

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2025



Coquille

School District #8

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

DISTRICT OFFICIALS

June 30, 2025

BOARD OF DIRECTORS

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

Steve Britton
970 N. Central Boulevard
Coquille, Oregon 97423

Heather Echavarria
970 N. Central Boulevard
Coquille, Oregon 97423

Marsha Frost
970 N. Central Boulevard
Coquille, Oregon 97423

Lucas Taylor
970 N. Central Boulevard
Coquille, Oregon 97423

Cliff Wheeler
970 N. Central Boulevard
Coquille, Oregon 97423

ADMINISTRATION

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

Denese Hale, 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, 2025, 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
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, 2025, 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, 2025, 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 50 through 51, 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.

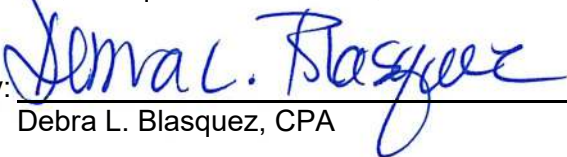
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 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 30, 2025 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 30, 2025

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, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2025, total net position of Coquille School District #8 amounted to \$11,411,115. Of this amount, \$8,863,619 was invested in capital assets, net of related debt; \$2,337 was restricted for scholarships; \$247,096 was restricted for special projects; and \$215,032 was restricted for student body activities. The remaining balance of \$2,082,221 was unrestricted.
- At June 30, 2025, the District's governmental funds reported combined ending fund balances of \$2,617,223.

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 49 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 50 through 51 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 52 through 58 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, 2025, the District's total assets and deferred outflows of resources exceeded total liabilities by \$11,411,115.

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 decreased by \$444,157 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	
	<u>2025</u>	<u>2024</u>
Assets and deferred outflows of resources		
Current assets	\$ 3,514,353	\$ 3,990,984
Restricted assets	545,156	1,583,188
Capital assets	16,902,270	16,157,517
Deferred outflows of resources	<u>4,730</u>	<u>5,676</u>
Total assets and deferred outflows of resources	<u>20,966,509</u>	<u>21,737,365</u>
Liabilities		
Current liabilities	2,107,571	1,857,657
Noncurrent liabilities	<u>7,447,823</u>	<u>8,024,436</u>
Total liabilities	<u>9,555,394</u>	<u>9,882,093</u>
Net position		
Net investment in capital assets	8,863,619	7,553,854
Restricted for various purposes	465,275	1,516,616
Unrestricted	<u>2,082,221</u>	<u>2,784,802</u>
Total net position	<u>\$ 11,411,115</u>	<u>\$ 11,855,272</u>

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	
	2025	2024
Program revenues		
Regular programs	\$ 668,696	\$ 895,575
Special programs	3,460,863	3,568,858
Student support services	162,335	134,280
Food services	7,810	5,489
Community service activities	115,675	114,513
Total program revenues	4,415,379	4,718,715
General revenues		
Property taxes - general	2,852,218	2,618,719
Other taxes	2,975	775
State school fund - general support	14,348,932	13,239,655
State school fund - lunch match	5,285	5,356
Common school fund	20,522	23,768
Investment earnings	252,671	269,530
Miscellaneous	440,701	324,299
Total general revenues	17,923,304	16,482,102
Total revenues	22,338,683	21,200,817
Program expenses		
Regular programs	7,583,761	6,665,575
Special programs	4,405,285	4,320,740
Summer school programs	23,116	-
Student support services	1,283,290	1,186,604
Instructional staff support	322,617	405,846
General administrative support	623,186	605,267
School administrative support	1,630,923	1,558,579
Business support services	3,043,986	2,832,357
Central activities support	1,054,409	974,722
Food services	1,188,349	1,130,172
Community service activities	290,684	275,939
Facilities Acquisition	109,439	-
Unallocated depreciation expense	906,456	863,862
Unallocated amortization expense	110,459	90,224
Interest on long-term debt	206,880	201,125
Total program expenses	22,782,840	21,111,012
Change in net position	(444,157)	89,805
Net position - beginning of year	11,855,272	11,765,467
Net position - end of year	\$ 11,411,115	\$ 11,855,272

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 (80%) of the funding required for governmental programs. Property taxes and state school funding combined for 96% of general revenues and 77% of total revenues.

Charges for services make up 1.4% 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	\$ 7,810
• Various student extracurricular activities	189,125
• Community service activities	<u>115,675</u>
Total charges for services	<u>\$ 312,610</u>

Operating grants and contributions represent 15% of total revenues. Included in this category are \$3,460,863 for grants and contributions to support various educational activities. Capital grants and contributions represent 3% of total revenues. Included in this category are \$641,906 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 53% of the total expenses of \$22,782,840. In addition, approximately 40% 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 \$2,608,575, a decrease of \$1,005,132 from the prior year. This amount included \$35,861 of nonspendable amounts related to inventories, \$44,020 of nonspendable amounts related to prepaids, \$247,906 restricted for special projects, \$215,032 restricted for student body activities, \$630,000 assigned to reduced enrollment, \$405,000 assigned to classified negotiations, and \$150,000 assigned to project completion. The remaining \$880,756 constitutes unassigned fund balance available for spending at the District's discretion.

Significant Changes in Major Governmental Fund Balances

- Special Revenue Fund: Fund balance restricted for special projects decreased 68.4% due to district-wide maintenance and improvement projects planned for the summer months of the new fiscal year and construction of the new Transportation Building.

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2025 include:

- Federal source revenues were budgeted for \$0. Actual revenues were \$2,290 due to unanticipated Federal Forest Fee revenue during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025 amounted to \$16,902,270, 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 \$1,015,969.

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 \$8,038,651. 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 \$565,012 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 41 of this report.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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 2025-2026.
- 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 2025-2026.

The ending General Fund unassigned balance of \$880,756 will be available for program resources in fiscal year 2025-2026.

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, 2025

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	
Cash and cash equivalents	\$ 3,102,518
Undistributed taxes with county	34,167
Accounts receivable	154,710
Intergovernmental receivable	22,352
Property taxes receivable	<u>200,606</u>
Total current assets	<u>3,514,353</u>
Restricted assets	
Cash and cash equivalents	383,908
Accounts receivable	53,600
Intergovernmental receivable	27,767
Inventories	35,861
Prepays and deposits	<u>44,020</u>
Total restricted assets	<u>545,156</u>
Capital assets	
Land	1,729,840
Construction in progress	34,328
Capital assets, net of accumulated depreciation	14,818,643
Right to use lease assets, net of accumulated amortization	41,118
Right to use SBITA assets, net of accumulated amortization	<u>278,341</u>
Total capital assets	<u>16,902,270</u>
Total assets	20,961,779
Deferred outflows of resources	
Deferred charge on refunding	<u>4,730</u>
Total assets and deferred outflows of resources	<u>20,966,509</u>

(Continued)

