

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Financial Statements
June 30, 2022

Cockburn & McClintock, LLC
Certified Public Accountants
116 S.E Second St.
P.O. Box 1579
Pendleton, OR 97801

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

District Officials
Fiscal Year Ended June 30, 2022

<u>Elected Officials:</u>	<u>Address</u>	<u>Term Expires</u>
Tricia Rollins <i>Board Director</i>	P.O. Box 154 Ione, Oregon 97843	2023
Rob Crum <i>Board Chair</i>	P.O. Box 415 Ione, Oregon 97843	2025
Vacant <i>Board Director</i>		2023
Ed Rietmann <i>Vice Chair</i>	PO Box 341 Ione, Oregon 97843	2025
Lisa Reitmann <i>Board Director</i>	PO Box 131 Ione, Oregon 97843	2025

Appointed Officials:

Kevin Dinning <i>Superintendent and Clerk</i>	Kim Gilsdorf <i>Business Manager and Deputy Clerk</i>
Kevin Dinning <i>Principal</i>	Cathy McCabe <i>District Secretary</i>

District Contact Information:

445 Spring Street
P.O. Box 167
Ione, Oregon 97843
(541) 422-7131
<http://www.ione.k12.or.us/>

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

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FINANCIAL SECTION

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA
KYLIE M. McCLINTOCK, CPA

116 SOUTHEAST SECOND STREET
P.O. BOX 1579
PENDLETON, OREGON 97801
(541) 276-3521, FAX (541) 276-3545

MEMBERSHIPS

AMERICAN INSTITUTE OF CPA'S
OREGON SOCIETY OF CPA'S
AICPA - PRIVATE COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education and Management
Ione School District #R2
Ione, Oregon 97843

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ione School District #R2 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We were not engaged to audit the financial statements of the aggregate discretely presented component unit.

Disclaimer of Opinion on the Aggregate Discretely Presented Component Units.

Because of the significance of the matter described in the Basis for Disclaimer of Opinion and Unmodified Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the District. Accordingly, we do not express an on these financial statements.

Unmodified Opinions on Governmental Activities, Each Major Fund and Aggregate Remaining Fund Information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ione School District #R2 as of June 30, 2022, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America and the related budgetary comparison for the General Fund, and The Miscellaneous Grant Fund.

Basis for Disclaimer of Opinion and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit

The financial statements of the Ione Education Foundation have not been audited, and we were not engaged to audit the Ione Education Foundation financial statements as part of our audit of the District's basic financial statements.

Change in Accounting Principles

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with general accepted accounting principle, and 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 The District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, combining nonmajor fund financial statements, budgetary comparison schedules, and other financial schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules, and other financial schedules, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 18, 2022 on our consideration of the District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.

Cockburn & McClintock, LLC



Kylie M. McClintock, CPA
Licensed Municipal Auditor

Pendleton, Oregon
November 18, 2022

Required Supplementary Information:
Management's Discussion and Analysis

**Ione School District #R2
Morrow County, Oregon**

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

As management of Ione School District #R2, we present readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the financial statements that begin with the Statement of Net Position.

FINANCIAL HIGHLIGHTS

- In the District-wide financial statement on June 30, 2022, the District's assets plus Deferred Outflows of Resources exceeded its liabilities plus Deferred Inflows of Resources by \$4.2 million. Of this amount, \$4.9 million represents net investment in capital assets, and \$1 million in restricted funds. A deficit unrestricted net position of \$1.7 million is caused by the District portion of the state's unfunded pension liability (PERS) and OPEB liability for health insurance. Notably, the pension liability decreased over the prior year, with pension assets earning significantly more than projected, along with the contributions exceeding the proportionate share of the State's collective system's pension expense.

In addition, the District implemented Governmental Accounting Standards Board Statement No. 87 *Leases* (GASB No.87). The lease value amount was evaluated on June 30, 2022 and was determined as immaterial to the District-wide financial statement. Therefore, the information is not included.

- The 2021-22 budget was supported by 49% of the State's \$9.3 billion Basic School Support for the 2021-2023 biennium. A large, one-time gift from Amazon, as well as improved property tax collections offset the slight decline in state school fund revenue, which was due to lower student enrollment.
- Salary and insurance increases were honored per the negotiated agreements. In the first year of the 2021-2023 biennium, PERS rates fell to 26.83% from 32.03% on Tier 1/Tier 2 employees and 23.72% from 26.58% on OPSRP employees.
- The District continued to utilize COVID-19 federal funds, which have been concentrated in addressing learning loss. Additionally, grants from Ione Education Foundation, Ione Community Agri-Business Organization and Morrow County Education Foundation continue to strengthen the educational opportunities of the District's students.
- Voter approved general obligation bonds for \$18.5 million sold September 8, 2021, garnering \$1.7 million in premium for a total of \$20.2 million available for new bond construction projects and improvements. The \$4 million matching grant from the Oregon School Capital Improvement Matching (OSCIM) Program, allocates a total of \$24.2 million. Major construction and renovation are slated for 2023.
- At June 30, 2022, the ending fund balance for the General Fund was \$1.1 million or approximately 42% of total general fund expenditures (including transfers). The ending fund balance is significantly higher compared to the \$740 thousand balance from the previous

**Ione School District #R2
Morrow County, Oregon**

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022**

year. Attrition of more tenured staff combined with nearly three vacant instructional positions all school year due to pandemic effects comprise the savings.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

DISTRICT-WIDE FINANCIAL STATEMENTS – The District-wide financial statements provide readers with a broad overview of the District’s finances, in a manner similar to private-sector business. These statements include:

The *Statement of Net Position* presents information on all of the District’s assets and liabilities. Net position is the difference remaining after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as an 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 over the year by reporting revenues, expenses and other transactions that increase or reduce net position. All changes in net position are recorded as soon as the underlying event giving rise to the change occurs.

In the District-wide financial statements, the District’s activities are in Governmental Activities, which include regular and special program instructional and support services, administrative and fiscal support, and community services. These activities are primarily financed through property tax revenues, Oregon State school fund, and inter-Governmental grants.

The District's financial reporting includes the funds of the District (primary government) and the Ione Education Foundation, which is included as a component unit. Although the Foundation is a legal separate entity, the nature and significance of the relationship between the Foundation and the District is such that exclusion of the Foundation would render the financial statement incomplete. The Foundation is an independent community-based organization established in 2003 to preserve and support the legacy of excellence of the Ione School District #R2 and the rural community.

In addition, there was one Charter School operating within Ione School District #R2: Ione Community School. This Charter School is reported with the District as the primary government.

FUND FINANCIAL STATEMENTS – The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Ione School District #R2, like

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Morrow County, Oregon**

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022**

other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The governmental funds are used to account for those functions reported as statement of activities in the District-wide financial statements. However, unlike the District-wide financial statements, Governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the District-Wide financial statements, it is useful to compare the information presented for Governmental funds with similar information presented for statement of activities in the District-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 Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the District-Wide Statements and Net position and Activities.

The District maintains 18 individual Governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The General Fund, Miscellaneous Grant Fund, Debt Service Fund and the Capital 2021 GO Bond Fund are considered major funds. The other 14 Governmental funds are combined and reported into a single aggregated column titled “Non-major Governmental Funds”. Individual fund financial data for each of the non-major Governmental funds is provided as Supplementary Information.

NOTES TO THE BASIC FINANCIAL STATEMENTS – The notes provide additional information that is essential to understanding the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 20-45 of this report.

SUPPLEMENTARY INFORMATION – The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplementary Information. Additionally, schedules are included which are required by GASB Statement Nos. 45 and 68, budgetary comparison schedules for each fund, and other financial schedules required by the Oregon Department of Education.

DISTRICT-WIDE FINANCIAL ANALYSIS

As a result of the general obligation bond sale in September 2021 and with construction set to begin in 2023, the current cash balance represents mostly unspent bond proceeds and 80% of total assets. Capital assets, which consist of the District’s land, buildings, building improvements, vehicles, and equipment, represent about 19% of total assets. The remaining assets are current and consist of property taxes receivable and prepaid expenses.

Deferred outflows of resources related to pensions totaled \$1.2 million and primarily comprise of the net difference between projected and actual investment earnings, changes in assumptions; combined with changes in the District’s proportionate share of the Unfunded Actuarial Liability and the differences between expected and actual experience. These fluctuations resulted in a decrease of

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

\$243 thousand of deferred outflows from the previous year. The District also carried a smaller deferred outflow from OPEB.

