body activities, \$577,821 committed to capital projects, \$330,000 assigned to reduced enrollment, \$350,000 assigned to classified negotiations, \$251,282 assigned to ESSER III staff, and \$150,000 assigned to project completion. The remaining \$951,574 constitutes unassigned fund balance available for spending at the District's discretion.

Significant Changes in Major Governmental Fund Balances

- General Fund: Fund balance decreased 56.5% due to district-wide maintenance and improvement projects completed in the current fiscal year.
- Special Revenue Fund: Fund balance restricted for special projects increased 38.5% due to district-wide maintenance and improvement projects planned for the summer months of the new fiscal year.
- Capital Projects Fund: Fund balance committed to capital projects increased 1826.1% due to district-wide maintenance and improvement projects planned for the summer months of the new fiscal year.

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2024 include:

- Intermediate source revenues were budgeted for \$19,500. Actual revenues were \$25,897 (32.8% over budget) due to county school fund revenue coming in higher than anticipated.
- Federal source revenues were budgeted for \$7,000. Actual revenues were \$0 due to prior year grant revenue not continuing into the new fiscal year.
- Expenditures for enterprise and community services were budgeted for \$385,600. Actual expenditures were \$264,189 (31.5% under budget) due to lower FTEs than budgeted.
- Transfers in were budgeted for \$333,781. Actual transfers in were \$0 due to unnecessary transfers from Bus Depreciation and Debt Service.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024 amounted to \$16,157,517, net of accumulated depreciation and amortization. This investment in capital assets includes land, construction in progress, land improvements, buildings, equipment, vehicles, intangible right to use lease assets for copiers and a postage meter, and intangible right to use subscription-based information technology arrangement (SBITA) assets for digital curriculum. The total depreciation and amortization expense related to the District's investment in capital assets for the current fiscal year was \$950,712.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Additional information on the District's capital assets can be found in Note III-B on pages 32 through 34 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$8,603,663. This amount is comprised of leases payable, an SBITA payable, bonds payable, deferred amounts on refunding, and financed purchases. The District's total long-term liabilities outstanding decreased by \$533,406 during the current fiscal year.

Additional information on the District's long-term liabilities can be found in Note III-E on pages 36 through 40 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future health:

- Pending classified employee negotiations beginning in 2024-2025.
- Decrease in student enrollment.
- Major infrastructure projects for plumbing, electrical, and window upgrades in aging buildings.

These factors were considered in preparing the District's budget for fiscal year 2024-2025.

The ending General Fund unassigned balance of \$951,574 will be available for program resources in fiscal year 2024-2025.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to: Wayne Gallagher, Superintendent, Coquille School District #8, 970 N. Central Boulevard, Coquille, Oregon 97423.

BASIC FINANCIAL STATEMENTS

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	
Cash and cash equivalents	\$ 3,450,320
Undistributed taxes with county	34,167
Accounts receivable	294,627
Intergovernmental receivable	22,352
Property taxes receivable	189,518
Total current assets	3,990,984
Restricted assets	
Cash and cash equivalents	1,062,412
Accounts receivable	425,186
Intergovernmental receivable	29,018
Inventories	35,417
Prepays and deposits	31,155
Total restricted assets	1,583,188
Capital assets	
Land	1,729,840
Construction in progress	630,660
Capital assets, net of accumulated depreciation	13,422,040
Right to use lease assets, net of accumulated amortization	34,665
Right to use SBITA assets, net of accumulated amortization	340,312
Total capital assets	16,157,517
Total assets	21,731,689
Deferred outflows of resources	
Deferred charge on refunding	5,676
Total assets and deferred outflows of resources	21,737,365

(Continued)

The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF NET POSITION

June 30, 2024

(Continued)

	Governmental Activities
LIABILITIES	
Current liabilities	
Payroll payables	\$ 1,207,016
Intergovernmental payable	17,941
Accrued interest payable	19,113
Compensated absences payable, current portion	28,684
Leases payable, current portion	11,860
SBITA payable, current portion	14,365
Bonds payable, current portion	455,182
Financed purchases payable, current portion	103,496
Total current liabilities	1,857,657
Noncurrent liabilities	
Leases payable, less current portion	22,129
SBITA payable, less current portion	49,744
Bonds payable, less current portion	7,688,299
Financed purchases payable, less current portion	264,264
Total noncurrent liabilities	8,024,436
Total liabilities	9,882,093
NET POSITION	
Net investment in capital assets	7,553,854
Restricted for:	
Scholarships	2,337
Special projects	1,270,247
Student body activities	244,032
Unrestricted	2,784,802
Total net position	\$ 11,855,272

The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		Charges for Services	Operating Grants and Contributions		<u>Governmental Activities</u>
Governmental activities					
Regular programs	\$ 6,665,575	\$ 79,675	\$ 2,129	\$ 813,771	\$ (5,770,000)
Special programs	4,320,740	-	3,568,858	-	(751,882)
Student support services	1,186,604	134,280	-	-	(1,052,324)
Instructional staff support	405,846	-	-	-	(405,846)
General administrative support	605,267	-	-	-	(605,267)
School administrative support	1,558,579	-	-	-	(1,558,579)
Business support services	2,832,357	-	-	-	(2,832,357)
Central activities support	974,722	-	-	-	(974,722)
Food services	1,130,172	5,489	-	-	(1,124,683)
Community service activities	275,939	114,513	-	-	(161,426)
Unallocated depreciation expense	863,862	-	-	-	(863,862)
Unallocated amortization expense	90,224	-	-	-	(90,224)
Interest on long-term debt	201,125	-	-	-	(201,125)
	<u>\$21,111,012</u>	<u>\$ 333,957</u>	<u>\$3,570,987</u>	<u>\$ 813,771</u>	<u>(16,392,297)</u>
Total governmental activities					
General revenues					
Property taxes levied for general purposes					2,618,719
Other taxes					775
State school fund - general support					13,239,655
State school fund - lunch match					5,356
Common school fund					23,768
Investment earnings					269,530
Miscellaneous					324,299
					<u>16,482,102</u>
Total general revenues					
					89,805
Change in net position					
					<u>11,765,467</u>
Net position - beginning					
					<u>\$ 11,855,272</u>
Net position - ending					

The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund
ASSETS			
Cash and cash equivalents	\$ 2,872,499	\$ 1,060,075	\$ 577,821
Undistributed taxes with county	34,167	-	-
Property taxes receivable	189,518	-	-
Accounts receivable	294,627	425,186	-
Intergovernmental receivable	22,352	29,018	-
Inventories	-	35,417	-
Prepays and deposits	-	31,155	-
	\$ 3,413,163	\$ 1,580,851	\$ 577,821
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Payroll payables	\$ 1,207,016	\$ -	\$ -
Intergovernmental payable	17,941	-	-
	1,224,957	-	-
Deferred inflows of resources			
Unavailable revenue - property taxes	155,350	-	-
Fund balances			
Nonspendable	-	66,572	-
Restricted	-	1,514,279	-
Committed	-	-	577,821
Assigned	1,081,282	-	-
Unassigned	951,574	-	-
	2,032,856	1,580,851	577,821
	\$ 3,413,163	\$ 1,580,851	\$ 577,821

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,337	\$ 4,512,732
-	34,167
-	189,518
-	719,813
-	51,370
-	35,417
-	31,155
<u>\$ 2,337</u>	<u>\$ 5,574,172</u>
\$ -	\$ 1,207,016
-	17,941
-	1,224,957
-	155,350
-	66,572
2,337	1,516,616
-	577,821
-	1,081,282
-	951,574
<u>2,337</u>	<u>4,193,865</u>
<u>\$ 2,337</u>	<u>\$ 5,574,172</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES