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

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF NET POSITION

June 30, 2025

(Continued)

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities	
Payroll payables	\$ 1,275,319
Intergovernmental payable	2,491
Accrued interest payable	17,520
Compensated absences payable, current portion	216,683
Leases payable, current portion	14,657
SBITA payable, current portion	15,435
Bonds payable, current portion	461,131
Financed purchases payable, current portion	<u>104,335</u>
Total current liabilities	<u>2,107,571</u>
Noncurrent liabilities	
Leases payable, less current portion	26,417
SBITA payable, less current portion	34,309
Bonds payable, less current portion	7,227,168
Financed purchases payable, less current portion	<u>159,929</u>
Total noncurrent liabilities	<u>7,447,823</u>
Total liabilities	<u>9,555,394</u>
NET POSITION	
Net investment in capital assets	8,863,619
Restricted for:	
Scholarships	2,337
Special projects	247,906
Student body activities	215,032
Unrestricted	<u>2,082,221</u>
Total net position	<u><u>\$ 11,411,115</u></u>

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, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Regular programs	\$ 7,583,761	\$ 26,790	\$ -	\$ 641,906	\$ (6,915,065)
Special programs	4,405,285	-	3,460,863	-	(944,422)
Summer school programs	23,116	-	-	-	(23,116)
Student support services	1,283,290	162,335	-	-	(1,120,955)
Instructional staff support	322,617	-	-	-	(322,617)
General administrative support	623,186	-	-	-	(623,186)
School administrative support	1,630,923	-	-	-	(1,630,923)
Business support services	3,043,986	-	-	-	(3,043,986)
Central activities support	1,054,409	-	-	-	(1,054,409)
Food services	1,188,349	7,810	-	-	(1,180,539)
Community service activities	290,684	115,675	-	-	(175,009)
Facilities Acquisition	109,439	-	-	-	(109,439)
Unallocated depreciation expense	906,456	-	-	-	(906,456)
Unallocated amortization expense	110,459	-	-	-	(110,459)
Interest on long-term debt	206,880	-	-	-	(206,880)
Total governmental activities	<u>\$ 22,782,840</u>	<u>\$ 312,610</u>	<u>\$ 3,460,863</u>	<u>\$ 641,906</u>	<u>(18,367,461)</u>
General revenues					
Property taxes levied for general purposes					2,852,218
Other taxes					2,975
State school fund - general support					14,348,932
State school fund - lunch match					5,285
Common school fund					20,522
Investment earnings					252,671
Miscellaneous					440,701
Total general revenues					<u>17,923,304</u>
Change in net position					(444,157)
Net position - beginning					<u>11,855,272</u>
Net position - ending					<u>\$ 11,411,115</u>

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

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Special Revenue Fund
ASSETS		
Cash and cash equivalents	\$ 3,096,207	\$ 381,571
Undistributed taxes with county	34,167	-
Property taxes receivable	200,606	-
Accounts receivable	154,710	53,600
Intergovernmental receivable	22,352	27,767
Inventories	-	35,861
Prepays and deposits	44,020	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 3,552,062</u>	<u>\$ 498,799</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Payroll payables	\$ 1,275,319	\$ -
Intergovernmental payable	2,491	-
	<u> </u>	<u> </u>
Total liabilities	<u>1,277,810</u>	<u>-</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	164,476	-
	<u> </u>	<u> </u>
Fund balances		
Nonspendable	44,020	35,861
Restricted	-	462,938
Committed	-	-
Assigned	1,185,000	-
Unassigned	880,756	-
	<u> </u>	<u> </u>
Total fund balances	<u>2,109,776</u>	<u>498,799</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,552,062</u>	<u>\$ 498,799</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,648	\$ 3,486,426
-	34,167
-	200,606
-	208,310
-	50,119
-	35,861
-	44,020
<u>\$ 8,648</u>	<u>\$ 4,059,509</u>
\$ -	\$ 1,275,319
-	2,491
<u>-</u>	<u>1,277,810</u>
-	164,476
-	79,881
2,337	465,275
6,311	6,311
-	1,185,000
-	880,756
<u>8,648</u>	<u>2,617,223</u>
<u>\$ 8,648</u>	<u>\$ 4,059,509</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

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

June 30, 2025

Total fund balances			\$ 2,617,223
Capital assets are not financial resources and are therefore not reported in the governmental funds.			
Cost of capital assets	26,673,574		
Accumulated depreciation	(10,090,763)		
Cost of intangible right to use leased assets	81,517		
Cost of intangible right to use SBITA assets	444,224		
Accumulated amortization	<u>(206,282)</u>	16,902,270	
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.			
		164,476	
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	(17,520)		
Compensated absences payable	(216,683)		
Leases payable	(41,074)		
SBITA payable	(49,744)		
Bonds payable	(7,688,299)		
Bond premium	4,730		
Financed purchases payable	<u>(264,264)</u>	<u>(8,272,854)</u>	
Net position of governmental activities			<u><u>\$ 11,411,115</u></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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund
REVENUES			
Property taxes	\$ 2,843,092	\$ -	\$ -
Other taxes	2,975	-	-
Intermediate revenue	20,522	20,677	-
State source revenue	14,348,932	2,075,682	-
Federal source revenue	2,290	1,903,936	-
Charges for services	136,465	13,810	-
Curricular activities	30,776	102,435	-
Donations	-	124,593	-
Investment earnings	254,170	1,237	-
Miscellaneous	314,534	65,375	-
Total revenues	<u>17,953,756</u>	<u>4,307,745</u>	<u>-</u>
EXPENDITURES			
Current			
Instruction	9,644,436	2,179,244	-
Support services	7,092,004	807,693	-
Enterprise and community services	281,684	1,219,888	-
Debt service	696,453	70,698	-
Capital outlay	3,759	1,542,892	-
Total expenditures	<u>17,718,336</u>	<u>5,820,415</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>235,420</u>	<u>(1,512,670)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,500	490,000	-
Transfers out	(160,000)	(59,382)	-
Total other financing sources (uses)	<u>(158,500)</u>	<u>430,618</u>	<u>-</u>
Net change in fund balances	76,920	(1,082,052)	-
Fund balances - beginning, as previously presented	<u>2,032,856</u>	<u>1,580,851</u>	<u>577,821</u>
Change within the financial reporting entity (major to nonmajor fund)	<u>-</u>	<u>-</u>	<u>(577,821)</u>
Fund balances - as adjusted	<u>2,032,856</u>	<u>1,580,851</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,109,776</u>	<u>\$ 498,799</u>	<u>\$ -</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,843,092
-	2,975
-	41,199
10,000	16,434,614
-	1,906,226
-	150,275
-	133,211
-	124,593
-	255,407
<u>60,792</u>	<u>440,701</u>
<u>70,792</u>	<u>22,332,293</u>
-	11,823,680
207,372	8,107,069
-	1,501,572
-	767,151
<u>162,812</u>	<u>1,709,463</u>
<u>370,184</u>	<u>23,908,935</u>
<u>(299,392)</u>	<u>(1,576,642)</u>
57,882	549,382
<u>(330,000)</u>	<u>(549,382)</u>
<u>(272,118)</u>	<u>-</u>
(571,510)	(1,576,642)
<u>2,337</u>	<u>4,193,865</u>
<u>577,821</u>	<u>-</u>
<u>580,158</u>	<u>4,193,865</u>
<u>\$ 8,648</u>	<u>\$ 2,617,223</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, 2025

Net change in fund balances **\$ (1,576,642)**

Amounts reported for governmental activities on the statement of activities are different because:

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.