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

Representing nearly 88% of total liabilities, the District's largest liability consists of two general obligation bond issues. At June 30, 2022, the bonds totaled \$18.8 million. As mentioned earlier, the District has a net pension liability totaling \$1.9 million. The pension liability reflects the District's proportionate share of the State of Oregon's Unfunded Actuarial Liability. This liability has decreased significantly from \$3.9 million the previous year with pension assets earning significantly more than projected, along with the contributions exceeding the proportionate share of the State's collective system's pension expense.

The District also reported a \$211 thousand liability to reflect the implicit rate subsidy for the District's retiree health insurance and the PERS retiree health insurance. State Statute requires that the District offer health insurance to retirees at the lower rate paid for current employees until the retiree turns 65 years of age, which produces the implicit rate subsidy. In an open, private market, retirees would pay higher premiums to cover increased healthcare costs related to their age. The lower rates enjoyed by the District's retirees creates a net OPEB liability that the District is required to record on its financial statements.

Other current liabilities include accounts payable and related payroll expenses.

The District reported Deferred Inflows of Resources resulting primarily from the net difference between projected and actual earnings on pension investments totaling \$1.8 million. The accrual is driven by the changes in proportion and differences between employer contributions and proportionate share of contributions.

The majority of the District's unrestricted deficit net position (\$1.7 million) is due to the net pension liability noted above. This deficit is offset by the investment in capital assets (e.g. land, buildings, vehicles and equipment). The District uses these capital assets to provide services to students, staff, and other District residents; consequently, these assets are not available for future spending.

The District's overall financial position changed as indicated by an increase of \$1.1 million in net position. Unrestricted net position increased by \$477 thousand due mainly to the change in PERS due to improved asset performance and changes in assumptions, resulting in a lower PERS net pension liability offset partially by an increase in the PERS deferred inflows amortizing those changes over the next few years. At the same time, a substantial, one-time Amazon gift rounds out the positive change in net position for the year.

**Ione School District #R2
Morrow County, Oregon**

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

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

The following reflects condensed information on the District's net position:

Net Position at June 30, 2022

		Governmental Activities		
		June 30, 2021	June 30, 2022	Difference
Assets:				
Cash and Cash Equivalents	\$	1,250,634	\$ 22,299,985	\$ 21,049,351
Investments		1,183	1,183	0
Taxes Receivable		35,805	36,929	1,124
Other Receivables		24,952	133,800	108,848
Prepaid Expenses		10,858	413	(10,445)
Capital Assets, Net		5,712,387	5,429,988	(282,399)
Total Assets		7,035,819	27,902,298	20,866,479
Deferred Outflows of Resources:				
Pension Deferred Outflows		1,450,234	1,207,177	(243,057)
OPEB Deferred Outflows		5,115	9,585	4,470
Total Deferred Outflows		1,455,349	1,216,762	(238,587)
Liabilities:				
Accounts Payable		11,088	158,496	147,408
Accrued Interest Payable		1,425	31,129	29,704
Payroll Deductions and Withholdings		176,752	140,486	(36,266)
Net Pension Liability		3,895,892	1,966,953	(1,928,939)
Net OPEB Obligation		190,371	211,663	21,292
Bonds Payable		730,000	18,843,165	18,113,165
Total Liabilities		5,005,528	21,351,892	16,346,364
Deferred Inflows of Resources:				
Pension Deferrerd Inflows		325,933	1,850,573	1,524,640
OPEB Deferred Inflows		14,937	17,490	2,553
Deferred Premium on Refunding, Net		28,031	1,711,917	1,683,886
Total Deferred Inflows of Resources		368,901	3,579,980	3,211,079
Net Position:				
Investment in Capital Assets		4,954,356	4,886,132	(68,224)
Restricted for Capital Projects		31,291	17,826	(13,465)
Restricted for Debt Service		60,651	32,929	(27,722)
Restricted for Other Purposes		268,684	971,152	702,468
Unrestricted		(2,198,243)	(1,720,851)	477,392
Total Net Position, Restated	\$	3,116,739	\$ 4,187,188	\$ 1,070,449

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

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position for the Year Ended June 30, 2022

	Governmental Activities		
	June 30, 2021	June 30, 2022	Difference
Revenues:			
Program Revenues			
Charges for Services	\$ 209,685	\$ 212,990	\$ 3,305
Grants & Contributions	657,201	1,246,958	589,757
Capital Grants & Contributions	122,266	-	(122,266)
General Revenues:			
Property Taxes	1,275,732	1,685,990	410,258
Revenue in-Lieu of Taxes	556	541	(15)
State School Fund - General Support	2,154,418	1,985,931	(168,487)
County / Common School Aid	31,971	33,796	1,825
Unrestricted Federal Funds	2,297	2,221	(76)
Earnings on Investments	13,169	102,647	89,478
Miscellaneous	13,861	40,408	26,547
Total Revenues	4,481,155	5,311,482	830,327
Expenses:			
Instruction	2,610,648	1,794,525	(816,123)
Support Services	1,864,296	1,640,173	(224,123)
Enterprise & Community Services	156,761	135,835	(20,926)
Facilities Acquisition & Construction	24,751	344,719	319,968
Debt Service - Interest	35,347	325,781	290,434
Total Expenses	4,691,803	4,241,033	(450,769)
Change in Net Position:	(210,647)	1,070,449	1,281,096
Net Position, Beginning	3,327,386	3,116,739	(210,647)
Net Position, Ending	\$ 3,116,739	\$ 4,187,188	\$ 1,070,449

Governmental Activities – The notable elements of the change in the District's net position the year ended June 30, 2022 are as follows:

- Revenues increased 18.5% overall, with the largest gain in Grants & Contributions from a generous, one-time Amazon gift and a funding commitment from Ione Education Foundation to help offset personnel costs. Improved property tax collections offset the State School Fund reduction.
- While negotiated salary and benefit increases were honored for all staff, three certified instructional positions and one maintenance position remained unfilled during the school year, an effect of the pandemic. Notably, a few bond expenditures related to closing costs and additional interest on debt service offset the significant decrease in expenses.

**Ione School District #R2
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**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2022**

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 usable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2022, the District's Governmental funds reported a combined ending fund balance of \$22.1 million. Of this amount, \$21 million is restricted for capital purposes, and \$704 thousand is available for spending at the District's discretion.

The General Fund is the primary operating fund of the District. As of June 30, 2022, the fund balance was \$1.1 million. Recent Board policy requires a 15% minimum of the General Fund Budget to be retained as an ending fund balance to protect cash flow due to lower student enrollment. As the District's budget increases, the ending fund balance requirement increases proportionately. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents 42% of total General Fund expenditures (including transfers).

Special Revenue Funds account for revenues and expenditures of funds restricted for specific programs and equipment. Sources of these funds are grants from public and private entities. The programs funded are primarily from federal Title grants, food service grants and student body fund raising. The bulk of the special revenue funds is concentrated in a restricted ending fund balance in the Miscellaneous Grant Fund totaling \$586 thousand.

The Debt Service Fund collects annual property taxes to repay its 2009 and 2021 General Obligation Bonds. The Bond requires semi-annual principal and interest payments in December and June. As of June 30, 2022, the restricted fund balance was nearly \$33 thousand.

The Capital Projects Fund is designated for District capital purchases and/or improvements to buildings. With the general obligation bond sale in September 2021, the bulk of the proceeds are purposed for a new high school building, a new roof on the elementary building, improved school security and safety and significant repair of other District property. Construction is estimated to begin in summer of 2023. The Fund reported an ending fund balance of \$20 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District relies heavily on the State of Oregon's State School fund. For the year ended June 30, 2022, the State School Fund – General Support provided nearly 65% of the District's program resources for the General Fund. The percentage climbs to 96% when property taxes are included.

**Ione School District #R2
Morrow County, Oregon**

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Besides the continued recovery of the economy to create additional State funding, the District’s enrollment is crucial to stable funding.

In the first year of the 2021-23 biennium, the District received 49% of its \$9.3 billion State School Fund allocation. The 2021-22 budget was based on 150-student enrollment and a beginning fund balance totaling \$700 thousand. The actual beginning fund balance totaled \$740 thousand and 130 students enrolled. The sizable reduction in enrollment was mostly related to families relocating out of the area, while a smaller portion was in part due to pandemic concerns.

With another drop in student enrollment, the District remained conservative with its resources in the 2021-2022 budget cycle. Yet, improved salaries and benefits were maintained for current staff. Providing additional relief, PERS rates were lower for the 2021-23 biennium from 32.03% to 26.83% for Tier 1/Tier 2 employees and from 26.58% to 23.72% on OPSRP employees.