June 30, 2024

Total fund balances		\$ 4,193,865
Capital assets are not financial resources and are therefore not reported in the governmental funds.		
Cost of capital assets	25,026,390	
Accumulated depreciation	(9,243,850)	
Cost of intangible right to use leased assets	70,453	
Cost of intangible right to use SBITA assets	413,069	
Accumulated amortization	<u>(108,545)</u>	16,157,517
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 30 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		
		155,350
Liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(19,113)	
Compensated absences payable	(28,684)	
Leases payable	(33,989)	
SBITA payable	(64,109)	
Bonds payable	(8,143,481)	
Bond premium	5,676	
Financed purchases payable	<u>(367,760)</u>	<u>(8,651,460)</u>
Net position of governmental activities		<u>\$ 11,855,272</u>

The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund
REVENUES			
Property taxes	\$ 2,607,560	\$ -	\$ -
Other taxes	775	-	-
Intermediate revenue	25,897	20,374	-
State source revenue	13,239,655	2,088,400	-
Federal source revenue	-	2,173,540	-
Charges for services	144,663	55,014	-
Curricular activities	1,980	116,309	-
Donations	150	121,512	-
Investment earnings	267,709	1,821	-
Miscellaneous	254,674	190,950	-
Total revenues	16,543,063	4,767,920	-
EXPENDITURES			
Current			
Instruction	8,497,245	2,580,013	-
Support services	6,658,876	1,095,992	91,269
Enterprise and community services	264,189	1,141,922	-
Debt service	792,080	-	-
Capital outlay	323,297	113,571	1,463,590
Total expenditures	16,535,687	4,931,498	1,554,859
Excess (deficiency) of revenues over (under) expenditures	7,376	(163,578)	(1,554,859)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	543,879	2,102,680
Transfers out	(2,646,559)	-	-
Total other financing sources (uses)	(2,646,559)	543,879	2,102,680
Net change in fund balances	(2,639,183)	380,301	547,821
Fund balances - beginning	4,672,039	1,200,550	30,000
Fund balances - ending	\$ 2,032,856	\$ 1,580,851	\$ 577,821

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,607,560
-	775
-	46,271
-	15,328,055
-	2,173,540
-	199,677
-	118,289
-	121,662
-	269,530
-	<u>445,624</u>
-	<u>21,310,983</u>
-	11,077,258
-	7,846,137
-	1,406,111
-	792,080
-	<u>1,900,458</u>
-	<u>23,022,044</u>
-	<u>(1,711,061)</u>
-	2,646,559
-	<u>(2,646,559)</u>
-	-
-	(1,711,061)
<u>2,337</u>	<u>5,904,926</u>
<u>\$ 2,337</u>	<u>\$ 4,193,865</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

For the Year Ended June 30, 2024

Net change in fund balances		\$ (1,711,061)
<p>Amounts reported for governmental activities on the statement of activities are different because:</p> <p>Governmental funds report capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital asset expenditures	1,900,458	
Less current year depreciation	(863,862)	
Capital asset dispositions	(353,068)	
Related accumulated depreciation	223,713	907,241
<p>Governmental funds report right to use lease assets and right to use SBITA assets as expenditures; however, on the statement of activities, the costs of these assets are allocated over the terms of the leases or subscriptions, as applicable, and reported as amortization expense.</p>		
SBITA assets acquired	413,069	
Current year amortization	(86,850)	326,219
<p>Long-term debt proceeds are reported as other financing sources in the governmental funds. On the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability on the statement of net position.</p>		
SBITA liability issued	(80,497)	
Principal payments on lease liabilities	14,280	
Principal payments on SBITA liability	16,388	
Debt principal paid	584,181	
Accrued interest	4,346	538,698
<p>The refunding of bonds results in an increase in debt for which no proceeds are received. This increase in debt is recorded as an addition to deferred charges and is amortized over the life of the refunding bond.</p>		
Amortization of deferred charges		(946)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. On the statement of activities, property taxes are recognized when levied.</p>		
		11,159
<p>Some expenses reported on the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.</p>		
Compensated absences		18,495
Change in net position		\$ 89,805

The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2024

	Private-Purpose Trust Fund Hupperich Trust	Custodial Fund Alumni
ASSETS		
Cash and cash equivalents	\$ 121	\$ 5,785
LIABILITIES AND NET POSITION		
Liabilities	\$ -	\$ -
Net position		
Restricted for:		
Other organizations	-	5,785
Scholarships - expendable	121	-
Total net position	121	5,785
Total liabilities and net position	\$ 121	\$ 5,785

The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2024

	Private-Purpose Trust Fund Hupperich Trust	Custodial Fund Alumni
ADDITIONS	\$ -	\$ -
DELETIONS	-	-
Change in net position held in trust for scholarships	-	-
Net position - beginning	121	5,785
Net position - ending	\$ 121	\$ 5,785

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Coquille School District #8 have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental 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.

A. Reporting Entity

Coquille School District #8, located in Coos County, Oregon, was organized under Oregon statutes pursuant to Oregon Revised Statutes (ORS) Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by an elected seven-member board of directors.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded only when payment is due.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

Special Revenue Fund – The Special Revenue Fund accounts for the proceeds of specific revenue sources that have restricted expenditures for specific purposes. The primary sources of revenue are federal grants passed through the state.

Capital Projects Fund – The Capital Projects Fund accounts for the acquisition of capital assets and construction of major capital projects not financed by the General Fund. The primary sources of revenue are transfers from other funds.

Additionally, the District reports the following nonmajor governmental funds:

Debt Service Fund – The Debt Service Fund accounts for the repayment of the District’s long-term debt. The principal source of revenue is property taxes. The primary use of revenue is payment of interest and principal due on long-term debt.

Permanent Fund

Hanley Trust Fund – The Hanley Trust Fund accounts for contributions received from the trust. This fund is legally restricted to the extent that only earnings may be used to support any of the District’s programs.

The District reports the following fiduciary funds:

Private-Purpose Trust Fund

Hupperich Trust Fund – The Hupperich Trust Fund accounts for assets of which only the earnings may be spent on scholarships.

Custodial Fund

Alumni Fund – The Alumni Fund accounts for and reports assets held in a purely custodial capacity.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance

1. Deposits and Investments

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

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the associated property. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)

2. Property Taxes (Continued)

Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year end are recognized as revenue, while the remaining amount of taxes receivable are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

3. Accounts Receivable

Receivables are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all receivables collectible.

4. Inventories

Inventories of food are valued at cost using the first-in, first-out method. Donated commodities are valued at their estimated fair market value at the date of donation. Inventories consist of donated commodities and purchased food. Inventories are recorded as expenditures when consumed, rather than when purchased.

5. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

6. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)

6. Capital Assets (Continued)

Depreciation of capital assets are computed on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-25
Vehicles	10-15
Land improvements	10-40
Buildings	20-100

The District has also recorded intangible right to use lease assets in accordance with GASB Statement No. 87, *Leases*. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases, which are discussed in Note III-E.

The District has recorded intangible right to use subscription-based information technology arrangement (SBITA) assets in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right to use SBITA assets are initially measured at an amount equal to the initial subscription liability plus any payments made prior to commencement of the subscription term, less incentives received from the SBITA vendor at or before the commencement of the subscription term, plus capitalizable implementation costs. The right to use SBITA assets are amortized on a straight-line basis over the terms of the related subscriptions, which are discussed in Note III-E.

7. Compensated Absences

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)

8. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

9. Retirement Plan

Most of the District's employees participate in the Oregon Public Employees Retirement System (OPERS). Contributions are made on a current basis as required by the plan and are recorded as expenditures.

10. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 assets or fund balance that applies to a future period and therefore, will not be recognized as an outflow of resources until that time. The District has one item that qualifies for reporting in this category, which is deferred charges on refunding bonds. These amounts result from the difference in the carrying value of refunding debt and acquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges on refunding bonds are reported on the statement of net position.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time. The District has one item that qualifies for reporting in this category, which is unavailable revenue from property taxes. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Unavailable revenue from property taxes is reported on the balance sheet.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position, and Fund Balance (Continued)

11. Fund Balance

The District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of a resolution or ordinance by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balances has been granted to the Superintendent and Business Manager.

The District has not formally adopted a minimum fund balance policy.

E. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, permanent, and fiduciary funds. All funds are budgeted on the modified accrual basis of accounting with certain exceptions relating to accrual of available revenue.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, community services, debt service, facilities acquisition and construction, interfund transfers, and operating contingencies are the levels of control for the funds established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year end.

Budget amounts shown in the financial statements reflect the original budget amounts and one approved appropriation transfer.

B. Budget Violation – Supplemental Budget

During the year, a budget appropriation transfer resolution added a budget amount to an appropriation category that did not previously have an appropriated amount. The District did not prepare a supplemental budget, as required by Oregon Budget Law. In addition, the same resolution did not take into account the impact to the General Fund transfers in when the Special Revenue Fund transfers out decreased.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Coquille School District #8 maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, 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 price, 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.

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-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 commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

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 LGIP. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2024, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	<u>\$ 4,166,547</u>

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Banner Bank and Umpqua Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts, per institution. At June 30, 2024, the District had deposits of \$466,055 insured by the FDIC and \$97,295 covered by the PFCP.

Deposits

The District's deposits and investments at June 30, 2024 are as follows:

Petty cash	\$ 400
Checking accounts	345,785
Total investments	<u>4,166,547</u>
Total deposits and investments	<u>\$ 4,512,732</u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 2,872,499
Capital Projects Fund	<u>577,821</u>
Total governmental activities - unrestricted	<u>3,450,320</u>
Governmental activities - restricted	
Special Revenue Fund	1,060,075
Nonmajor governmental funds	<u>2,337</u>
Total governmental activities - restricted	<u>1,062,412</u>
Total cash and investments	<u>\$ 4,512,732</u>

Restricted cash is for expenditures for scholarships, special projects, and student body activities.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,214,636	\$ 515,204	\$ -	\$ 1,729,840
Construction in progress	<u>65,515</u>	<u>630,660</u>	<u>(65,515)</u>	<u>630,660</u>
Total capital assets not being depreciated	<u>1,280,151</u>	<u>1,145,864</u>	<u>(65,515)</u>	<u>2,360,500</u>
Capital assets being depreciated				
Land improvements	1,600,209	206,193	-	1,806,402
Buildings	17,232,970	483,531	-	17,716,501
Equipment	1,167,124	130,385	-	1,297,509
Vehicles	<u>2,198,546</u>	<u>-</u>	<u>(353,068)</u>	<u>1,845,478</u>
Total capital assets being depreciated	<u>22,198,849</u>	<u>820,109</u>	<u>(353,068)</u>	<u>22,665,890</u>
Less accumulated depreciation for				
Land improvements	(708,807)	(87,595)	-	(796,402)
Buildings	(6,557,421)	(540,084)	-	(7,097,505)
Equipment	(511,163)	(87,216)	-	(598,379)
Vehicles	<u>(826,310)</u>	<u>(148,967)</u>	<u>223,713</u>	<u>(751,564)</u>
Total accumulated depreciation	<u>(8,603,701)</u>	<u>(863,862)</u>	<u>223,713</u>	<u>(9,243,850)</u>
Total capital assets being depreciated, net	<u>13,595,148</u>	<u>(43,753)</u>	<u>(129,355)</u>	<u>13,422,040</u>

(Continued)

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
(Continued)				
Governmental activities (continued)				
Capital assets being amortized				
Intangibles - right to use lease assets				
Copier - CVE	\$ 11,776	\$ -	\$ -	\$ 11,776
Copiers (3) - District	32,475	-	-	32,475
Copier - WLE	7,253	-	-	7,253
Copier - WLHS	8,172	-	-	8,172
Copier - District	4,413	-	-	4,413
Postage meter	6,364	-	-	6,364
Intangibles - right to use SBITA assets				
IXL Curriculum	-	73,980	-	73,980
Edupoint Education Systems	-	167,957	-	167,957
Cengage Curriculum	-	126,682	-	126,682
Houghton Mifflin - Math	-	35,450	-	35,450
Houghton Mifflin - ELA	-	9,000	-	9,000
	70,453	413,069	-	483,522
Total capital assets being amortized				
Less accumulated amortization for				
Intangibles - right to use lease assets				
Copier - CVE	(8,629)	(2,355)	-	(10,984)
Copiers (3) - District	(4,420)	(6,495)	-	(10,915)
Copier - WLE	(1,205)	(1,451)	-	(2,656)
Copier - WLHS	(3,809)	(1,634)	-	(5,443)
Copier - District	(661)	(883)	-	(1,544)
Postage meter	(2,971)	(1,275)	-	(4,246)
Intangibles - right to use SBITA assets				
IXL Curriculum	-	(13,522)	-	(13,522)
Edupoint Education Systems	-	(33,591)	-	(33,591)
Cengage Curriculum	-	(18,097)	-	(18,097)
Houghton Mifflin - Math	-	(5,064)	-	(5,064)
Houghton Mifflin - ELA	-	(2,483)	-	(2,483)
	(21,695)	(86,850)	-	(108,545)
Total accumulated amortization				
Total capital assets being amortized, net	48,758	326,219	-	374,977
Governmental activities capital assets, net	\$ 14,924,057	\$ 1,428,330	\$ (194,870)	\$ 16,157,517

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets (Continued)

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation/ Amortization	Net Capital Assets
Governmental activities			
Land	\$ 1,729,840	\$ -	\$ 1,729,840
Construction in progress	630,660	-	630,660
Land improvements	1,806,402	(796,402)	1,010,000
Buildings	17,716,501	(7,097,505)	10,618,996
Equipment	1,297,509	(598,379)	699,130
Vehicles	1,845,478	(751,564)	1,093,914
Intangibles - right to use lease assets			
Copier - CVE	11,776	(10,984)	792
Copiers (3) - District	32,475	(10,915)	21,560
Copier - WLE	7,253	(2,656)	4,597
Copier - WLHS	8,172	(5,443)	2,729
Copier - District	4,413	(1,544)	2,869
Postage meter	6,364	(4,246)	2,118
Intangibles - right to use SBITA assets			
IXL Curriculum	73,980	(13,522)	60,458
Edupoint Education Systems	167,957	(33,591)	134,366
Cengage Curriculum	126,682	(18,097)	108,585
Houghton Mifflin - Math	35,450	(5,064)	30,386
Houghton Mifflin - ELA	9,000	(2,483)	6,517
	\$ 25,509,912	\$ (9,352,395)	\$ 16,157,517
Total capital assets			

Depreciation and amortization were not charged to specific functions or programs of the District. Capital assets of the District are for the use of the entire District and are therefore unallocated. Depreciation expense and amortization expense were recorded on the statement of activities as follows:

Governmental activities	
Unallocated depreciation expense	\$ 863,862
Unallocated amortization expense	86,850
	\$ 950,712
Total	

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year consisted of:

	Transfers in:		
	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Transfers out:			
General Fund	\$ 543,879	\$ 2,102,680	\$ 2,646,559

The principal purposes of the interfund transfers in were as follows:

Special Revenue Fund: Programs such as food service, bus depreciation, athletics, and professional growth opportunities.

Capital Projects Fund: District-wide maintenance, improvement, and upgrade projects, in addition to property acquisition for future transportation facility and site development.