Capital asset expenditures	1,709,463	
Less current year depreciation	(906,456)	
Capital asset dispositions	(62,279)	
Related accumulated depreciation	59,543	800,271

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.

SBITA assets acquired	53,995	
Current year amortization	(109,513)	
SBITA asset dispositions	(11,776)	
Related accumulated amortization	11,776	(55,518)

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.

Lease liability issued	(22,840)	
Principal payments on lease liabilities	15,755	
Principal payments on SBITA liability	14,365	
Debt principal paid	558,678	
Accrued interest	1,593	567,551

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.

Amortization of deferred charges		(946)
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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.

9,126

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.

Compensated absences		(187,999)
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Change in net position		\$ (444,157)
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The accompanying notes are an integral part of these financial statements.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

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

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, 2025

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

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, 2025

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, 2025

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.

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.

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.

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, 2025

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, 2025

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 \$10,000 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, 2025

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. 101, *Compensated Absences*, a portion of sick pay benefits is included as part of the compensated absences liability, the portion included is considered likely to be used.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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, 2025

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, 2025

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 two approved appropriation transfers.

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, 2025

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, 2025, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	<u>3,034,393</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, 2025

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, 2025, the District had deposits of \$486,619 insured by the FDIC and \$132,705 covered by the PFCP.

Deposits

The District's deposits and investments at June 30, 2025 are as follows:

Petty cash	\$ 400
Checking accounts	451,633
Total investments	<u>3,034,393</u>
Total deposits and investments	<u><u>\$ 3,486,426</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 3,096,207
Nonmajor governmental funds	<u>6,311</u>
Total governmental activities - unrestricted	<u>3,102,518</u>
Governmental activities - restricted	
Special Revenue Fund	381,571
Nonmajor governmental funds	<u>2,337</u>
Total governmental activities - restricted	<u>383,908</u>
Total cash and investments	<u><u>\$ 3,486,426</u></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, 2025

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

B. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,729,840	\$ -	\$ -	\$ 1,729,840
Construction in progress	<u>630,660</u>	<u>34,328</u>	<u>(630,660)</u>	<u>34,328</u>
Total capital assets not being depreciated	<u>2,360,500</u>	<u>34,328</u>	<u>(630,660)</u>	<u>1,764,168</u>
Capital assets being depreciated				
Land improvements	1,806,402	62,382	-	1,868,784
Buildings	17,716,501	1,816,221	-	19,532,722
Equipment	1,297,509	301,235	(62,279)	1,536,465
Vehicles	<u>1,845,478</u>	<u>125,957</u>	<u>-</u>	<u>1,971,435</u>
Total capital assets being depreciated	<u>22,665,890</u>	<u>2,305,795</u>	<u>(62,279)</u>	<u>24,909,406</u>
Less accumulated depreciation for				
Land improvements	(796,402)	(92,233)	-	(888,635)
Buildings	(7,097,505)	(568,215)	-	(7,665,720)
Equipment	(598,379)	(96,534)	59,543	(635,370)
Vehicles	<u>(751,564)</u>	<u>(149,474)</u>	<u>-</u>	<u>(901,038)</u>
Total accumulated depreciation	<u>(9,243,850)</u>	<u>(906,456)</u>	<u>59,543</u>	<u>(10,090,763)</u>
Total capital assets being depreciated, net	<u>13,422,040</u>	<u>1,399,339</u>	<u>(2,736)</u>	<u>14,818,643</u>

(Continued)

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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

B. Capital Assets (Continued)

	(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) - CVE	-	22,840	-	22,840
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
Project Wayfinder Curriculum	-	31,155	-	31,155
Total capital assets being amortized	<u>483,522</u>	<u>53,995</u>	<u>(11,776)</u>	<u>525,741</u>
Less accumulated amortization for				
Intangibles - right to use lease assets				
Copier - CVE	(10,984)	(792)	11,776	-
Copiers (3) - CVE	-	(3,857)	-	(3,857)
Copiers (3) - District	(10,915)	(6,495)	-	(17,410)
Copier - WLE	(2,656)	(1,451)	-	(4,107)
Copier - WLHS	(5,443)	(1,634)	-	(7,077)
Copier - District	(1,544)	(883)	-	(2,427)
Postage meter	(4,246)	(1,275)	-	(5,521)
Intangibles - right to use SBITA assets				
IXL Curriculum	(13,522)	(14,796)	-	(28,318)
Edupoint Education Systems	(33,591)	(33,591)	-	(67,182)
Cengage Curriculum	(18,097)	(18,097)	-	(36,194)
Houghton Mifflin - Math	(5,064)	(5,064)	-	(10,128)
Houghton Mifflin - ELA	(2,483)	(6,000)	-	(8,483)
Project Wayfinder Curriculum	-	(15,578)	-	(15,578)
Total accumulated amortization	<u>(108,545)</u>	<u>(109,513)</u>	<u>11,776</u>	<u>(206,282)</u>
Total capital assets being amortized, net	<u>374,977</u>	<u>(55,518)</u>	<u>-</u>	<u>319,459</u>
Governmental activities capital assets, net	<u>\$ 16,157,517</u>	<u>\$ 1,378,149</u>	<u>\$ (633,396)</u>	<u>\$ 16,902,270</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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	34,328	-	34,328
Land improvements	1,868,784	(888,635)	980,149
Buildings	19,532,722	(7,665,720)	11,867,002
Equipment	1,536,465	(635,370)	901,095
Vehicles	1,971,435	(901,038)	1,070,397
Intangibles - right to use lease assets			
Copiers (3) - CVE	22,840	(3,857)	18,983
Copiers (3) - District	32,475	(17,410)	15,065
Copier - WLE	7,253	(4,107)	3,146
Copier - WLHS	8,172	(7,077)	1,095
Copier - District	4,413	(2,427)	1,986
Postage meter	6,364	(5,521)	843
Intangibles - right to use SBITA assets			
IXL Curriculum	73,980	(28,318)	45,662
Edupoint Education Systems	167,957	(67,182)	100,775
Cengage Curriculum	126,682	(36,194)	90,488
Houghton Mifflin - Math	35,450	(10,128)	25,322
Houghton Mifflin - ELA	9,000	(8,483)	517
Project Wayfinder Curriculum	31,155	(15,578)	15,577
Total capital assets	<u>\$ 27,199,315</u>	<u>\$ (10,297,045)</u>	<u>\$ 16,902,270</u>

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	\$ 906,456
Unallocated amortization expense	<u>109,513</u>
Total	<u>\$ 1,015,969</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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:			
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Transfers out:				
General Fund	\$ -	\$ 160,000	\$ -	\$ 160,000
Special Revenue Fund	1,500	-	57,882	59,382
Capital Projects	-	330,000	-	330,000
Total	<u>\$ 1,500</u>	<u>\$ 490,000</u>	<u>\$ 57,882</u>	<u>\$ 549,382</u>

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

General Fund: Programs such as After School Learning.