Smaller class sizes again prompted the blending of the kindergarten and 1st grades and 5th and 6th grade classrooms.

Expenditures were lower overall as the District realigned its resources in conjunction with its smaller student population and available staff, and the vacancies of instructional and maintenance positions continued for the entire school year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The District’s investment in capital assets includes land, buildings and building improvements, vehicles and equipment and totaled \$5.4 million. This amount represents a net decrease (including additions, deletions, and depreciation) of \$282 thousand from the previous year.

There were minimal additions to District Buildings, Improvements and Equipment, which included the addition of GPS Ionizers throughout the buildings funded by ESSER II federal funds and the new security access cardlock system for the new Fitness Center. The decrease in net capital assets is due to depreciation of assets exceeding current year additions.

Capital Assets, Net of Accumulated Depreciation

	June 30, 2022	June 30, 2021	Increase/Decrease
Land	\$ 204,190	204,190	-
Construction in Progress	2,000	-	2,000
Buildings & Improvements	5,000,922	5,243,148	(242,226)
Furniture & Equipment	222,876	265,049	(42,173)
	\$ 5,429,988	5,712,387	(282,399)

**Ione School District #R2
Morrow County, Oregon**

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Debt Administration - At June 30, 2022, the District had \$18.8 million of outstanding debt, of which \$18.3 million includes the new general obligation bonds sold in September 2021. The District paid all of the required debt payments according to the debt instruments. See Note 7 of the Notes to the Financial Statements for more information on long-term debt obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the second year of the 2021-23 biennium, the District's 2022-2023 budget is supported by 51% of the State's Basic School Support. The District continues to utilize federal funding (COVID-19) granted in the previous year, as well as improved funding of state grants through the Student Investment Act and an initiative from the Governor for summer school. These supplementary funds are imperative in addressing learning loss and providing enhancements to instructional programming, thus increasing student performance.

The 2022-2023 budget was based on an average of 130 enrolled students, a substantial reduction from 150 in the prior year. Notably, appropriations totaled \$3.9 million, about a \$209 thousand improvement from the previous year. This is attributable to three instructional licensed positions budgeted for and remained vacant the entire year.

A conservative budget allocated cost of living adjustments to salaries and health insurance for all staff. PERS rates remained flat for the second half of the 2021-23 biennium at 26.83% on Tier 1/Tier 2 employees and 23.72% on OPSRP employees.

The bulk of the budget includes appropriations for District capital construction and improvement projects, since much of the last year was spent in the initial stages of the bond projects. Construction of a new high school building and other building renovations are expected to begin sometime in 2023.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District's Business Office at InterMountain Education Service District at 2001 SW Nye, Pendleton, Oregon 97801.

Basic Financial Statements

District-Wide Financial Statements

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Statement of Net Position
June 30, 2022

	Primary Governmental Activities	Component Units
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 22,299,985	\$ 91,645
Investments	1,183	76,104
Taxes Receivable	36,929	-
Other Receivables	133,800	-
Prepaid Expenses	413	-
Total Current Assets	22,472,310	167,749
Noncurrent Assets:		
Investments	-	1,106,195
Capital Assets, Net:		
Land	204,190	269,250
Construction in Progress	2,000	-
District Buildings and Improvements	5,000,922	-
Equipment and Vehicles	222,876	-
Total Noncurrent Assets	5,429,988	1,375,445
Total Assets	27,902,298	1,543,194
<u>Deferred Outflows of Resources</u>		
Pension Deferred Outflows	1,207,177	-
OPEB Deferred Outflows	9,585	-
Total Deferred Outflows	1,216,762	-
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	158,496	-
Accrued Interest Payable	31,129	-
Payroll Deductions and Withholdings	140,486	-
Bonds Payable Due Within One Year	320,000	-
Total Current Liabilities	650,111	-
Noncurrent Liabilities:		
Bonds Payable Due in More Than One Year	18,523,165	-
Proportionate Share of the Net Pension Liability	1,966,953	-
Net OPEB Obligation	211,663	-
Total Noncurrent Liabilities	20,701,781	-
Total Liabilities	21,351,892	-
<u>Deferred Inflows of Resources</u>		
Pension Deferred Inflows	1,850,573	-
OPEB Deferred Inflows	17,490	-
Deferred Premium on Refunding, Net	1,711,917	-
Total Deferred Inflows of Resources	3,579,980	-
<u>Net Position</u>		
Net Investment in Capital Assets	4,886,132	269,250
Restricted for Capital Projects	17,826	-
Restricted for Debt Service	32,929	-
Restricted for Other Purposes	971,152	1,273,944
Unrestricted	(1,720,851)	-
Total Net Position	\$ 4,187,188	\$ 1,543,194

The accompanying notes are an integral part of the financial statements

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Statement of Activities
Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) / Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Instruction:					
Regular Programs	\$ 1,510,112	\$ 201,901	\$ 994,727	\$ -	\$ (313,484)
Special Programs	284,413	-	214,780	-	(69,633)
Total Instruction	1,794,525	201,901	1,209,507	-	(383,117)
Support Services:					
Student Support Services	87,902	-	-	-	(87,902)
Instructional Staff Support	102,302	-	-	-	(102,302)
General Administration	24,165	-	-	-	(24,165)
School Administration	520,265	-	-	-	(520,265)
Business Support Services	805,463	9,600	20,915	-	(774,948)
Central Activities	100,076	-	-	-	(100,076)
Total Support Services	1,640,173	9,600	20,915	-	(1,609,658)
Enterprise and Community Services:					
Food Services	104,317	100	10,783	-	(93,434)
Community Services	31,518	1,389	5,753	-	(24,376)
Total Enterprise and Community Services	135,835	1,489	16,536	-	(117,810)
Facilities Acquisition and Construction	344,719	-	-	-	(344,719)
Debt Service - Interest	325,781	-	-	-	(325,781)
Total Primary Government	\$ 4,241,033	\$ 212,990	\$ 1,246,958	\$ -	\$ (2,781,085)
Component Unit:					
Ione Education Foundation	\$ 113,594	\$ 65,326	\$ 15,760	\$ -	\$ (32,508)
				Primary Government	Component Unit
Change in Net Position				\$ (2,781,085)	\$ (32,508)
General Revenues:					
Taxes for General Purposes				958,239	-
Taxes for Debt Service				727,751	-
Revenue In-Lieu of Taxes				541	-
State School Fund - General Support				1,985,931	-
County / Common School Aid				33,796	-
Unrestricted Federal Funds				2,221	-
Earnings on Investments				102,647	-
Miscellaneous				40,408	-
Gain / (Loss) on Endowment Fund				-	(146)
Total General Revenues and Gain / (Loss) on Endowment Fund				3,851,534	(146)
Change in Net Position				1,070,449	(32,654)
Net Position, Beginning				3,116,739	1,575,848
Net Position, Ending				\$ 4,187,188	\$ 1,543,194

The accompanying notes are an integral part of the financial statements

Fund Financial Statements

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Misc Grant Fund	Debt Service Fund	Capital 2021 GO Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and Cash Equivalents	\$ 1,228,794	\$ 586,621	\$ 32,851	20,068,269	\$ 383,450	\$ 22,299,985
Investments	-	-	-	-	1,183	1,183
Due From Other Funds	101,038	-	-	-	-	101,038
Taxes Receivable	25,153	-	11,776	-	-	36,929
Other Receivables	19,675	-	-	-	114,125	133,800
Prepaid Expenses	413	-	-	-	-	413
	<u>1,375,073</u>	<u>586,621</u>	<u>44,627</u>	<u>20,068,269</u>	<u>498,758</u>	<u>22,573,348</u>
Total Assets	\$ <u>1,375,073</u>	\$ <u>586,621</u>	\$ <u>44,627</u>	<u>20,068,269</u>	\$ <u>498,758</u>	\$ <u>22,573,348</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities:						
Due to Other Funds	\$ -	\$ -	\$ -	-	\$ 101,038	\$ 101,038
Accounts Payable	90,264	599	-	55,043	12,590	158,496
Payroll Deductions and Withholdings	140,486	-	-	-	-	140,486
	<u>230,750</u>	<u>599</u>	<u>-</u>	<u>55,043</u>	<u>113,628</u>	<u>400,020</u>
Total Liabilities	<u>230,750</u>	<u>599</u>	<u>-</u>	<u>55,043</u>	<u>113,628</u>	<u>400,020</u>
Deferred Inflows of Resources:						
Unavailable Tax Revenues	24,884	-	11,698	-	-	36,582
	<u>24,884</u>	<u>-</u>	<u>11,698</u>	<u>-</u>	<u>-</u>	<u>36,582</u>
Fund Balances:						
Nonspendable	413	-	-	-	-	413
Spendable:						
Restricted	-	586,022	32,929	20,013,226	384,406	21,016,583
Assigned	414,921	-	-	-	724	415,645
Unassigned	704,105	-	-	-	-	704,105
	<u>1,119,439</u>	<u>586,022</u>	<u>32,929</u>	<u>20,013,226</u>	<u>385,130</u>	<u>22,136,746</u>
Total Fund Balances	<u>1,119,439</u>	<u>586,022</u>	<u>32,929</u>	<u>20,013,226</u>	<u>385,130</u>	<u>22,136,746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>1,375,073</u>	\$ <u>586,621</u>	\$ <u>44,627</u>	<u>20,068,269</u>	\$ <u>498,758</u>	\$ <u>22,573,348</u>