D. Compensated Absences

The following is a summary of compensated absences transactions for the year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 47,179	\$ -	\$ 18,495	\$ 28,684	\$ 28,684

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Leases payable							
Copier - CVE	4.32%	\$ 11,776	\$ 3,380	\$ -	\$ 2,517	\$ 863	\$ 863
Copiers (3) - District	3.92%	32,475	27,908	-	6,155	21,753	6,401
Copier - WLE	5.71%	7,253	6,154	-	1,347	4,807	1,426
Copier - WLHS	10.43%	8,172	4,838	-	1,659	3,179	1,841
Copier - District	5.71%	4,413	3,744	-	819	2,925	867
Postage meter	5.71%	6,374	2,245	-	1,783	462	462
Total leases payable		<u>70,463</u>	<u>48,269</u>	<u>-</u>	<u>14,280</u>	<u>33,989</u>	<u>11,860</u>
SBITA payable							
Edupoint Education Systems	3.92%	80,497	-	80,497	16,388	64,109	14,365
Bonds payable							
Full faith & credit 2018	3-4%	4,800,000	4,670,000	-	30,000	4,640,000	30,000
QZAB 2012	4.63%	1,025,000	399,327	-	56,944	342,383	56,944
QZAB 2014	1.15%	3,750,000	1,855,000	-	220,000	1,635,000	225,000
QZAB 2016	0%	1,500,000	970,590	-	88,235	882,355	88,235
QZAB 2017	0%	512,000	361,411	-	30,118	331,293	30,118
Banner Bank note	3.6%	425,000	336,482	-	24,032	312,450	24,885
Total bonds payable		<u>12,012,000</u>	<u>8,592,810</u>	<u>-</u>	<u>449,329</u>	<u>8,143,481</u>	<u>455,182</u>
Less: deferred amounts on refunding	N/A	-	(6,622)	-	(946)	(5,676)	-
Financed purchases							
Equipment	2.11%	741,761	242,186	-	101,966	140,220	69,986
Land and building 1	0%	230,000	114,950	-	13,750	101,200	13,800
Land and building 2	3%	300,000	145,476	-	19,136	126,340	19,710
Total financed purchases		<u>1,271,761</u>	<u>502,612</u>	<u>-</u>	<u>134,852</u>	<u>367,760</u>	<u>103,496</u>
Total governmental activities		<u>\$ 13,434,721</u>	<u>\$ 9,137,069</u>	<u>\$ 80,497</u>	<u>\$ 613,903</u>	<u>\$ 8,603,663</u>	<u>\$ 584,903</u>

For governmental activities, compensated absences and accrued interest payable are liquidated by the General Fund.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities (Continued)

2. Leases Payable

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases*, and therefore, have been recorded at the present values of the future minimum lease payments as of the dates of inception.

a. Copier – CVE

The agreement was executed on November 1, 2019 to lease a copier and requires 60 monthly payments of \$217.79. The lease liability is measured at an implied discount rate of 4.32%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$792 on June 30, 2024. Right to use lease asset activity can be found in Note III-B.

b. Copiers – District

The agreement was executed on October 25, 2022 to lease three copiers and requires 60 monthly payments of \$594.96. The lease liability is measured at an implied discount rate of 3.92%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$21,560 on June 30, 2024. Right to use lease asset activity can be found in Note III-B.

c. Copier – WLE

The agreement was executed on September 30, 2022 to lease a copier and requires 60 monthly payments of \$138.59. The lease liability is measured at an implied discount rate of 5.71%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$4,597 on June 30, 2024. Right to use lease asset activity can be found in Note III-B.

d. Copier – WLHS

The agreement was executed on March 2, 2021 to lease a copier and requires 60 monthly payments of \$173.85. The lease liability is measured at an implied discount rate of 10.43%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$2,729 on June 30, 2024. Right to use lease asset activity can be found in Note III-B.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities (Continued)

2. Leases Payable (Continued)

e. Copier – District

The agreement was executed on September 30, 2022 to lease a copier and requires 60 monthly payments of \$84.32. The lease liability is measured at an implied discount rate of 5.71%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$2,869 on June 30, 2024. Right to use lease asset activity can be found in Note III-B.

f. Postage Meter

The agreement was executed on March 1, 2021 to lease a postage meter and requires 20 quarterly payments of \$468.40. The lease liability is measured at an implied discount rate of 5.71%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$2,118 on June 30, 2024. Right to use lease asset activity can be found in Note III-B.

3. SBITAs Payable

The District has entered into subscription-based information technology arrangements (SBITAs) and are reported in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

a. Edupoint Education Systems Subscription

An agreement was executed on February 16, 2023 to access education software for 60 months beginning on July 1, 2023 at varying monthly payment amounts with 3.92% interest. The District has recorded a right to use SBITA asset with a net book value of \$134,366 on June 30, 2024. Right to use SBITA asset activity can be found in Note III-B.

b. Additional Subscriptions

The District has four additional subscriptions in effect for varying periods through June 30, 2030 and have been paid in full. The District has recorded right to use SBITA assets with a total net book value of \$205,946 on June 30, 2024. Right to use SBITA asset activity can be found in Note III-B.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities (Continued)

4. Bonds Payable

a. Full Faith and Credit Bonds 2018

On July 19, 2018, the District issued general obligation bonds in the amount of \$4,800,000 to finance capital improvements to the District's facilities. General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. Interest is fixed and ranges between 3% and 4%. Interest rates increase in accordance with the original bond agreement. Interest is due semiannually on December 1 and June 1. Principal payments are due annually in June.

b. Qualified Zone Academy Bonds (QZAB) 2012

On January 19, 2012, the District entered into an agreement to participate in the Oregon School Boards Association Flex Fund Program, which issues tax-credit bonds, known as QZAB bonds. Bonds were issued in the amount of \$1,025,000 to finance roof replacement, HVAC system replacement, and various improvements at school facilities. Interest is fixed at 4.63%; however, as part of the Taxpayer Relief Act of 1997, the institutions holding the bonds receive a tax credit in lieu of interest. Interest is payable semiannually on December 30 and June 30. Principal payments are due annually in June.

c. Qualified Zone Academy Bonds (QZAB) 2014

On July 1, 2014, the District entered into an agreement with Capital One Public Funding, LLC to issue tax-credit bonds, known as QZAB bonds. Bonds were issued in the amount of \$3,750,000 to finance roof replacement, parking lot improvements, facility and equipment upgrades, furniture and deferred maintenance, and various improvements at school facilities. Interest is fixed at 1.15%; however, as part of the Taxpayer Relief Act of 1997, the institutions holding the bonds receive a tax credit in lieu of interest. Interest is payable semiannually on December 16 and June 16. Principal payments are due annually in June.

d. Qualified Zone Academy Bonds (QZAB) 2016

On July 8, 2016, the District entered into an agreement with Banner Bank to issue tax-credit bonds, known as QZAB bonds. Bonds were issued in the amount of \$1,500,000 to finance general building repairs and remodels, technology upgrades, and textbook upgrades. Interest is fixed at 0%. Principal payments are due annually in July.

e. Qualified Zone Academy Bonds (QZAB) 2017

On December 19, 2017, the District entered into an agreement with Banner Bank to issue tax-credit bonds, known as QZAB bonds. Bonds were issued in the amount of \$512,000 to purchase, acquire, and lease certain equipment and other property for the benefit of the District. Interest is fixed at 0%. Principal payments are due annually in December.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities (Continued)

4. Bonds Payable (Continued)

f. Banner Bank Note

On January 2, 2019, the District entered into an agreement with Banner Bank to borrow \$425,000 to finance construction of the Winter Lakes School CTE Center. Interest is fixed at 3.6%. Interest and principal is due semiannually in July and January.

5. Financed Purchases

a. Equipment

On July 15, 2016, the District entered into a lease-purchase agreement with U.S. Bancorp to finance the purchase of eight buses and two vans. Interest and principal is due annually in July.

b. Land and Building 1

On October 9, 2019, the District entered into a purchase agreement for financing the land and building that formerly housed United Valley Christian Academy. This purchase agreement qualified as a financed purchase for accounting purposes and is therefore recorded at the present value of minimum lease payments as of the inception date.

c. Land and Building 2

On July 12, 2021, the District entered into a purchase agreement for financing the building and land that formerly housed Faith Lutheran Church. This purchase agreement qualified as a financed purchase for accounting purposes and is therefore recorded at the present value of minimum lease payments as of the inception date.