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	Net Change	Ending Balance	Due Within One Year
Compensated absences	<u>\$ 28,684</u>	<u>\$ 187,999</u>	<u>\$ 216,683</u>	<u>\$ 216,683</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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	\$ 863	\$ -	\$ 863	\$ -	\$ -
Copiers (3) - CVE	4.32%	22,840	-	22,840	3,895	18,945	4,336
Copiers (3) - District	3.92%	32,475	21,753	-	6,401	15,352	6,556
Copier - WLE	5.71%	7,253	4,807	-	1,426	3,381	1,509
Copier - WLHS	10.43%	8,172	3,179	-	1,841	1,338	1,338
Copier - District	5.71%	4,413	2,925	-	867	2,058	918
Postage meter	5.71%	6,374	462	-	462	-	-
Total leases payable		93,303	33,989	22,840	15,755	41,074	14,657
SBITA payable							
Edupoint Education Systems	3.92%	80,497	64,109	-	14,365	49,744	15,435
Bonds payable							
Full faith & credit 2018	3-4%	4,800,000	4,640,000	-	30,000	4,610,000	30,000
QZAB 2012	4.63%	1,025,000	342,383	-	56,944	285,439	56,944
QZAB 2014	1.15%	3,750,000	1,635,000	-	225,000	1,410,000	230,000
QZAB 2016	0%	1,500,000	882,355	-	88,235	794,120	88,235
QZAB 2017	0%	512,000	331,293	-	30,118	301,175	30,118
Banner Bank note	3.6%	425,000	312,450	-	24,885	287,565	25,834
Total bonds payable		12,012,000	8,143,481	-	455,182	7,688,299	461,131
Less: deferred amounts on refunding	N/A	-	(5,676)	-	(946)	(4,730)	(946)
Financed purchases							
Equipment	2.11%	741,761	140,220	-	69,986	70,234	70,234
Land and building 1	0%	230,000	101,200	-	13,800	87,400	13,800
Land and building 2	3%	300,000	126,340	-	19,710	106,630	20,301
Total financed purchases		1,271,761	367,760	-	103,496	264,264	104,335
Total governmental activities		\$ 13,457,561	\$ 8,603,663	\$ 22,840	\$ 587,852	\$ 8,038,651	\$ 594,612

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, 2025

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 \$0 on June 30, 2025. Right to use lease asset activity can be found in Note III-B. The lease was paid in full as of June 30, 2025.

b. Copier (3) – CVE

The agreement was executed on August 26, 2024 to lease three copiers and requires 60 monthly payments of \$422. 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 \$18,983 on June 30, 2025. Right to use lease asset activity can be found in Note III-B.

c. 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 \$15,065 on June 30, 2025. Right to use lease asset activity can be found in Note III-B.

d. 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 \$3,146 on June 30, 2025. 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, 2025

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

E. Long-Term Liabilities (Continued)

2. Leases Payable (Continued)

e. 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 \$1,095 on June 30, 2025. Right to use lease asset activity can be found in Note III-B.

f. 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 \$1,986 on June 30, 2025. Right to use lease asset activity can be found in Note III-B.

g. 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 \$843 on June 30, 2025. 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 \$100,775 on June 30, 2025. 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, 2025

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

E. Long-Term Liabilities (Continued)

3. SBITAs Payable (Continued)

b. Additional Subscriptions

The District has five 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 \$177,566 on June 30, 2025. Right to use SBITA asset activity can be found in Note III-B.

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.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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

E. Long-Term Liabilities (Continued)

4. Bonds Payable (Continued)

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.

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.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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

F. Long-Term Liabilities (Continued)

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
2026	\$ 14,757	\$ 1,517	\$ 15,435	\$ 1,950	\$ 461,131	\$ 237,393	\$ 104,335	\$ 4,028	\$ 595,658	\$ 244,888
2027	14,019	865	16,562	1,345	547,083	232,597	34,710	2,589	612,374	237,396
2028	6,942	358	17,747	696	553,069	224,365	35,337	1,963	613,095	227,382
2029	4,935	134	-	-	564,071	216,061	35,984	1,316	604,990	217,511
2030	421	2	-	-	570,871	207,277	35,498	-	606,790	207,279
2031-2035	-	-	-	-	3,047,074	595,999	18,400	-	3,065,474	595,999
2036-2038	-	-	-	-	1,945,000	132,025	-	-	1,945,000	132,025
Total	<u>\$ 41,074</u>	<u>\$ 2,876</u>	<u>\$ 49,744</u>	<u>\$ 3,991</u>	<u>\$ 7,688,299</u>	<u>\$ 1,845,717</u>	<u>\$ 264,264</u>	<u>\$ 9,896</u>	<u>\$ 8,043,381</u>	<u>\$ 1,862,480</u>

G. Constraints on Fund Balances

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

	General Fund	Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventory	\$ -	\$ 35,861	\$ -	\$ 35,861
Prepays and deposits	44,020	-	-	44,020
Restricted for:				
Scholarships	-	-	2,337	2,337
Special projects	-	247,906	-	247,906
Student body activities	-	215,032	-	215,032
Committed to:				
Capital projects	-	-	6,311	6,311
Assigned to:				
Reduced enrollment	630,000	-	-	630,000
Classified negotiations	405,000	-	-	405,000
Project completion	150,000	-	-	150,000
Unassigned	<u>880,756</u>	<u>-</u>	<u>-</u>	<u>880,756</u>
Total fund balances	<u>\$ 2,109,776</u>	<u>\$ 498,799</u>	<u>\$ 8,648</u>	<u>\$ 2,617,223</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. 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>.

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.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

IV. PENSION PLAN (Continued)

C. Benefits Provided

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

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.

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.

In 2019 the Legislature introduced an Optional Spouse Death Benefit (OSDB), that 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.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

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

As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make a written election no later than 60 days after the date of the estimate that PERS provides to a member's spouse. 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.

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%.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

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 primarily by employer contributions and earnings. 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.

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. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

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. 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.

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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 require 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, 2025

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, 2025, the District had a total of approximately 179 employees. Of this total, approximately 89.4% 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, 2025. The current collective bargaining agreement for classified staff was signed July 17, 2024 and expires June 30, 2027. Approximately 49% of employees are classified staff.