The accompanying notes are an integral part of the financial statements

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

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

Total Fund Balances - Governmental Funds	\$	22,136,746
The proportionate share of the net pension liability is not reported as a liability in the governmental funds		(1,966,953)
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements. Amounts reported for governmental activities in the Statement of Net Position:		
Governmental Capital Assets	\$	10,449,066
Governmental Accumulated Depreciation		<u>(5,019,078)</u>
		5,429,988
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore, are not reported as revenue in the governmental funds.		36,582
Certain liabilities not due in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Accrued Interest Payable		(31,129)
General Obligation Bonds		(18,843,165)
Net Other Post-Employment Benefit Obligation		<u>(211,663)</u>
		(19,085,957)
Pension deferred inflows and outflows are not reported as either a reduction or increase to governmental fund balances:		
Pension Deferred Outflows		1,207,177
OPEB Deffered Outflows		9,585
Pension Deferred Inflows		(1,850,573)
OPEB Deferred Inflows		<u>(17,490)</u>
		(651,301)
Premiums received on issuance of bonds are amortized over the life of the bonds in the Statement of Net Position, and are not reported in the governmental fund financial statements		<u>(1,711,917)</u>
Total Net Position - Governmental Activities	\$	<u><u>4,187,188</u></u>

The accompanying notes are an integral part of the financial statements

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2022

	General Fund	Misc Grant Fund	Debt Service Fund	Capital 2021 GO Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 955,134	\$ -	\$ 727,751	-	\$ -	\$ 1,682,885
Intergovernmental	2,070,942	1,838	235	-	471,514	2,544,529
Food Service Sales	-	-	-	-	100	100
Charges for Services	-	-	-	-	200,689	200,689
Contributions and Donations	750	663,936	-	-	60,233	724,919
Earnings on Investments	8,171	-	2,444	91,928	103	102,646
Other	27,394	-	-	-	25,215	52,609
Total Revenues	3,062,391	665,774	730,430	91,928	757,854	5,308,377
Expenditures						
Current:						
Instruction:						
Regular Programs	1,006,299	96,295	-	-	365,444	1,468,038
Special Programs	220,575	1,893	-	-	33,373	255,841
Total Instruction	1,226,874	98,188	-	-	398,817	1,723,879
Support Services:						
Student Support Services	20,509	-	-	-	102,184	122,693
Instructional Staff Support	93,779	-	-	-	-	93,779
General Administration	22,152	-	-	-	-	22,152
School Administration	433,536	-	-	-	43,383	476,919
Business Support Services	709,721	-	-	-	14,190	723,911
Central Activities	89,062	-	-	-	-	89,062
Total Support Services	1,368,759	-	-	-	159,757	1,528,516
Enterprise and Community Services:						
Food Services	-	-	-	-	96,740	96,740
Community Services	-	-	-	-	22,360	22,360
Total Enterprise and Community Services	-	-	-	-	119,100	119,100
Facilities Acquisition and Construction	-	-	-	335,828	8,891	344,719
Capital Outlay	33,869	-	-	2,000	22,636	58,505
Debt Service:						
Principal	-	-	385,000	-	-	385,000
Interest	-	-	373,152	-	-	373,152
Total Debt Service	-	-	758,152	-	-	758,152
Total Expenditures	2,629,502	98,188	758,152	337,828	709,201	4,532,871
Change in Fund Balances Before Other Financial Sources / (Uses)	432,889	567,586	(27,722)	(245,900)	48,653	775,506
Other Financing Sources / (Uses):						
Transfers (to) / from Other Funds	(54,214)	-	-	-	54,214	-
Bond Proceeds	-	-	-	18,498,165	-	18,498,165
Bond Premium	-	-	-	1,760,961	-	1,760,961
Net Change in Fund Balances	378,675	567,586	(27,722)	20,013,226	102,867	21,034,632
Fund Balances, Beginning	740,764	18,436	60,651	-	282,263	1,102,114
Fund Balances, Ending	\$ 1,119,439	\$ 586,022	\$ 32,929	20,013,226	\$ 385,130	\$ 22,136,746

The accompanying notes are an integral part of the financial statements

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

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

Net Change in Fund Balances - Total Governmental Funds	\$ 21,034,632
<p>The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.</p>	
Capital outlay reported in governmental fund financial statements	\$ 58,505
Depreciation expense reported in the Statement of Activities	<u>(340,904)</u>
Amount by which capital outlays are greater / (less) than depreciation in the current period.	(282,399)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements	3,105
In the Statement of Activities, interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due	(29,704)
Proceeds from issuance of debt in an other financing source receipt in the governmental funds and is reflected ad long-term liability in the Statement of Net Position	(18,498,165)
Premium received on issuance of debt is reflected as an other financing source receipt in the governmental funds and is reflected as a deferred inflow of resources in the Statement of Net Position	(1,760,961)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction of long-term debt in the Statement of Net Position and does not affect the Statement of Activities.	
The amount of long-term debt principal payments in the current year is:	385,000
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Changes related to long-term liabilities included:</p>	
Difference in annual contributions made for Other Post-Employment Benefits and annual required contribution.	(19,375)
Decrease of net pension asset during the current to a net pension liability at fiscal year end.	
This change resulted in an increase of expenses.	161,241
Premium received on issuance of refunding bonds reported as other financing source in governmental funds, but amortized over the life of the bonds on the statement of activities	<u>77,075</u>
Change in Net Position - Governmental Activities	<u>\$ 1,070,449</u>

The accompanying notes are an integral part of the financial statements

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Budgetary Comparison Statement
General Fund
Fiscal Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Taxes	\$ 981,000	\$ 981,000	\$ 955,134	\$ (25,866)
Intergovernmental	2,031,000	2,031,000	2,070,942	39,942
Earnings on Investments	15,000	15,000	8,171	(6,829)
Other	21,000	21,000	28,144	7,144
Total Revenues	<u>3,048,000</u>	<u>3,048,000</u>	<u>3,062,391</u>	<u>14,391</u>
<u>Expenditures</u>				
Instruction	1,566,596	1,566,596	1,226,876	339,720
Support Services	1,555,704	1,555,704	1,402,626	153,078
Total Expenditures	<u>3,122,300</u>	<u>3,122,300</u>	<u>2,629,502</u>	<u>492,798</u>
Change in Fund Balance Before Other Financial Sources / (Uses)	(74,300)	(74,300)	432,889	507,189
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	<u>(63,500)</u>	<u>(63,500)</u>	<u>(54,214)</u>	<u>9,286</u>
Net Change in Fund Balance	(137,800)	(137,800)	378,675	516,475
Fund Balance, Beginning	<u>700,000</u>	<u>700,000</u>	<u>740,764</u>	<u>40,764</u>
Fund Balance, Ending	<u>\$ 562,200</u>	<u>\$ 562,200</u>	<u>\$ 1,119,439</u>	<u>\$ 557,239</u>