6. Future Maturities of Long-Term Liabilities

Year Ending June 30	Leases Payable		SBITA Payable		Bonds		Financed Purchases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 11,860	\$ 1,381	\$ 14,365	\$ 2,513	\$ 455,183	\$ 242,729	\$ 103,496	\$ 5,429	\$ 584,904	\$ 252,052
2026	10,421	784	15,435	1,950	461,131	237,393	104,335	4,028	591,322	244,155
2027	9,492	323	16,562	1,345	547,083	232,597	34,710	2,589	607,847	236,854
2028	2,216	15	17,747	696	553,069	224,365	35,337	1,963	608,369	227,039
2029	-	-	-	-	564,071	216,061	35,984	1,316	600,055	217,377
2029-2033	-	-	-	-	2,990,104	719,243	53,898	-	3,044,002	719,243
2034-2038	-	-	-	-	2,572,840	216,059	-	-	2,572,840	216,059
Total	<u>\$ 33,989</u>	<u>\$ 2,503</u>	<u>\$ 64,109</u>	<u>\$ 6,504</u>	<u>\$ 8,143,481</u>	<u>\$ 2,088,447</u>	<u>\$ 367,760</u>	<u>\$ 15,325</u>	<u>\$ 8,609,339</u>	<u>\$ 2,112,779</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Inventory	\$ -	\$ 35,417	\$ -	\$ -	\$ 35,417
Prepays and deposits	-	31,155	-	-	31,155
Restricted for:					
Scholarships	-	-	-	2,337	2,337
Special projects	-	1,270,247	-	-	1,270,247
Student body activities	-	244,032	-	-	244,032
Committed to:					
Capital projects	-	-	577,821	-	577,821
Assigned to:					
Reduced enrollment	330,000	-	-	-	330,000
Classified negotiations	350,000	-	-	-	350,000
ESSER III staff	251,282	-	-	-	251,282
Project completion	150,000	-	-	-	150,000
Unassigned	951,574	-	-	-	951,574
Total fund balances	\$ 2,032,856	\$ 1,580,851	\$ 577,821	\$ 2,337	\$ 4,193,865

IV. PENSION PLAN

A. Plan Description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer, defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement System Board to administer and manage the system. All benefits of the system are established by the legislature, pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available annual comprehensive financial report and actuarial valuation, both of which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

IV. PENSION PLAN (Continued)

B. Benefits Provided

1. Tier One/Tier Two Retirement Benefits (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The base benefit is based on years of service and final average salary. A percentage (1.67% 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. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Pension Plan is closed to new members hired on or after August 29, 2003.

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

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

1. Tier One/Tier Two Retirement Benefits (ORS Chapter 238) (Continued)

Death Benefits (Continued)

A member's beneficiary may choose a monthly payment for life instead of a lump sum or a combination of a lump sum and monthly payments. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

As of 2020, the Oregon Legislature introduced an Optional Spouse Death Benefit (OSDB), which may provide a higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- the member's date of death is on or after January 1, 2020,
- the member's account is eligible for the employer-matching death benefit (as described above),
- the member has a surviving spouse, and
- the surviving spouse is the member's sole beneficiary as determined by a valid Tier One/Tier Two Pre-Retirement Beneficiary Designation form on file with PERS.

The surviving spouse must make written election no later than 60 days after the member's date of death. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date, but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member, calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

1. Tier One/Tier Two Retirement Benefits (ORS Chapter 238) (Continued)

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 for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 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 fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

2. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. 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:

General service: 1.5% 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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, or, if the pension program is terminated, the date on which termination becomes effective.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

**2. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)
(Continued)**

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% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

Disability Benefits

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

3. OPSRP Individual Account Program (IAP) (Defined Contribution)

Benefit Terms

The IAP is an individual account-based program under the OPERS 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 is established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in their employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

3. OPSRP Individual Account Program (IAP) (Defined Contribution) (Continued)

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Benefit Plans

The other postemployment benefits (OPEB) for the District consist of two separate plans. The District provides an implicit rate subsidy for retiree health insurance continuation premiums, and a contribution to the State of Oregon's PERS cost-sharing, multiple-employer, defined health insurance benefit plan.

B. Implicit Rate Subsidy

1. Plan Description

The District's healthcare plan is administered by the Oregon Educators Benefit Board. The District has a health insurance continuation option available for most groups of retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires that the District provide retirees with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This cost-sharing, multiple-employer plan is not a standalone plan and therefore does not issue its own financial statements.

C. PERS Retirement Health Insurance Account (RHIA)

1. Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA), established by ORS 238.420, for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, other postemployment benefit plan administered by PERS. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. PERS Retirement Health Insurance Account (RHIA) (Continued)

2. Benefits Provided

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

VI. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

B. Concentrations

1. Collective Bargaining Agreements

At June 30, 2024, the District had a total of approximately 190 employees. Of this total, approximately 90.5% are covered under collective bargaining agreements and 41% are licensed staff represented by a union. The current collective bargaining agreement for licensed staff was signed September 14, 2022 and expires June 30, 2024. The current collective bargaining agreement for classified staff was signed January 11, 2023 and expires June 30, 2025. Approximately 49% of employees are classified staff.

C. Tax Abatements

The District did not have tax abatements for the year ended June 30, 2024.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

VI. OTHER INFORMATION (Continued)

D. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences and amends previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the District beginning with its fiscal year ending June 30, 2025. This statement provides users of governmental financial statements the essential information about risks related to the government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District beginning with its fiscal year ending June 30, 2026. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

E. Subsequent Events

Management has evaluated subsequent events through December 27, 2024, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES			
Local source	\$ 2,849,723	\$ 427,788	\$ 3,277,511
Intermediate source	19,500	6,397	25,897
State source	12,832,347	407,308	13,239,655
Federal source	<u>7,000</u>	<u>(7,000)</u>	<u>-</u>
Total revenues	<u>15,708,570</u>	<u>834,493</u>	<u>16,543,063</u>
EXPENDITURES			
Current			
Instruction	9,440,044	(842,800)	8,597,244
Support services	7,500,759	(618,585)	6,882,174
Enterprise and community services	385,600	(121,411)	264,189
Debt service	819,389	(27,309)	792,080
Contingency	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
Total expenditures	<u>19,145,792</u>	<u>(2,610,105)</u>	<u>16,535,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,437,222)</u>	<u>3,444,598</u>	<u>7,376</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	333,781	(333,781)	-
Transfers out	<u>(2,841,305)</u>	<u>(194,746)</u>	<u>(2,646,559)</u>
Total other financing sources (uses)	<u>(2,507,524)</u>	<u>(139,035)</u>	<u>(2,646,559)</u>
Net change in fund balance	(5,944,746)	3,305,563	(2,639,183)
Fund balance - beginning	<u>5,944,746</u>	<u>(1,272,707)</u>	<u>4,672,039</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,032,856</u>	<u>\$ 2,032,856</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

SPECIAL REVENUE FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Local source	\$ 348,319	\$ 348,319	\$ 137,287	\$ 485,606
Intermediate source	48,000	48,000	(27,626)	20,374
State source	1,790,238	1,790,238	298,162	2,088,400
Federal source	1,524,825	1,524,825	648,715	2,173,540
Total revenues	3,711,382	3,711,382	1,056,538	4,767,920
EXPENDITURES				
Current				
Instruction	3,302,268	3,002,268	(422,255)	2,580,013
Support services	1,247,735	1,547,735	(360,525)	1,187,210
Enterprise and community services	1,128,666	1,228,666	(64,391)	1,164,275
Facilities acquisition and construction	100,000	100,000	(100,000)	-
Total expenditures	5,778,669	5,878,669	(947,171)	4,931,498
Excess (deficiency) of revenues over (under) expenditures	(2,067,287)	(2,167,287)	2,003,709	(163,578)
OTHER FINANCING SOURCES (USES)				
Transfers in	543,879	543,879	-	543,879
Transfers out	(160,000)	(60,000)	60,000	-
Total other financing sources (uses)	383,879	483,879	60,000	543,879
Net change in fund balance	(1,683,408)	(1,683,408)	2,063,709	380,301
Fund balance - beginning	1,683,408	1,683,408	(482,858)	1,200,550
Fund balance - ending	\$ -	\$ -	\$ 1,580,851	\$ 1,580,851

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

	<u>Debt Service Fund</u>	<u>Permanent Fund Hanley Trust</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 2,337	\$ 2,337
LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund balances			
Restricted for scholarships	-	2,337	2,337
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,337</u>	<u>\$ 2,337</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	Debt Service Fund	Permanent Fund Hanley Trust	Total Nonmajor Governmental Funds
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balances - beginning	-	2,337	2,337
Fund balances - ending	\$ -	\$ 2,337	\$ 2,337