C. Tax Abatements

The District did not have tax abatements for the year ended June 30, 2025.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

VI. OTHER INFORMATION (Continued)

D. Related Parties

The Superintendent is married to the Food Services Coordinator. While there is no direct supervision, superintendent decisions can impact all school district personnel.

E. Changes within the Financial Reporting Entity

During the year ended June 30, 2025, the Capital Projects Fund was reclassified from major to a non-major fund due a significant decrease in its assets and expenditures.

Reporting Units Affected by Adjustments of Beginning Balances		
	Capital Projects Fund	Nonmajor Governmental Fund
Fund balance - beginning, as previously presented	\$ 577,821	\$ -
Change from major fund to nonmajor fund	<u>(577,821)</u>	<u>577,821</u>
Fund balance - beginning, as adjusted	<u>\$ -</u>	<u>\$ 577,821</u>

F. 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. 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.

G. Subsequent Events

Management has evaluated subsequent events through December 30, 2025, 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, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Local source	\$ 3,170,000	\$ 3,170,000	\$ 412,012	\$ 3,582,012
Intermediate source	19,500	19,500	1,022	20,522
State source	13,849,516	13,849,516	499,416	14,348,932
Federal source	-	-	2,290	2,290
Total revenues	<u>17,039,016</u>	<u>17,039,016</u>	<u>914,740</u>	<u>17,953,756</u>
EXPENDITURES				
Current				
Instruction	9,447,392	9,662,392	(17,956)	9,644,436
Support services	7,307,492	7,112,492	(16,729)	7,095,763
Enterprise and community services	299,842	299,842	(18,158)	281,684
Debt service	725,790	705,790	(9,337)	696,453
Contingency	<u>1,000,000</u>	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
Total expenditures	<u>18,780,516</u>	<u>18,780,516</u>	<u>(1,062,180)</u>	<u>17,718,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,741,500)</u>	<u>(1,741,500)</u>	<u>1,976,920</u>	<u>235,420</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	1,500	-	1,500
Transfers out	<u>(160,000)</u>	<u>(160,000)</u>	<u>-</u>	<u>(160,000)</u>
Total other financing sources (uses)	<u>(158,500)</u>	<u>(158,500)</u>	<u>-</u>	<u>(158,500)</u>
Net change in fund balance	(1,900,000)	(1,900,000)	1,976,920	76,920
Fund balance - beginning	<u>1,900,000</u>	<u>1,900,000</u>	<u>132,856</u>	<u>2,032,856</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,109,776</u>	<u>\$ 2,109,776</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, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Local source	\$ 342,277	\$ 342,277	\$ (34,827)	\$ 307,450
Intermediate source	21,853	21,853	(1,176)	20,677
State source	1,887,863	1,887,863	187,819	2,075,682
Federal source	<u>1,974,257</u>	<u>1,974,257</u>	<u>(70,321)</u>	<u>1,903,936</u>
Total revenues	<u>4,226,250</u>	<u>4,226,250</u>	<u>81,495</u>	<u>4,307,745</u>
EXPENDITURES				
Current				
Instruction	2,452,404	2,294,522	(115,278)	2,179,244
Support services	1,141,669	1,141,669	(80,328)	1,061,341
Enterprise and community services	1,281,398	1,281,398	(61,510)	1,219,888
Facilities acquisition and construction	671,638	1,333,638	(44,394)	1,289,244
Debt Service	<u>81,346</u>	<u>81,346</u>	<u>(10,648)</u>	<u>70,698</u>
Total expenditures	<u>5,628,455</u>	<u>6,132,573</u>	<u>(312,158)</u>	<u>5,820,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,402,205)</u>	<u>(1,906,323)</u>	<u>393,653</u>	<u>(1,512,670)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	490,000	490,000	-	490,000
Transfers out	<u>(1,500)</u>	<u>(59,382)</u>	<u>-</u>	<u>(59,382)</u>
Total other financing sources (uses)	<u>488,500</u>	<u>430,618</u>	<u>-</u>	<u>430,618</u>
Net change in fund balance	(913,705)	(1,475,705)	393,653	(1,082,052)
Fund balance - beginning	<u>900,955</u>	<u>1,462,955</u>	<u>117,896</u>	<u>1,580,851</u>
Fund balance - ending	<u>\$ (12,750)</u>	<u>\$ (12,750)</u>	<u>\$ 511,549</u>	<u>\$ 498,799</u>

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2025

	Debt Service Fund	Capital Projects Fund	Permanent Fund Hanley Trust	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 6,311	\$ 2,337	\$ 8,648
LIABILITIES AND FUND BALANCES				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balances				
Restricted for scholarships	-	-	2,337	2,337
Committed for capital projects	-	6,311	-	6,311
Total fund balances	-	6,311	2,337	8,648
Total liabilities and fund balances	\$ -	\$ 6,311	\$ 2,337	\$ 8,648

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, 2025

	Debt Service Fund	Capital Projects Fund	Permanent Fund Hanley Trust	Total Nonmajor Governmental Funds
REVENUES				
State source revenue	\$ -	\$ 10,000	\$ -	\$ 10,000
Miscellaneous	-	60,792	-	60,792
	<u>-</u>	<u>60,792</u>	<u>-</u>	<u>60,792</u>
Total revenues	-	70,792	-	70,792
	<u>-</u>	<u>70,792</u>	<u>-</u>	<u>70,792</u>
EXPENDITURES	-	-	-	-
Current				
Support services	-	207,372	-	207,372
Capital outlay	-	162,812	-	162,812
	<u>-</u>	<u>162,812</u>	<u>-</u>	<u>162,812</u>
Total expenditures	-	370,184	-	370,184
	<u>-</u>	<u>370,184</u>	<u>-</u>	<u>370,184</u>
Excess (deficiency of revenues over (under) expenditures	-	(299,392)	-	(299,392)
	<u>-</u>	<u>(299,392)</u>	<u>-</u>	<u>(299,392)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	57,882	-	57,882
Transfers out	-	(330,000)	-	(330,000)
	<u>-</u>	<u>(330,000)</u>	<u>-</u>	<u>(330,000)</u>
Total other financing sources (uses)	-	(272,118)	-	(272,118)
	<u>-</u>	<u>(272,118)</u>	<u>-</u>	<u>(272,118)</u>
Net change in fund balances	-	(571,510)	-	(571,510)
	<u>-</u>	<u>(571,510)</u>	<u>-</u>	<u>(571,510)</u>
Fund balances - beginning, as previously presented	-	-	2,337	2,337
	<u>-</u>	<u>-</u>	<u>2,337</u>	<u>2,337</u>
Change within the financial reporting entity (major to nonmajor fund)	-	577,821	-	577,821
	<u>-</u>	<u>577,821</u>	<u>-</u>	<u>577,821</u>
Fund balances - as adjusted	-	577,821	2,337	580,158
	<u>-</u>	<u>577,821</u>	<u>2,337</u>	<u>580,158</u>
Fund balances - ending	\$ -	\$ 6,311	\$ 2,337	\$ 8,648
	<u>\$ -</u>	<u>\$ 6,311</u>	<u>\$ 2,337</u>	<u>\$ 8,648</u>