The accompanying notes are an integral part of the financial statements

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Miscellaneous Grants Fund #240
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Local Sources:			
1920 Contributions and Donations From Private Sources	\$ 274,487	\$ 663,936	\$ 389,449
1990 Miscellaneous	10,000	-	(10,000)
Total Local Sources	<u>284,487</u>	<u>663,936</u>	<u>379,449</u>
State Sources:			
3299 Other Restricted Grants-In-Aid	10,000	1,838	(8,162)
Total Revenues	<u>294,487</u>	<u>665,774</u>	<u>371,287</u>
<u>Expenditures</u>			
Instruction:			
1111 Elementary, K-5 Programs	5,000	7,302	(2,302)
1121 Middle School Programs	60,008	41,359	18,649
1131 High School Programs	152,529	47,634	104,895
1132 High School Extracurricular	6,000	-	6,000
1271 Remediation	10,000	1,893	8,107
1291 English Language Learner	-	-	-
1400 Summer School Programs	6,950	-	6,950
Total Instruction	<u>240,487</u>	<u>98,188</u>	<u>125,952</u>
Support Services:			
2661 Technology Services	54,000	-	54,000
Total Support Services	<u>54,000</u>	<u>-</u>	<u>54,000</u>
Total Expenditures	<u>294,487</u>	<u>98,188</u>	<u>179,952</u>
Net Change in Fund Balance	-	567,586	551,239
Fund Balance, Beginning	-	18,436	(18,436)
Fund Balance, Ending	<u>\$ -</u>	<u>\$ 586,022</u>	<u>\$ 586,022</u>

Notes to the Financial Statements

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Ione School District #R2 (the District) have been established in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as discussed in Note 1D below. The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of the most significant accounting policies:

A. Reporting Entity

Primary Government

School districts in the State of Oregon are created by legislative action. Ione School District #R2, Morrow County, Oregon, operates under a School Board-Superintendent form of government and provides education for grades K-12. Oregon State Statute Chapter 338 authorized the establishment of Charter Schools as part of the State's education program. Charter Schools are public schools operating under a performance contract with the local school district and are financially dependent on the District for a majority of their funding. Revenues such as the Oregon State School Fund and other State and Federal revenue sources are received by the District on behalf of the Charter School and then remitted to them. As such, Charter Schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in Charter Schools are included in the District's total enrollment. At fiscal year-end, there was one Charter School operating within Ione School District #R2: Ione Community School. This Charter School is reported with the District as the Primary Government.

A five-member board exercises governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction set by the State of Oregon. The board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. As required by U.S. GAAP, all significant activities and organizations have been included in the basic financial statements. Component units, as established by GASB Statement No. 61, are separate organizations that would be included in the District's reporting entity because of the significance of their operational or financial relationships with the District. Based on these criteria, there is one component unit.

Discretely Presented Component Unit

The Ione Education Foundation (the Foundation), a non-profit organization as defined under 501(c)(3) of the Internal Revenue Code, is an independent community-based organization established in 2003 to preserve and support the legacy of excellence of the Ione Community School and the rural community. The Foundation is reported in a separate column as a discretely presented component unit to emphasize that, while legally separate, the nature and significance of the relationship between the Foundation and the District is such that exclusion of the Foundation would render the financial statements misleading or incomplete. Separate audited financial statements for the Foundation are not available; please contact the Foundation for more information at <http://www.ione.k12.or.us/edfoundation>. The Foundation's fiscal year-end is December 31 and it uses the cash basis of accounting; however, the Foundation's financial information is presented using U.S. GAAP at and for the fiscal year ended June 30, 2022 for reporting in the District's financial statements.

B. Basic Financial Statements – District-Wide Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and discretely presented component unit.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements – District-Wide Statements (Continued)

The Statement of Net Position presents the financial condition of the governmental activities of the District at fiscal year-end. The Statement of Activities demonstrates the degree to which the direct expenditure of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

This District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of either fund category or the governmental combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The funds of the financial reporting entity are described below:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The primary revenue sources are taxes and state aid.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The District has fourteen special revenue funds including the Housing Fund and the Ione Community Clinic Fund.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Funds (Continued)

Debt Service Funds

Debt service funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District’s outstanding general obligation bonds. The District has one debt service fund.

Capital Project Funds

Capital project funds account for the accumulation of financial resources reserved for capital expenditures. The primary revenues sources are interest on investments and general fund transfer. The District has two capital project funds.

The activities reported in these funds are reported as governmental activities in the District-wide financial statements.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Major Fund</u>	<u>Brief Description</u>
General Fund	As discussed above, the general fund will always be classified as major.
<u>Special Revenue Funds:</u>	
Misc. Grant Fund #240	Accounts for different restrict grant funds that the District receives.
<u>Debt Service Funds:</u>	
Debt Service Fund #300	Accounts for financial resources for payments of interest and principal on the District’s long-term debt.
<u>Capital Projects:</u>	
Capital Project Fund #425	Reserved for capital expenditures.

The remainder of the District’s funds are classified as nonmajor funds.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Measurement Focus (Continued)

In the District-wide Statement of Net Position and the Statement of Activities, governmental activities are reported using the economic resources measurement focus.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the District-wide Statement of Net Position and Statement of Activities, governmental activities are reported using the accrual basis of accounting or accounting principles generally accepted in the United States of America (U.S. GAAP), as established by GASB. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected with sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgements, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds.

E. Financial Statement Amounts

Cash, Cash Equivalents, and Investments

For the purpose of the Statement of Net Position and the Balance Sheets, the District’s “cash and cash equivalents” includes all cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month end deposit and investment balances. Short-term investments are reported at cost which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

The District maintains a cash and investment pool that is available for use by all funds. In general, interest earning from pooled cash investments is allocated to each fund based on average earnings rate and average cash balance held by each fund.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Cash, Cash Equivalents, and Investments (Continued)

State statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper, and the State Treasurer's Local Government Investment Pool.

Property Taxes

The District is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on September 1 based on assessed values at July 1. Property tax payments are due in three installments—November 15, February 15, and May 15. Taxes are considered delinquent 60 days after their due date and become a lien on the property at that time.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes collected within approximately sixty days of fiscal year-end are recognized as revenue. The remaining balance of taxes receivable is recorded as a deferred inflow of resources because it is not deemed available to finance operations of the current period in the combined balance sheet.

Interfund Activity

The District maintains a cash pool that is available for use by all funds. The cash pool account is maintained in the General Fund, while activity between funds utilizing this cash account is referred to as "Due to / from Other Funds" in each fund at the end of each fiscal year in the fund financial statements. All interfund loan balances are considered current and are eliminated in the District-wide financial statements.

Receivables and Payables

Receivables expected to be collected within sixty days following year-end are considered measurable and available and are recognized as revenues in the fund financial statements. Other receivables, except grants, are offset by deferred revenues and, accordingly, have not been recorded as revenue. Receivables, net of any allowance for doubtful accounts, are recorded as assets in the Statement of Net Position. All receivables are considered fully collectible; accordingly, no allowance for uncollectible accounts has been recorded.

Grants

Unreimbursed grant expenditures due from grantor agencies are reflected in the financial statements as receivables and revenues. Cash and donated commodities received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the Statement of Net Position and the combined Balance Sheet.

Inventories and Prepays

Supplies inventory is valued at cost using first-in, first-out (FIFO) method. Accounting for supplies inventory is based on the consumption method for the District-wide financial statements. Under the consumption method, inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused supplies inventory and donated

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Inventories and Prepaids (Continued)

commodities at balance sheet date is considered immaterial by management for reporting purposes.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated assets are stated at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial cost of more than \$5,000 and estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs of a routine nature are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
District Buildings & Improvements	50
Equipment & Vehicles	3-20

Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as financing leases, and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term.

Deferred Outflows / Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of fund balances / net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District has two item which qualifies for reporting in this category. They are the pension deferred outflows and the other post-employment benefits (OPEB) deferred outflows reported in the District-wide Statement of Net Position. This amount relates to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the next fiscal year.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balances / net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items which qualify for reporting in this category. Accordingly, one item, OPEB deferred inflows, is reported only in the District-wide Statement of Net Position. This amount is the difference between actuarially projected investment earnings and actual investment earnings and the difference between the District's contributions and the District's proportionate share of contributions. The second item, pension deferred inflows, is reported only in the District-wide Statement of Net Position. This amount is the difference between actuarially projected investment earnings and actual investment earnings and the difference

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Deferred Outflows / Inflows of Resources (Continued)

between the District's contributions and the District's proportionate share of contributions. The third item, a deferred premium on refunding, results from the difference in the premiums received over the par amounts of the bonds issued. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

The District pays vacation benefits to 250-day contract monthly classified employees only. Eligible classified employees are awarded vacation as follows: (1) one-week vacation with pay after the first year of employment; (2) two weeks' vacation with pay after two years of employment; and (3) three weeks' vacation with pay after 10 years of service. Vacation time does not accumulate beyond one year. Unpaid vacation time is fully vested to employees at the time it is earned. Vacation time does not apply to certified, confidential, and management personnel. All outstanding vacation leave is payable upon resignation, retirement, or death. Sick pay does not vest and is forfeited at resignation, retirement or death and is therefore recorded as an expenditure when taken and no accrued liability is recorded.