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

DEBT SERVICE FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers out	(173,781)	(173,781)	-
Net change in fund balance	(173,781)	173,781	-
Fund balance - beginning	173,781	(173,781)	-
Fund balance - ending	\$ -	\$ -	\$ -

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

CAPITAL PROJECTS FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Instruction	94,747	94,747	(51,518)	43,229
Supporting services	2,202,680	2,002,680	(540,642)	1,462,038
Facilities acquisition and construction	-	200,000	(150,408)	49,592
Total expenditures	2,297,427	2,297,427	(742,568)	1,554,859
Excess (deficiency) of revenues over (under) expenditures	(2,297,427)	(2,297,427)	742,568	(1,554,859)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,297,427	2,297,427	(194,747)	2,102,680
Net change in fund balance	-	-	547,821	547,821
Fund balance - beginning	-	-	30,000	30,000
Fund balance - ending	\$ -	\$ -	\$ 577,821	\$ 577,821

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

HANLEY TRUST FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Current			
Community service	2,325	(2,325)	-
Excess (deficiency) of revenues over (under) expenditures	(2,325)	2,325	-
Fund balance - beginning	2,325	12	2,337
Fund balance - ending	\$ -	\$ 2,337	\$ 2,337

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

HUPPERICH TRUST FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Current			
Community service	<u>120</u>	<u>(120)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(120)	120	-
Fund balance - beginning	<u>120</u>	<u>1</u>	<u>121</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 121</u></u>	<u><u>\$ 121</u></u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

ALUMNI FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Current			
Community service	5,786	(5,786)	-
Excess (deficiency) of revenues over (under) expenditures	(5,786)	5,786	-
Fund balance - beginning	5,786	(1)	5,785
Fund balance - ending	\$ -	\$ 5,785	\$ 5,785

OTHER FINANCIAL SCHEDULES

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

REVENUE SUMMARY - ALL FUNDS

For the Year Ended June 30, 2024

Revenue from Local Sources

	Fund 100	Fund 200	Fund 400	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 2,608,335	\$ -	\$ -	\$ -
1500 Earnings on Investments	267,709	1,821	-	-
1600 Food Service	-	5,489	-	-
1700 Extracurricular Activities	1,980	132,300	-	-
1800 Community Services Activities	114,513	-	-	-
1910 Rentals	30,150	-	-	-
1920 Contributions and Donations From Private Sources	150	105,521	-	-
1940 Services Provided Other Local Education Agencies	-	49,525	-	-
1990 Miscellaneous	254,674	190,950	-	-
Total Revenue from Local Sources	\$ 3,277,511	\$ 485,606	\$ -	\$ -

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 400	Fund 700
2101 County School Funds	\$ 23,768	\$ -	\$ -	\$ -
2199 Other Intermediate Sources	2,129	-	-	-
2200 Restricted Revenue	-	20,374	-	-
Total Revenue from Intermediate Sources	\$ 25,897	\$ 20,374	\$ -	\$ -

Revenue from State Sources

	Fund 100	Fund 200	Fund 400	Fund 700
3101 State School Fund - General Support	\$13,085,434	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match	-	5,356	-	-
3103 Common School Fund	154,221	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	114,148	-	-
3299 Other Restricted Grants-in-Aid	-	1,968,896	-	-
Total Revenue from State Sources	\$13,239,655	\$ 2,088,400	\$ -	\$ -

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 400	Fund 700
4300 Restricted Revenue Direct From the Federal Government	\$ -	\$ 9,980	\$ -	\$ -
4500 Restricted Revenue From the Federal Government Through the State	-	2,127,412	-	-
4900 Revenue for/on Behalf of the District	-	36,148	-	-
Total Revenue from Federal Sources	\$ -	\$ 2,173,540	\$ -	\$ -

Revenue from Other Sources

	Fund 100	Fund 200	Fund 400	Fund 700
5200 Interfund Transfers	\$ -	\$ 543,879	\$ 2,102,680	\$ -
5400 Resources - Beginning Fund Balance	4,672,039	1,200,550	30,000	8,243
Total Revenue from Other Sources	\$ 4,672,039	\$ 1,744,429	\$ 2,132,680	\$ 8,243

Grand Totals

\$21,215,102	\$ 6,512,349	\$ 2,132,680	\$ 8,243
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COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

EXPENDITURE SUMMARY - GENERAL FUND

For the Year Ended June 30, 2024

Instruction Expenditures

	Totals	Object 100	Object 200
1111 Elementary, K-5 or K-6	\$ 3,300,354	\$ 1,907,922	\$ 1,332,192
1121 Middle/Junior High Programs	649,185	369,225	263,675
1122 Middle/Junior High School Extracurricular	8,668	6,146	2,463
1131 High School Programs	1,645,264	912,879	574,939
1132 High School Extracurricular	57,129	30,522	11,998
1140 Pre-kindergarten Programs	7,439	4,154	3,285
1210 Programs for the Talented and Gifted	23,945	-	-
1220 Restrictive Programs for Students with Disabilities	843,220	473,631	356,607
1250 Less Restrictive Programs for Students with Disabilities	571,857	318,925	249,866
1280 Alternative Education	1,402,187	805,321	553,663
1291 English Second Language Programs	87,996	50,328	31,197
Total Instruction Expenditures	\$ 8,597,244	\$ 4,879,053	\$ 3,379,885

Support Services Expenditures

	Totals	Object 100	Object 200
2110 Attendance and Social Work Services	\$ 68,107	\$ 39,385	\$ 28,717
2120 Guidance Services	5,794	811	75
2130 Health Services	3,371	-	-
2190 Service Direction, Student Support Services	378,710	141,477	83,545
2210 Improvement of Instruction Services	58,932	-	58,932
2220 Educational Media Services	111,004	60,245	46,809
2240 Instructional Staff Development	8,684	5,000	3,046
2310 Board of Education Services	214,627	35,983	25,566
2320 Executive Administration Services	386,139	188,755	119,641
2410 Office of the Principal Services	1,534,538	934,264	556,397
2520 Fiscal Services	283,923	141,065	96,652
2540 Operation and Maintenance of Plant Services	1,853,054	545,871	387,387
2550 Student Transportation Services	816,300	367,186	234,188
2640 Staff Services	166,574	101,037	53,020
2660 Technology Services	963,585	240,926	146,767
2690 Other Support Services - Central	28,832	-	-
Total Support Services Expenditures	\$ 6,882,174	\$ 2,802,005	\$ 1,840,742

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200
3300 Community Services	\$ 264,189	\$ 170,032	\$ 91,910
Total Enterprise and Community Services Expenditures	\$ 264,189	\$ 170,032	\$ 91,910

Other Uses Expenditures

	Totals	Object 100	Object 200
5100 Debt Service	\$ 792,080	\$ -	\$ -
5200 Transfers of Funds	2,646,559	-	-
Total Other Uses Expenditures	\$ 3,438,639	\$ -	\$ -

Grand Total

\$ 19,182,246	\$ 7,851,090	\$ 5,312,537
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Object 300	Object 400	Object 500	Object 600	Object 700
\$ 157	\$ 60,083	\$ -	\$ -	\$ -
-	16,285	-	-	-
-	9	-	50	-
13,590	41,546	99,999	2,311	-
4,053	7,029	-	3,527	-
-	-	-	-	-
23,633	312	-	-	-
-	12,982	-	-	-
566	2,500	-	-	-
-	42,853	-	350	-
3,681	2,790	-	-	-
\$ 45,680	\$ 186,389	\$ 99,999	\$ 6,238	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ 5	\$ -	\$ -	\$ -
-	4,660	-	248	-
-	3,371	-	-	-
147,414	4,734	-	1,540	-
-	-	-	-	-
-	3,950	-	-	-
-	608	-	30	-
71,633	8,409	-	73,036	-
51,699	22,864	-	3,180	-
7,001	31,396	-	5,480	-
8,506	5,540	-	32,160	-
667,616	116,116	9,576	126,488	-
39,758	102,171	11,957	61,040	-
8,403	1,572	-	2,542	-
52,801	522,941	-	150	-
28,657	-	-	175	-
\$ 1,083,488	\$ 828,337	\$ 21,533	\$ 306,069	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 774	\$ 995	\$ -	\$ 478	\$ -
\$ 774	\$ 995	\$ -	\$ 478	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ 792,080	\$ -
-	-	-	-	2,646,559
\$ -	\$ -	\$ -	\$ 792,080	\$ 2,646,559
\$ 1,129,942	\$ 1,015,721	\$ 121,532	\$ 1,104,865	\$ 2,646,559