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, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ 700,000	\$ (700,000)	\$ -
EXPENDITURES	<u>700,000</u>	<u>(700,000)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Local source	\$ -	\$ -	\$ 60,792	\$ 60,792
State source	1,000,000	1,000,000	(990,000)	10,000
Federal source	1,000,000	1,000,000	(1,000,000)	-
LTD financing sources	<u>4,000,000</u>	<u>4,000,000</u>	<u>(4,000,000)</u>	<u>-</u>
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>(5,929,208)</u>	<u>70,792</u>
EXPENDITURES				
Current				
Supporting services	204,000	204,000	(35,287)	168,713
Facilities acquisition and construction	<u>6,000,000</u>	<u>5,438,000</u>	<u>(5,236,529)</u>	<u>201,471</u>
Total expenditures	<u>6,204,000</u>	<u>5,642,000</u>	<u>(5,271,816)</u>	<u>370,184</u>
Excess (deficiency) of revenues over (under) expenditures	(204,000)	358,000	5,271,816	(299,392)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	57,882	-	57,882
Transfers out	<u>(330,000)</u>	<u>(330,000)</u>	<u>-</u>	<u>(330,000)</u>
Net change in fund balance	(534,000)	85,882	5,271,816	(571,510)
Fund balance - beginning	<u>534,000</u>	<u>534,000</u>	<u>43,821</u>	<u>577,821</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 619,882</u>	<u>\$ 5,315,637</u>	<u>\$ 6,311</u>

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, 2025

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

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, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
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>\$ 121</u>	<u>\$ 121</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, 2025

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

OTHER FINANCIAL SCHEDULES

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

REVENUE SUMMARY - ALL FUNDS

For the Year Ended June 30, 2025

Revenue from Local Sources

	Fund 100	Fund 200	Fund 400	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 2,846,067	\$ -	\$ -	\$ -
1500 Earnings on Investments	254,170	1,237	-	-
1600 Food Service	-	7,810	-	-
1700 Extracurricular Activities	30,776	131,559	-	-
1800 Community Services Activities	115,675	-	-	-
1910 Rentals	20,790	-	-	-
1920 Contributions and Donations From Private Sources	-	95,469	-	-
1940 Services Provided Other Local Education Agencies	-	6,000	-	-
1990 Miscellaneous	314,534	65,375	60,792	-
Total Revenue from Local Sources	\$ 3,582,012	\$ 307,450	\$ 60,792	\$ -

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 400	Fund 700
2101 County School Funds	\$ 20,522	\$ -	\$ -	\$ -
2199 Other Intermediate Sources	-	-	-	-
2200 Restricted Revenue	-	20,677	-	-
Total Revenue from Intermediate Sources	\$ 20,522	\$ 20,677	\$ -	\$ -

Revenue from State Sources

	Fund 100	Fund 200	Fund 400	Fund 700
3101 State School Fund - General Support	\$14,188,120	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match	-	5,285	-	-
3103 Common School Fund	160,812	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	111,479	-	-
3299 Other Restricted Grants-in-Aid	-	1,958,918	10,000	-
Total Revenue from State Sources	\$14,348,932	\$ 2,075,682	\$ 10,000	\$ -

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 400	Fund 700
4300 Restricted Revenue Direct From the Federal Government	\$ -	\$ -	\$ -	\$ -
4500 Restricted Revenue From the Federal Government Through the State	-	1,867,441	-	-
4801 Federal Forest Fees	2,290	-	-	-
4900 Revenue for/on Behalf of the District	-	36,495	-	-
Total Revenue from Federal Sources	\$ 2,290	\$ 1,903,936	\$ -	\$ -

Revenue from Other Sources

	Fund 100	Fund 200	Fund 400	Fund 700
5200 Interfund Transfers	\$ 1,500	\$ 490,000	\$ 57,882	\$ -
5400 Resources - Beginning Fund Balance	2,032,856	1,580,851	577,821	8,243
Total Revenue from Other Sources	\$ 2,034,356	\$ 2,070,851	\$ 635,703	\$ 8,243

Grand Totals

\$19,988,112	\$ 6,378,596	\$ 706,495	\$ 8,243
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COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

EXPENDITURE SUMMARY - GENERAL FUND

For the Year Ended June 30, 2025

Instruction Expenditures

	Totals	Object 100	Object 200
1111 Elementary, K-5 or K-6	\$ 3,372,472	\$ 1,958,862	\$ 1,353,503
1121 Middle/Junior High Programs	747,401	431,052	300,923
1122 Middle/Junior High School Extracurricular	130,694	75,374	33,962
1131 High School Programs	1,679,171	989,787	627,575
1132 High School Extracurricular	512,573	296,147	105,473
1140 Pre-kindergarten Programs	(2,787)	(2,827)	40
1210 Programs for the Talented and Gifted	148,214	-	-
1220 Restrictive Programs for Students with Disabilities	1,101,663	629,014	464,438
1250 Less Restrictive Programs for Students with Disabilities	538,830	310,004	225,689
1280 Alternative Education	1,374,833	798,887	542,941
1291 English Second Language Programs	41,372	24,797	15,961
Total Instruction Expenditures	\$ 9,644,436	\$ 5,511,097	\$ 3,670,505

Support Services Expenditures

	Totals	Object 100	Object 200
2110 Attendance and Social Work Services	\$ 68,251	\$ 40,104	\$ 28,147
2120 Guidance Services	19,696	8,074	4,233
2130 Health Services	4,812	-	-
2150 Speech Pathology and Audiology Services	50,875	35,502	14,503
2190 Service Direction, Student Support Services	456,521	176,983	103,469
2210 Improvement of Instruction Services	-	-	-
2220 Educational Media Services	113,408	61,337	48,422
2240 Instructional Staff Development	30	-	-
2310 Board of Education Services	222,180	35,985	26,184
2320 Executive Administration Services	389,391	203,407	135,561
2410 Office of the Principal Services	1,630,923	989,447	602,413
2520 Fiscal Services	405,215	121,523	93,902
2540 Operation and Maintenance of Plant Services	1,680,017	518,492	378,340
2550 Student Transportation Services	913,293	380,568	251,571
2640 Staff Services	210,811	102,623	95,085
2660 Technology Services	903,828	245,854	144,460
2690 Other Support Services - Central	26,512	-	-
Total Support Services Expenditures	\$ 7,095,763	\$ 2,919,899	\$ 1,926,290

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200
3300 Community Services	\$ 281,684	\$ 178,975	\$ 101,453