Retirement Plans

Substantially all employees are participants in the Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged to expenditures / expenses as funded. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

Post-Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to payment of group medical insurance premiums. Such costs are recorded as expenditures / expenses in the Early Retiree Benefit Fund #280 and funded as premiums become due.

Long-Term Debt Obligations

In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

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

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Net Position / Fund Balance

District-wide net position is divided into three components:

- Net Investment in Capital Assets—Consists of capital assets including restricted capital assets and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
- Restricted Net Position—Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position—Net amount of assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District policy, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by School Board resolution.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the School Board.
- Unassigned—All amounts not included in other spendable classifications.

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

Encumbrances

During the year, encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed; however, all encumbrances expire at fiscal year-end.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Tax Abatement Disclosure

The GASB issued Statement No. 77, Tax Abatement Disclosures in August, 2015. GASB 77 requires governments that enter into tax abatement agreements to disclose information about those agreements.

District property taxes were reduced by approximately \$1,593,827 under agreements entered into by Morrow County.

Note 2 – Stewardship, Compliance, and Accountability

The District follows Oregon’s Local Budget Law (Chapter 294 of the Oregon Revised Statutes); the process under which the budget is adopted as described in the following paragraphs. A budget is prepared for each fund in accordance with the budgetary basis of accounting and legal requirements set forth in time Oregon Local Budget Law. The budgetary basis of accounting is substantially the same as U.S. GAAP with the following features:

- Capital outlay expenditures are expensed when purchased and depreciation is not calculated,
- Compensated absences are expensed when paid rather than when accrued,
- Debt principal is recorded as an expense when paid instead of a liability reduction,
- Debt issuance costs are expensed when paid rather than amortized, and
- OPEB benefits are expensed when paid rather than when incurred, and
- Property taxes are recorded as revenue when received rather than when levied.

Budget amounts shown in the financial statements include the original and supplemental budget amounts and all appropriation transfers approved by the Board of Education. The appointed budget officer develops a proposed budget for submission to the budget committee. The operating budget includes proposed expenditures and the means for financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.

After the proposed budget is prepared, the budget officer publishes a “Notice of Budget Committee Meeting” in at least one newspaper of general circulation. At the budget committee meeting, the budget message is delivered explaining the proposed budget and any significant changes in the District’s financial position. The budget committee meets thereafter as many times as necessary until the budget document is completed.

After approval by the budget committee and the required “Public Hearing” and prior to July 1, the budget is adopted by the Board of Education, and appropriations are enacted by resolution. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. Appropriations lapse at year-end. Consistent with Oregon Local Budget Law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control:

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 2 – Stewardship, Compliance, and Accountability (Continued)

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Other Uses (Interagency/Fund Transactions and Debt Service)
- Contingencies
- Unappropriated Ending Fund Balance

The Board of Education adopted the 2021-2022 budget on June 22, 2021 totaling \$28,540,509.

The Board of Education adopted the 2022-2023 budget on May 24, 2022 totaling \$30,069,767.

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies, which could not be reasonably estimated at the time the budget was adopted. After the original budget is adopted, the Board of Education may approve appropriation transfers between levels of control. There was one supplemental budget amending appropriations adopted by the board during the year under audit. After budget approval, the Board of Education may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Expenditures of all the various funds were within authorized appropriations.

Note 3 – State Constitutional Property Tax Limits

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into taxes for the public-school system and taxes for local government operations other than the public-school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

During May 1997, Oregon voters approved Measure 50 which limits taxes on each property by reducing the "assessed value" of each unit of property for the tax year 1998-1999 to its 1995-1996 value, less ten percent. Then a "permanent tax rate", representing the product of dividing the tax levy by the assessed value, was calculated. The new tax rates are the permanent constitutional rate limit for each jurisdiction and are used to calculate property taxes levied against each property.

The District's permanent tax rate for the year ended June 30, 2022 was \$4.0342 per \$1,000 of assessed value.

Note 4 – Deposits and Investments

Deposits

The GASB has adopted U.S GAAP, which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2022. Oregon Revised Statute (ORS) Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program (PFCP). The PFCP was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. ORS 295 requires the qualified depository to pledge collateral against any public funds' deposits in excess of deposit insurance amounts. As of June 30, 2022, the total bank balance was \$501,530. The District maintains its funds at a financial institution deemed to be qualified depositories by the Office of the State Treasurer.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 4 – Deposits and Investments (Continued)

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments

The District invests funds in the Oregon Local Government Investment Pool (LGIP), which is an unrated external investment pool. The LGIP is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the OSTF Board. The Governor appoints the members of the Oregon Investment Council and the OSFT Board.

At June 30, 2022, the District had one Certificate of Deposit held at Bank of Eastern Oregon for the Associated Student Body Fund #235. The certificate of deposit has a balance at maturity of \$1,183, maturing on July 23, 2022 and had an original term of six months; therefore it is classified as a short-term investment on the District’s governmental funds Balance Sheet and District-wide Statement of Net Position.

Custodial Credit Risk – State statutes authorize the District to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, certain commercial papers, and the State Treasurer’s investment pool, among others. The District has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk – The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding Investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

Interest Rate Risk – The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

A reconciliation of cash and cash equivalents as shown on the statement of assets, liabilities and equity arising from cash transactions is as follows:

Deposits with Financial Institutions	\$	436,560
Oregon Local Government Investment Pool		21,859,821
Cash with Morrow County Treasurer		3,355
Cash on Hand		249
		<hr/>
Total Cash and Cash Equivalents	\$	22,299,985
		<hr/>

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 5 – Capital Assets

For the fiscal year ended June 30, 2022, capital assets activity as reported in the District-wide financial statements were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Capital Assets:					
Land	\$ 204,190	\$ -	\$ -	\$ -	\$ 204,190
Construction in Progress	-	2,000	-	-	2,000
Total Non-Depreciable Capital Assets	204,190	2,000	-	-	206,190
Depreciable Capital Assets:					
Buildings and Improvements	9,272,058	56,505	-	-	9,328,563
Equipment & Vehicles	914,313	-	-	-	914,313
Total Depreciable Capital Assets	10,186,371	56,505	-	-	10,242,876
Accumulated Depreciation:					
Buildings and Improvements	(4,028,910)	(298,731)	-	-	(4,327,641)
Equipment & Vehicles	(649,264)	(42,173)	-	-	(691,437)
Total Accumulated Depreciation	(4,678,174)	(340,904)	-	-	(5,019,078)
Total Governmental Capital Assets, Net	\$ 5,712,387	\$ (282,399)	\$ -	\$ -	\$ 5,429,988

Depreciation expense was charged to governmental activities as follows:

Program/Function:

Regular Programs	\$ 134,642
Special Programs	28,572
Student Support Services	11,412
Instructional Staff Support	8,523
General Administration	2,013
School Administration	43,346
Business Support Services	81,552
Central Activities	11,014
Food Services	10,672
Community Services	9,158
Total Depreciation Expense	\$ 340,904

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 6 – Long-Term Debt Obligations

During the fiscal year ended June 30, 2022, changes in long-term debt for the District are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Construction Bonds, Series 2009	\$ 730,000	\$ -	\$ (230,000)	\$ 500,000	\$ 245,000
GO Construction Bonds, Series 2021A	-	13,395,000	(155,000)	13,240,000	75,000
GO Construction Bonds, Series 2021B	-	5,103,165	-	5,103,165	-
Total Bonded Debt	730,000	18,498,165	(385,000)	18,843,165	320,000

Bonded Debt

General Obligation Construction Bond, Series 2009

On May 22, 2009, the District issued \$2,800,000 in a general obligation bonds, through United States National Bank, Corporate Trust Services. The bonds require semi-annual principal and interest payments, beginning December 15, 2009. The bonds carry interest rates ranging from 2.375% to 4.00% and mature in June of 2024. The proceeds of the bond sale were used to finance a capital improvement project.