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

EXPENDITURE SUMMARY - SPECIAL REVENUE FUND

For the Year Ended June 30, 2024

Instruction Expenditures

	Totals	Object 100	Object 200
1111 Elementary, K-5 or K-6	\$ 307,419	\$ 155,423	\$ 113,810
1113 Elementary Extracurricular	42	-	-
1121 Middle/Junior High Programs	52,665	30,863	21,802
1122 Middle/Junior High School Extracurricular	75,246	31,949	8,579
1131 High School Programs	208,048	109,427	79,527
1132 High School Extracurricular	444,495	135,977	52,342
1140 Pre-kindergarten Programs	58,119	33,176	24,943
1210 Programs for the Talented and Gifted	88,161	-	-
1220 Restrictive Programs for Students with Disabilities	47,534	31,638	12,860
1250 Less Restrictive Programs for Students with Disabilities	323,912	186,051	137,271
1272 Title I	364,621	190,151	133,059
1280 Alternative Education	558,886	297,922	186,198
1291 English Language Learner - ORS 336.079	41,100	-	-
1299 Other Programs	9,765	4,938	1,982
Total Instruction Expenditures	\$ 2,580,013	\$ 1,207,515	\$ 772,373

Support Services Expenditures

	Totals	Object 100	Object 200
2110 Attendance and Social Work Services	\$ 994	\$ -	\$ -
2120 Guidance Services	397,267	217,958	148,039
2130 Health Services	145,030	-	-
2150 Speech Pathology and Audiology Services	181,321	-	-
2190 Service Direction, Student Support Services	20,204	-	-
2210 Improvement of Instruction Services	174,164	71,713	77,458
2240 Instructional Staff Development	53,062	29,614	16,082
2410 Office of the Principal Services	24,041	16,808	7,233
2540 Operation and Maintenance of Plant Services	25,561	-	-
2550 Student Transportation Services	91,612	-	-
2660 Technology Services	73,954	-	-
Total Support Services Expenditures	\$ 1,187,210	\$ 336,093	\$ 248,812

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200
3100 Food Services	\$ 1,152,525	\$ 343,162	\$ 257,647
3300 Community Services	11,750	-	-
Total Enterprise and Community Services Expenditures	\$ 1,164,275	\$ 343,162	\$ 257,647

Grand Total

\$ 4,931,498	\$ 1,886,770	\$ 1,278,832
---------------------	---------------------	---------------------

Object 300	Object 400	Object 500	Object 600
\$ -	\$ 38,186	\$ -	\$ -
-	42	-	-
-	-	-	-
1,618	28,322	-	4,778
7,298	11,796	-	-
29,546	178,577	-	48,053
-	-	-	-
88,161	-	-	-
141	2,895	-	-
-	590	-	-
8,234	29,050	4,127	-
3,300	71,466	-	-
-	41,100	-	-
-	2,845	-	-
\$ 138,298	\$ 404,869	\$ 4,127	\$ 52,831

Object 300	Object 400	Object 500	Object 600
\$ -	\$ 994	\$ -	\$ -
-	31,270	-	-
140,526	4,504	-	-
181,321	-	-	-
20,204	-	-	-
-	24,993	-	-
7,155	-	-	211
-	-	-	-
25,561	-	-	-
240	-	91,218	154
-	73,954	-	-
\$ 375,007	\$ 135,715	\$ 91,218	\$ 365

Object 300	Object 400	Object 500	Object 600
\$ 25,469	\$ 511,365	\$ 10,831	\$ 4,051
-	-	-	11,750
\$ 25,469	\$ 511,365	\$ 10,831	\$ 15,801
\$ 538,774	\$ 1,051,949	\$ 106,176	\$ 68,997

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

EXPENDITURE SUMMARY - CAPITAL PROJECTS FUND

For the Year Ended June 30, 2024

	Totals	Object 300	Object 400	Object 500
Instruction Expenditures				
1280 Alternative Education	\$ 43,229	\$ 43,229	\$ -	\$ -
Total Instruction Expenditures	\$ 43,229	\$ 43,229	\$ -	\$ -
Support Services Expenditures				
2310 Board of Education Services	\$ 520,022	\$ 37,000	\$ 4,818	\$ 478,204
2320 Executive Administration Services	35,257	34,639	-	618
2540 Operation and Maintenance of Plant Services	896,415	866,420	4,954	25,041
2660 Technology Services	10,344	-	10,344	-
Total Support Services Expenditures	\$ 1,462,038	\$ 938,059	\$ 20,116	\$ 503,863
Facilities Acquisition and Construction				
4190 Other Facilities Construction Services	\$ 49,592	\$ -	\$ -	\$ 49,592
Total Facilities Acquisition and Construction Expenditures	\$ 49,592	\$ -	\$ -	\$ 49,592
Grand Total	\$ 1,554,859	\$ 981,288	\$ 20,116	\$ 553,455

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2024

Tax Year	Taxes Receivable July 1, 2023	2023-2024 Levy	Adjustments	Collections	Taxes Receivable June 30, 2024
2023-2024	\$ -	\$ 2,640,242	\$ (68,593)	\$ 2,480,038	\$ 91,611
2022-2023	90,440	-	(903)	41,419	48,118
2021-2022	41,641	-	(137)	14,714	26,790
2020-2021	24,728	-	(147)	12,955	11,626
2019-2020	9,210	-	(94)	6,233	2,883
2018-2019	2,255	-	(95)	349	1,811
2017-2018	1,256	-	(89)	258	909
Prior	6,001	-	(67)	164	5,770
Subtotal - Prior	175,531	-	(1,532)	76,092	97,907
	\$ 175,531	\$ 2,640,242	\$ (70,125)	2,556,130	\$ 189,518
Add:					
Other taxes and interest				54,257	
Undistributed taxes with county, July 1, 2023				31,340	
Total available				2,641,727	
Less: Turnovers to District				(2,607,560)	
Undistributed taxes with county, June 30, 2024				\$ 34,167	

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**

KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Coquille School District #8
Coquille, Oregon 97423

We have audited the basic financial statements of Coquille School District #8 as of and for the year ended June 30, 2024, and have issued our report thereon dated December 27, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

As part of obtaining reasonable assurance about whether Coquille School District #8'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 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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:

Accounting records

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

Accountability for collecting or receiving money by elected officials

In connection with our testing, nothing came to our attention that caused us to believe that 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 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. During the year, a budget appropriation transfer resolution added a budget amount to an appropriation category that did not previously have an appropriated amount. The District did not prepare a supplemental budget, as required by Oregon Budget Law. In addition, the same resolution did not take into account the impact to the General Fund transfers in when the Special Revenue Fund transfers out decreased.

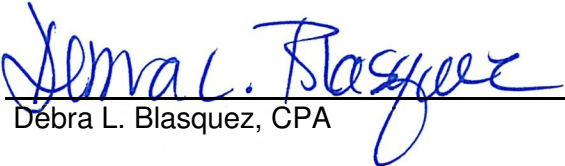
The District does not have any elected officials collecting or receiving money.

OAR 162-010-0230 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 basic 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 Coquille School District #8's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated December 27, 2024.

This report is intended solely for the information and use of the board of directors and management of Coquille School District #8 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
December 27, 2024

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2024

- A. Energy Bill for Heating – **All Funds:**
 Please enter your expenditures for electricity, heating fuel, and water and sewage for these Functions and Objects.