Total Enterprise and Community Services

Expenditures \$ 281,684 \$ 178,975 \$ 101,453

Other Uses Expenditures

	Totals	Object 100	Object 200
5100 Debt Service	\$ 696,453	\$ -	\$ -
5200 Transfers of Funds	160,000	-	-

Total Other Uses Expenditures \$ 856,453 \$ - \$ -

Grand Total

\$ 17,878,336 \$ 8,609,971 \$ 5,698,248

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 245	\$ 59,862	\$ -	\$ -	\$ -
-	15,426	-	-	-
-	16,376	-	4,982	-
10,620	47,140	-	4,049	-
18,317	44,822	-	47,814	-
-	-	-	-	-
146,926	1,288	-	-	-
-	8,211	-	-	-
483	2,654	-	-	-
170	32,686	-	149	-
520	94	-	-	-
\$ 177,281	\$ 228,559	\$ -	\$ 56,994	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ -
3,523	3,737	-	129	-
-	4,812	-	-	-
-	870	-	-	-
169,901	2,825	-	3,343	-
-	-	-	-	-
-	3,649	-	-	-
-	-	-	30	-
85,761	5,171	-	69,079	-
20,836	23,431	-	6,156	-
7,173	25,596	-	6,294	-
157,798	19,879	-	12,113	-
489,011	106,047	58,036	130,091	-
60,445	104,878	54,594	61,237	-
2,303	3,968	-	6,832	-
79,393	403,364	31,481	(724)	-
26,135	-	-	377	-
\$ 1,102,279	\$ 708,227	\$ 144,111	\$ 294,957	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 183	\$ 1,073	\$ -	\$ -	\$ -

\$ 183 \$ 1,073 \$ - \$ - \$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ 696,453	\$ -
-	-	-	-	160,000

\$ - \$ - \$ - \$ 696,453 \$ 160,000

\$ 1,279,743 \$ 937,859 \$ 144,111 \$ 1,048,404 \$ 160,000

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

EXPENDITURE SUMMARY - SPECIAL REVENUE FUND

For the Year Ended June 30, 2025

Instruction Expenditures

	Totals	Object 100	Object 200
1111 Elementary, K-5 or K-6	\$ 345,788	\$ 158,669	\$ 106,727
1113 Elementary Extracurricular	305	-	-
1121 Middle/Junior High Programs	107,071	24,212	16,730
1122 Middle/Junior High School Extracurricular	4,293	-	-
1131 High School Programs	235,421	130,695	81,810
1132 High School Extracurricular	218,490	1,756	710
1140 Pre-kindergarten Programs	68,619	36,671	25,515
1210 Programs for the Talented and Gifted	-	-	-
1220 Restrictive Programs for Students with Disabilities	18,862	10,876	7,986
1250 Less Restrictive Programs for Students with Disabilities	302,392	178,584	123,808
1272 Title I	449,612	238,308	167,642
1280 Alternative Education	387,825	228,023	131,015
1299 Other Programs	17,450	5,167	2,214
1400 Summer School Programs	23,116	-	-
Total Instruction Expenditures	\$ 2,179,244	\$ 1,012,961	\$ 664,157

Support Services Expenditures

	Totals	Object 100	Object 200
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -
2120 Guidance Services	410,717	252,380	158,337
2130 Health Services	8,449	-	-
2150 Speech Pathology and Audiology Services	234,884	158,711	75,247
2190 Service Direction, Student Support Services	28,909	-	-
2210 Improvement of Instruction Services	156,132	71,776	77,297
2240 Instructional Staff Development	53,515	25,712	15,295
2410 Office of the Principal Services	15	-	-
2540 Operation and Maintenance of Plant Services	29,723	-	-
2550 Student Transportation Services	138,877	-	-
2660 Technology Services	120	-	-
Total Support Services Expenditures	\$ 1,061,341	\$ 508,579	\$ 326,176

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200
3100 Food Services	\$ 1,210,888	\$ 402,165	\$ 271,209
3300 Community Services	9,000	-	-
Total Enterprise and Community Services Expenditures	\$ 1,219,888	\$ 402,165	\$ 271,209

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200
4150 Other Facilities Construction Services	\$ 1,289,244	\$ -	\$ -
Total Facilities Acquisition and Construction Expenditures	\$ 1,289,244	\$ -	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200
5100 Debt Service	\$ 70,698	\$ -	\$ -
5200 Transfers of Funds	59,382	-	-
Total Other Uses Expenditures	\$ 130,080	\$ -	\$ -

Grand Total

\$ 5,879,797	\$ 1,923,705	\$ 1,261,542
---------------------	---------------------	---------------------

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ 80,392	\$ -	\$ -	\$ -
-	305	-	-	-
-	66,129	-	-	-
-	4,293	-	-	-
7,073	15,843	-	-	-
27,346	177,574	-	11,104	-
-	6,433	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	43,662	-	-	-
-	28,787	-	-	-
-	10,069	-	-	-
-	23,116	-	-	-
\$ 34,419	\$ 456,603	\$ -	\$ 11,104	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	8,449	-	-	-
-	926	-	-	-
28,909	-	-	-	-
384	6,675	-	-	-
12,508	-	-	-	-
-	15	-	-	-
14,930	4,145	10,648	-	-
56	-	137,356	1,465	-
-	120	-	-	-
\$ 56,787	\$ 20,330	\$ 148,004	\$ 1,465	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 16,819	\$ 493,093	\$ 22,949	\$ 4,653	\$ -
-	-	-	9,000	-
\$ 16,819	\$ 493,093	\$ 22,949	\$ 13,653	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 2,085	\$ -	\$ 1,287,159	\$ -	\$ -

\$ 2,085 \$ - \$ 1,287,159 \$ - \$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ 70,698	\$ -
-	-	-	-	59,382
\$ -	\$ -	\$ -	\$ 70,698	\$ 59,382
\$ 110,110	\$ 970,026	\$ 1,458,112	\$ 96,920	\$ 59,382

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

EXPENDITURE SUMMARY - CAPITAL PROJECTS FUND

For the Year Ended June 30, 2025

Support Services Expenditures

	Totals	Object 300	Object 400	Object 500
2310 Board of Education Services	\$ 1,883	\$ 1,883	\$ -	\$ -
2320 Executive Administration Services	10,045	-	10,045	-
2540 Operation and Maintenance of Plant Services	156,785	89,142	8,660	57,213
2660 Technology Services	-	-	-	-
Total Support Services Expenditures	\$ 168,713	\$ 91,025	\$ 18,705	\$ 57,213

Facilities Acquisition and Construction

	Totals	Object 300	Object 400	Object 500
4150 Other Facilities Construction Services	\$ 167,143	\$ 7,288	\$ -	\$ 159,855
4190 Other Facilities Construction Services	34,328	-	-	34,328
Total Facilities Acquisition and Construction Expenditures	\$ 201,471	\$ 7,288	\$ -	\$ 194,183