General Obligation Construction Bond, Series 2021

On September 8, 2021, the District issued \$18,498,165 in general obligation bonds (Series 2021A and Series 2021B) through United States National Bank, Corporate Trust Services. The bonds require semi-annual principal and interest payments, beginning December 15, 2021. The bonds carry an average interest rate of 3.08% per year and will mature June 15, 2047. The proceeds of the bond sale will be used to build a new high school, a new roof on the elementary building, improved school security and safety and significant repair of other District property.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 6 – Long-Term Debt Obligations (Continued)

Annual debt service requirements to maturity for bonded debt for the District are as follows:

Fiscal Year	2009 GO Bonds		2021 GO Bonds		Total
Ending June 30.	Interest	Principal	Interest	Principal	
2023	23,750	245,000	433,700	75,000	777,450
2024	12,113	255,000	430,700	125,000	822,813
2025	-	-	425,700	425,000	850,700
2026	-	-	408,700	465,000	873,700
2027	-	-	394,750	505,000	899,750
2028-2032	-	-	1,631,150	3,290,000	4,921,150
2033-2037	-	-	988,500	4,720,000	5,708,500
2038-2042	-	-	1,379,881	5,244,807	6,624,688
2043-2047	-	-	3,046,861	3,493,358	6,540,219
Totals	\$ 35,863	\$ 500,000	\$ 9,139,942	\$ 18,343,165	\$ 28,018,970

Note 7 – Pension Plan

A. Name of the Pension Plan

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

B. Plan Description

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

C. Benefits provided under Chapter 238 – Tier One / Tier Two

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. 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 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- 2. 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:
 - Member was employed by a OPERS employer at the time of death,
 - Member died within 120 days after termination of OPERS-covered employment,
 - Member died as a result of injury sustained while employed in a OPERS-covered job, or
 - Member was on an official leave of absence from a OPERS-covered job at the time of death.
- 3. Disability Benefits** – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.
- 4. Benefit Changes After Retirement** – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

D. Benefits provided under Chapter 238A – OPSRP Pension Program (OPSRP DB)

- 1. Pension Benefits** – The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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

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

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

- 2. Death Benefits** – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- 3. Disability Benefits** – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- 4. Benefit Changes After Retirement** – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

E. Benefits provided under the OPSRP Individual Account Program (OPSRP IAP)

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

- 2. 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.
- 3. Recordkeeping** – OPERS contracts with VOYA Financial to maintain IAP participant records.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

F. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced. The District is one of the school districts that elected to do this.

Employer contributions for the fiscal year ended June 30, 2022 were \$340,100, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were: Tier One/Tier Two General Service – 26.83 percent and OPSRP Pension Program General Service – 23.72 percent.

G. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$1,966,953 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the District’s proportion was 0.01643 percent, which is a slight decrease from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District’s recognized pension expense / (income) of \$340,100. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 184,120	\$ -
Change in assumptions	492,388	5,177
Net difference between projected and actual earnings on investments	-	1,456,120
Changes in proportion and differences between District contributions and proportionate share of contributions	61,483	376,025
Difference between employer contributions and employer's proportionate share of system contributions	129,086	13,251
Total (prior to post-measurement date contributions)	867,077	1,850,573
District contributions made subsequent to measurement date	340,100	-
Total deferred outflows and inflows of resources	\$ 1,207,177	\$ 1,850,573

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

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

\$1,207,177 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the fiscal year ended June 30, 2022.

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

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources (prior to post-measurement date contributions)
2023	\$ (227,394)
2024	(201,384)
2025	(221,665)
2026	(368,931)
2027	35,877
Total	\$ (983,497)

H. Actuarial Assumptions

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

H. Actuarial Assumptions (Continued)

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One / Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Assets Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub 2010 Healthy retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments, and set-backs as described in the valuation.</p> <p>Active Members: Pub 2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled Retirees: Pub 2010 Disable retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

I. Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the OPERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds – Multi- Strategy	1.25%	5.11%
Hedge Fund Equity- Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	(2.50)%	1.76%
Total	100.00%	
 Assumed Inflation – Mean		 2.40%

J. Discount Rate

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

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 7 – Pension Plan (Continued)

K. Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District’s proportionate share of the net pension liability / (asset)	\$ 1,947,283	\$ 1,966,953	\$ 1,986,623

L. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

M. Payables to the Pension Plan

At June 30, 2022, the District reported \$76,385 in payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to OPERS.

N. Changes in Plan Provisions Subsequent to Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

O. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report as previously referenced.

P. Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 8 – Other Post-Employment Benefits (OPEB)

OPERS Retirement Health Insurance Account (RHIA)

A. Name of the Other Post-Employment Benefit Plan

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined other post-employment benefit plan administered by OPERS.

B. Plan Description

Eligible retirees of the District are provided a monthly contribution toward the cost of Medicare companion health insurance premiums through RHIA. This trust fund is established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) 238.420. The ORS Chapter 238 Other Post-Employment Benefit Plan is closed to new members hired on or after January 1, 2004. OPERS issues a publicly available financial report that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

C. Benefits provided under Chapter 238.420 – Retiree Healthcare

- 1. Plan Benefits** – ORS 238.420 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan.
- 2. Death Benefits** – A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

D. Funding Policy

The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution (ARC) of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years.

E. Annual Pension Cost and Net Post-Employment Benefit Obligation

Employer contributions to RHIA for the fiscal year ended June 30, 2022 are included in the OPERS annual pension amount in Note 8. The rates in effect for the fiscal year ended June 30, 2022 were: Tier One/Tier Two – 0.05 percent and OPSRP Pension Program – 0 percent.

Post-Employment Health Care Benefits Program

A. Name of the Other Post-Employment Benefit Plan

The District provides a single-employer defined benefit plan for post-employment health care.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 8 – Other Post-Employment Benefits (OPEB) (Continued)

Post-Employment Health Care Benefits Program

B. Plan Description

The plan was offered only to employees hired in 2004 who had been employed by Morrow County School District. The individual employee benefit percentage was calculated in 2004 based upon the number of years of service with Morrow County School District. The benefit percentage ranges from 48% - 100% benefit. The plan pays the amount of the District insurance cap (prorated for years of service) in effect at the time of the employee's PERs eligible retirement (age 58 or 30 years PERS service) toward the employee's monthly premiums for insurance during retirement. This premium will be paid for seven years or until the employee qualifies for federal Social Security Medicare coverage (Age 65) whichever is earlier. The Plan does not issue a publicly available financial report.

C. Funding Policy

Contribution requirements were established upon hire in 2004 based upon the number of years of service with the Morrow County School District out of a 35-year total. In 2004, seven employees qualified for the benefit. Since that time three employees reached age 65. The remaining four qualifying; two of them have retired and two qualifying employees are currently working. For fiscal year ended June 30, 2022 the District contributed \$8,143 toward the Plan and member contributions were \$4,641.

D. Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of June 30, 2021 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2014 employee/healthy annuitant, sex distinct, generational tables. The interest rate used for discounting future liabilities was 3.75% per year, based on all years discontinued at municipal bond rate (Bond Buyer 20-Bon General Obligation Index.) The assumed general inflation rate was 2.5% per year, and the assumed payroll growth rate was 3.5% per year.

E. Changes in the Net OPEB Liability

	Increase/ (Decrease)
Total Other Post Employment Benefits Liability at June 30, 2021	\$ 232,825
Changes for the year:	
Service Cost	16,257
Interest	5,482
Charges for Benefit Terms	-
Differences between Expected and Actual Experience	42,762
Changes of Assumptions or Other Input	(26,328)
Benefit Payments	(10,917)
Total Other Post Employment Benefits Liability at June 30, 2022	\$ 260,081

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 8 – Other Post-Employment Benefits (OPEB) (Continued)

Post-Employment Health Care Benefits Program (Continued)

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following analysis presents the net OPEB liability using a discount rate of 3.50%, as well as what the District’s net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Total OPEB Liability	\$ 271,909	\$ 260,081	\$ 248,920

Note 9 – Fund Balance Reporting

The District has adopted GASB Statement No. 54 as part of its financial reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District’s financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. At June 30, 2022 the District had fund balances that would be considered non-spendable for prepaid expenses in the General Fund totaling \$413.

In addition to the non-spendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints as detailed in Note 1E.

The District has classified its fund balances with the following hierarchy:

Restricted for Local/State/Federal Grant Programs, School Activities, Early Retirees, Debt Service, and Capital Projects

Oregon State Statutes, granting agency requirements, and local ordinances require that certain revenues be specifically designed for the purposes of grant programs, debt service and capital projects. These funds have been included in the restricted category of fund balance. At June 30, 2022, the restricted fund balances totaled \$21,016,583 and consisted of: \$320,076 for Extracurricular, Pool, Student Body, Housing activities and Health Clinic activities, \$624,909 for restricted grants, \$7,617 for Early Retirees and \$32,929 for debt service. In addition, \$20,031,052 was restricted for capital projects.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 9 – Fund Balance Reporting (Continued)

Assigned for School Operations, School Activities, and Unemployment

The School Board has set aside a certain spendable fund balance for school operations, school activities, and unemployment. At June 30, 2022, the assigned fund balances totaled \$415,645 and consisted of: \$381,450 for school operations, \$724 for the STARS program, and \$33,471 for any future unemployment tax liabilities. The assigned fund balance for school operations is the appropriation of existing unassigned fund balance at year-end to eliminate a general fund deficit in the 2022-2023 fiscal year budget.