	Objects 325, 326, and 327
Function 2540	\$ –
Function 2550	\$ 16,514

- B. Replacement of Equipment – **General Fund:**
 Include all General Fund expenditures in object 542, except for the following exclusions:

\$	17,977
----	--------

Exclude these functions:

- 1113 Elementary Co-Curricular Activities
- 1122 Middle School Co-Curricular Activities
- 1132 High School Co-Curricular Activities
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services
- 4150 Construction

SINGLE AUDIT SECTION

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

Federal Grantor, Pass through Grantor, Program Title	Grant Period	Assistance Listing Number	Expenditures
<u>U.S. Department of Education</u>			
Passed through Oregon State Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	7/1/22 - 9/30/23	84.010	\$ 13,078
ESSA D&SI - OIPD District Engagement Grant	7/1/23 - 9/30/24	84.010	<u>344,660</u>
Total Title I, Part A Cluster			<u>357,738</u>
Special Education Cluster*			
IDEA Special Education Grants To States	7/1/22 - 9/30/23	84.027	3,485
IDEA Special Education Grants To States	7/1/22 - 9/30/24	84.027	163,072
IDEA Special Education Grants To States	7/1/23 - 9/30/25	84.027	<u>203,853</u>
Total Special Education Cluster			<u>370,410</u>
Title II-A Supporting Effective Instruction State Grants	7/1/22 - 9/30/23	84.367	<u>1,194</u>
Title II-A Supporting Effective Instruction State Grants	7/1/23 - 9/30/24	84.367	<u>43,420</u>
Title IV-A Student Support and Academic Enrichment Grants	7/1/23 - 9/30/24	84.424	<u>20,204</u>
COVID-19			
Elementary and Secondary School Emergency Relief Fund			
LEA ESSER III*	3/13/20 - 9/30/24	84.425	384,662
ARP HCY I	4/23/21 - 9/30/24	84.425	14,001
ARP HCY II	4/23/21 - 9/30/24	84.425	12,698
LEA ESSER II	3/13/20 - 9/30/23	84.425	<u>142,076</u>
Total COVID-19			<u>553,437</u>
Total passed through Oregon State Department of Education			<u>1,346,403</u>

(Continued)

* Major program

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

(Continued)

Federal Grantor, Pass through Grantor, Program Title	Grant Period	Assistance Listing Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Oregon State Department of Education			
Child Nutrition Cluster			
Commodity - National School Lunch Program	7/1/22 - 6/30/23	10.555	\$ 34,070
National School Breakfast	7/1/22 - 6/30/23	10.553	111,118
Summer Food Service Program for Children	7/1/22 - 6/30/23	10.559	22,145
Child and Adult Care Food Program	7/1/22 - 6/30/23	10.558	293,761
Snap P-EBT	7/1/22 - 6/30/23	10.649	<u>3,256</u>
Total Child Nutrition Cluster			464,350
Local Food for Schools	3/1/23 - 8/31/24	10.185	6,443
Indian Ed	7/1/23 - 6/30/24	84.060	<u>9,980</u>
Total U.S. Department of Agriculture			<u>480,773</u>
Total federal expenditures			<u>\$ 1,827,176</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

I. PURPOSE OF SCHEDULE

The schedule of expenditures of federal awards is a supplementary schedule to Coquille School District #8's basic financial statements and is presented for additional analysis. Because the schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net position, nor the operating funds' revenues and expenditures.

II. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in the schedule of expenditures of federal awards is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

B. Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule of expenditures of federal awards, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

C. Indirect Cost Rate

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

D. Major Programs

The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes. The major programs are Assistance Listing Number 84.027 *Special Education Cluster (IDEA)* and Assistance Listing Number 84.425, *Elementary and Secondary School Emergency Relief Fund – LEA ESSER III*.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

II. SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Reporting Entity

The reporting entity is fully described in the notes to the District's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the District for the year ended June 30, 2024.

F. Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting.

**KOONTZ, BLASQUEZ**
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Coquille School District #8
Coquille, Oregon 97423

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coquille School District #8 as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Coquille School District #8's basic financial statements, and have issued our report thereon dated December 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coquille School District #8's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Coquille School District #8's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coquille School District #8's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2024-002.

Coquille School District #8's Responses to Findings

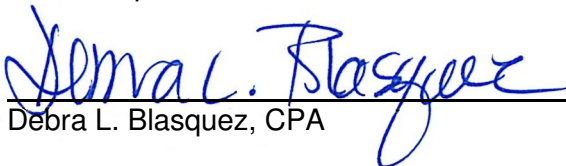
Government Auditing Standards require the auditor to perform limited procedures on Coquille School District #8's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Coquille School District #8's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Koontz, Blasquez & Associates, P.C.

By:


Debra L. Blasquez, CPA

Albany, Oregon
December 27, 2024

KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Directors
Coquille School District #8
Coquille, Oregon 97423

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coquille School District #8's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coquille School District #8 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Coquille School District #8 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coquille School District #8's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the compliance requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts and grant agreements applicable to Coquille School District #8's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coquille School District #8's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coquille School District #8's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coquille School District #8's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Coquille School District #8's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coquille School District #8's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

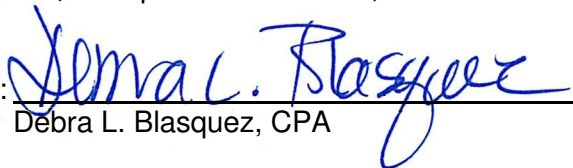
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent noncompliance or to detect and correct noncompliance with a type of compliance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

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

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

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

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
December 27, 2024

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's opinion issued:	Qualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	Yes
• Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.027	Special Education Cluster (IDEA)
84.425	Elementary and Secondary School Emergency Relief Fund - LEA ESSER III

Dollar threshold used to distinguish between Type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding Number	Finding
2024-001	Capital asset tracking
Condition:	Some capital asset additions were not identified to be capitalized or classified to correct accounts.
Prevalence:	Entity-wide
Criteria:	Capital assets must be identified, classified, and recognized properly.
Questioned costs:	None
Effect:	This can lead to financial statement misstatements.
Recommendations:	We recommend that the District establish stronger capital asset tracking systems in order that additions and deletions can be correctly identified and recorded.
Management's response:	Coquille School District #8 agrees with the finding.

Finding Number	Finding
2024-002	Compliance with Oregon Budget Law - supplemental budget
Condition:	A budget appropriation transfer resolution added a budget amount to an appropriation category that did not previously have an appropriated amount. The District did not prepare a supplemental budget, as required by Oregon Budget Law. In addition, the same resolution did not take into account the impact to the General Fund transfers in when the Special Revenue Fund transfers out decreased.
Prevalence:	Entity-wide
Criteria:	A supplemental budget should be prepared when necessary, in accordance with Oregon Budget Law.
Questioned costs:	None
Effect:	This is a violation of Oregon Budget Law.
Recommendations:	We recommend that budget changes be made in accordance with Oregon Budget Law.
Management's response:	Coquille School District #8 agrees with the finding.

SECTION III – CORRECTIVE ACTION

Finding Number	Corrective Action
2024-001	The District has been researching better ways to track capital assets, including but not limited to, updating policy to add more clarity.
2024-002	The District will make appropriation transfers in accordance with Oregon Budget Law.

SECTION IV – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Finding Number	Finding
2023-001	Internal control The District had limited internal controls over various processes within accounting functions. Some examples include general oversight over balance sheet accounts, deposits, and review and approval over bank reconciliations and journal entries.
2023-002	Chart of accounts - transaction recording and classification Several items were classified to incorrect accounts, such as grant award payback, contract services, and capital outlay items.
2023-003	Compliance with Oregon Budget Law - appropriation transfers The District passed several resolutions for transfers of appropriations of budgeted amounts, but did not record the entries into the accounting system.

SECTION V – STATUS OF PRIOR YEAR FINDINGS

Finding Number	Status
2023-001	Corrected this fiscal year.
2023-002	Corrected this fiscal year.
2023-003	Corrected this fiscal year.