Other Uses Expenditures

	Totals	Object 300	Object 400	Object 500
5200 Transfers of Funds	330,000	-	-	-
Total Other Uses Expenditures	\$ 330,000	\$ -	\$ -	\$ -
Grand Total	\$ 700,184	\$ 98,313	\$ 18,705	\$ 251,396

Object 600	Object 700
\$ -	\$ -
-	-
1,770	-
-	-
\$ 1,770	\$ -

Object 600	Object 700
\$ -	\$ -
-	-

\$ - \$ -

Object 600	Object 700
-	330,000
\$ -	\$ 330,000
\$ 1,770	\$ 330,000

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2025

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2024</u>	<u>2024-2025 Levy</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2025</u>
2024-2025	\$ -	\$ 2,919,417	\$ (77,851)	\$ 2,739,449	\$ 102,117
2023-2024	91,610	-	(282)	46,813	44,515
2022-2023	48,119	-	(3,640)	17,294	27,185
2021-2022	26,790	-	(680)	12,882	13,228
2020-2021	11,626	-	(90)	7,381	4,155
2019-2020	2,884	-	(49)	628	2,207
2018-2019	1,812	-	(240)	234	1,338
Prior	<u>6,679</u>	<u>-</u>	<u>(718)</u>	<u>100</u>	<u>5,861</u>
Subtotal - Prior	<u>189,520</u>	<u>-</u>	<u>(5,699)</u>	<u>85,332</u>	<u>98,489</u>
	<u>\$ 189,520</u>	<u>\$ 2,919,417</u>	<u>\$ (83,550)</u>	2,824,781	<u>\$ 200,606</u>
Add:					
Other taxes and interest				20,274	
Undistributed taxes with county, July 1, 2024				<u>34,167</u>	
Total available				2,879,222	
Less: Turnovers to District				<u>(2,843,092)</u>	
Undistributed taxes with county, June 30, 2025				<u>\$ 34,167</u>	

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



**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, 2025, and have issued our report thereon dated December 30, 2025. 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, an over expenditure existed before being corrected. In addition, a budget appropriation transfer resolution was incomplete and one budget publication was not issue within the required timeline.

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

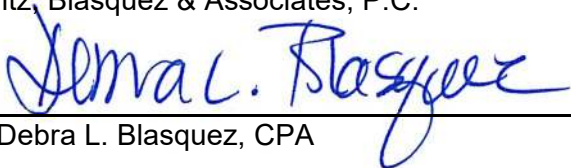
OAR 162-010-0230 Internal Control

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.

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 30, 2025

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2025

- 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	\$ 22,153

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

\$ –

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, 2025

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	7/1/23 - 9/30/24	84.010	\$ 13,764
ESSA D&SI - OIPD District Engagement Grant	7/1/24 - 9/30/25	84.010	<u>299,078</u>
Total Title I, Part A Cluster			<u>312,842</u>
Special Education Cluster			
IDEA Special Education Grants To States	7/1/23 - 9/30/25	84.027	50,471
IDEA Special Education Grants To States	7/1/24 - 9/30/26	84.027	255,178
IDEA Special Education Grants To States	7/1/22 - 9/30/24	84.027	6,562
IDEA Special Education Grants To States	7/1/23 - 9/30/25	84.027	<u>917</u>
Total Special Education Cluster			<u>313,128</u>
Title II-A Supporting Effective Instruction State Grants	7/1/23 - 9/30/24	84.367	<u>1,315</u>
Title II-A Supporting Effective Instruction State Grants	7/1/24 - 9/30/25	84.367	<u>49,927</u>
Title IV-A Student Support and Academic Enrichment Grants	7/1/24 - 9/30/25	84.424	<u>28,909</u>
COVID-19			
Elementary and Secondary School Emergency Relief Fund			
ARP ELEM&SECONDARY SCH EMERG RELIEF FUND	2/15/24 - 9/30/24	84.425	7,998
ARP HCY II	4/23/21 - 9/30/24	84.425	<u>3,425</u>
Total COVID-19			<u>11,423</u>
Total passed through Oregon State Department of Education			<u>717,544</u>

(Continued)

* Major program

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

(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	7/1/24 - 6/30/25	10.555	\$ 420,272
National School Breakfast	7/1/24 - 6/30/25	10.553	155,647
Summer Food Service Program for Children	7/1/24 - 6/30/25	10.559	<u>23,143</u>
Total Child Nutrition Cluster*			599,062
Child and Adult Care Food Program*	7/1/24 - 6/30/25	10.558	<u>279,907</u>
Total U.S. Department of Agriculture			<u>878,969</u>
COPS	10/1/2024 - 9/30/27	16.710	252,050
Indian Ed	7/1/24 - 6/30/25	84.060	<u>7,603</u>
Total federal expenditures			<u>\$ 1,856,166</u>

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

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 10.553, 10.555, 10.559 *Child Nutrition Cluster* and Assistance Listing Number 10.558, *Child and Adult Care Food Program*.

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

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, 2025.

F. Revenue and Expenditure Recognition

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



**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, 2025, 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 30, 2025.

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. However, material weaknesses or significant deficiencies may exist that were not identified.

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 2025-01.

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 30, 2025



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, 2025. 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, 2025.

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

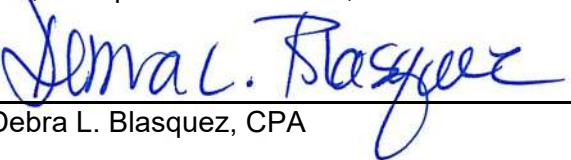
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent noncompliance or to detect and correct noncompliance with a type of compliance 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 30, 2025

COQUILLE SCHOOL DISTRICT #8
Coquille, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified not considered to be material weaknesses? No
- 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>
10.553, 10.555, 10.559	Child Nutrition Cluster
10.558	Child & Adult Care Food Program

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
2025-001	N/A
Condition:	Compliance with Oregon Budget Law
Prevalence:	Entity-wide
Criteria:	A budget over-expenditure occurred along with additional errors with a budget appropriation resolution and publication requirements.
Questioned costs:	None
Effect:	This is a violation of Oregon Budget Law.
Recommendations:	We recommend that the district budget follows Oregon Budget Law requirements.
Management's response:	The district agrees with this finding. Management has reviewed and corrected the issues related to budget over-expenditures, budget appropriation resolution errors and publication requirements. Procedures have been updated to strengthen budget monitoring and ensure future compliance with Oregon Budget Law.

SECTION III – CORRECTIVE ACTION

Finding Number	Corrective Action
2025-001	The District will follow Oregon Budget Law requirements.

SECTION IV – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Finding Number	Finding
2024-001	Capital asset tracking Some capital asset additions were not identified to be capitalized or classified to correct accounts.
2024-002	Compliance with Oregon Budget Law - supplemental budget 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.

SECTION V – STATUS OF PRIOR YEAR FINDINGS

Finding Number	Status
2024-001	Corrected this fiscal year.
2024-002	Corrected this fiscal year.