Unassigned

At June 30, 2022, the unassigned fund balance totaled \$704,105 in the General Fund.

Note 10 – Interfund Transfers

The following transfers between funds were budgeted and made for the year:

Fund	Transfers In	Transfers Out
General Fund #100	\$ -	\$ 54,214
Food Service Fund #223	32,714	-
Ione Pool Fund #225	9,000	-
Early Retirement Fund #280	12,500	-
Total	\$ 54,214	\$ 54,214

The above transfer from the District’s General Fund to the above listed funds is to supplement the District’s operations of these community service Special Revenue Funds.

Note 11 – Risk Management

The District is exposed to various risks or losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District purchases commercial insurance for all claims other than that represented by minimal deductible amount per loss. There have been no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Amounts of any settlements or claims have not exceeded insurance coverage in any of the past three years.

**Ione School District #R2
Morrow County, Oregon**

**Notes to the Financial Statements
June 30, 2022**

Note 12 – Contingencies

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state-wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The amount of grant revenue reflected in the basic financial statements is subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed and which ultimately result in disallowed claims may become a liability of the General Fund.

The District has elected to be self-insured for unemployment tax purposes. The District has not set up a reserve fund to cover any future liability as any costs will be covered by that year's current appropriations, which has been reflected as part of the assigned fund balance in the General Fund (see Note 10). Accordingly, no tax is paid or expense recorded until a claim is made against the District.

Note 13 – Evaluation of Subsequent Events

In early March 2020, the COVID-19 virus was declared a global pandemic, and it unfortunately continues to spread. Continuity of District operations, including timely receipt of major revenue categories such as local property taxes, State of Oregon funding and federal direct and pass-through grants, health in children and families served by the District, District employees and potential state and federal governmental restrictions on the District's ability to provide educational services create an environment of uncertainty. Management and the Board of Education are carefully monitoring any potential impacts the COVID-19 pandemic may have. No adjustments have been made to these financial statements as a result of this uncertainty.

The District has evaluated subsequent events through November 18, 2022, the date which the financial statements were available to be issued. There have been no subsequent events that would warrant disclosure in the notes to the financial statements.

Required Supplementary Information

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

**Schedules of the District's Proportionate Share of the Net Pension Liability / (Asset)
and Employer Contributions
Fiscal Year Ended June 30, 2022**

Oregon Public Employees Retirement System (OPERS)

Schedule of the District's Proportionate Share of the Net Pension Liability / (Asset):

Fiscal Year Ended June 30,	(a) District's Proportion of the Net Pension Liability / (Asset) NPL / (NPA)	(b) District's Proportionate Share of the Net Pension Liability / (Asset) NPL / (NPA)	(c) District's Covered Payroll	(b/c) NPL / (NPA) as a Percentage of Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability / (Asset)
2022	0.01644%	\$ 1,966,953	1,308,860	150.3%	87.57%
2021	0.01785%	3,895,892	1,620,242	240.5%	75.79%
2020	0.01717%	2,970,044	1,563,038	190.0%	80.23%
2019	0.01931%	2,925,039	1,395,713	209.6%	82.07%
2018	0.02213%	2,983,797	1,221,726	244.2%	83.12%
2017	0.02315%	3,475,216	1,348,156	257.8%	80.53%
2016	0.02399%	1,377,214	1,321,144	104.2%	91.88%
2015	0.02252%	(510,468)	1,291,685	-39.5%	103.6%
2014	0.02252%	1,149,237	1,147,544	100.1%	92.0%

Schedule of Employer Contributions:

Fiscal Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency / (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 340,100	\$ 340,100	\$ -	\$ 1,308,860	26.0%
2021	483,420	483,420	-	1,620,242	29.8%
2020	460,535	460,535	-	1,563,038	29.5%
2019	349,385	349,385	-	1,395,713	25.0%
2018	310,950	310,950	-	1,221,726	25.5%
2017	280,609	280,609	-	1,348,156	20.8%
2016	274,654	274,654	-	1,321,144	20.8%
2015	275,049	275,049	-	1,291,685	21.3%
2014	251,352	251,352	-	1,147,544	21.9%

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Schedule of Changes in Other Post-Employment Benefits Liability and Related Ratios
Fiscal Year Ended June 30, 2022

		Increase/ (Decrease)
Total Other Post Employment Benefits Liability at June 30, 2021	\$	<u>232,825</u>
Changes for the year:		
Service Cost		16,257
Interest		5,482
Charges for Benefit Terms		-
Differences between Expected and Actual Experience		42,762
Changes of Assumptions or Other Input		(26,328)
Benefit Payments		<u>(10,917)</u>
Total Other Post Employment Benefits Liability at June 30, 2022	\$	<u><u>260,081</u></u>
 Fiduciary Net Position - Beginning	 \$	 -
Contributions - Employer		
Contributions - Employee		-
Net Investment Income		-
Benefit Payments		-
Administrative Expense		<u>-</u>
Net Changes for the Year		<u>-</u>
 Fiduciary Net Position - Ending	 \$	 <u>-</u>
 Net Liability for Other Post Employment Benefits - End of Year	 \$	 <u><u>260,081</u></u>
 Fudiciary Net Position as a Percentage of the total Single Employer OPEB Liability		 0%
 Covered Payroll	 \$	 1,087,975.00
 Net OPEB as a Percentage of Covered Payroll		 24%

Supplementary Information

Combining Nonmajor Fund Financial Statements

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022**

	ESSER II Fund #203	STARS Fund #214	CTE Grant Fund #216	Food Service Fund #223	Ione Pool Fund #225	Extracurricular Fund #230	Associated Student Body Fund #235
<u>Assets</u>							
Cash and Cash Equivalents	\$ -	\$ 724	\$ -	\$ 25,926	\$ 17,959	\$ 180,151	\$ 81,139
Investments	-	-	-	-	-	-	1,183
Other Receivables	27,310	-	34,674	141	-	-	-
Total Assets	\$ 27,310	\$ 724	\$ 34,674	\$ 26,067	\$ 17,959	\$ 180,151	\$ 82,322
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities:							
Due to Other Funds	\$ 27,310	\$ -	\$ 34,674	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	126	1,430	2,534	-
Total Liabilities	27,310	-	34,674	126	1,430	2,534	-
Fund Balances:							
Spendable:							
Restricted	-	-	-	25,941	16,529	177,617	82,322
Assigned	-	724	-	-	-	-	-
Total Fund Balances	-	724	-	25,941	16,529	177,617	82,322
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,310	\$ 724	\$ 34,674	\$ 26,067	\$ 17,959	\$ 180,151	\$ 82,322

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022**

	Student Investment Activities Fund #251	Early Retiree Benefit Fund #280	Housing Fund #290	Ione Community Clinic Fund #295	Capital Projects Fund #400	Total Nonmajor Governmental Funds
<u>Assets</u>						
Cash and Cash Equivalents	\$ -	\$ 7,617	\$ 6,110	\$ 37,498	\$ 26,326	\$ 383,450
Investments	-	-	-	-	-	1,183
Other Receivables	52,000	-	-	-	-	114,125
	<u>\$ 52,000</u>	<u>\$ 7,617</u>	<u>\$ 6,110</u>	<u>\$ 37,498</u>	<u>\$ 26,326</u>	<u>\$ 498,758</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities:						
Due to Other Funds	39,054	\$ -	\$ -	\$ -	\$ -	\$ 101,038
Accounts Payable	-	-	-	-	8,500	12,590
Total Liabilities	<u>39,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>113,628</u>
Fund Balances:						
Spendable:						
Restricted	12,946	7,617	6,110	37,498	17,826	384,406
Assigned	-	-	-	-	-	724
Total Fund Balances	<u>12,946</u>	<u>7,617</u>	<u>6,110</u>	<u>37,498</u>	<u>17,826</u>	<u>385,130</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,000</u>	<u>\$ 7,617</u>	<u>\$ 6,110</u>	<u>\$ 37,498</u>	<u>\$ 26,326</u>	<u>\$ 498,758</u>

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2022

	ECIA Title I Fund #201	REAP Grant Fund #202	ESSER II Fund #203	STARS Fund #214	CTE Grant Fund #216	Food Service Fund #223	Ione Pool Fund #225	Extracurricular Fund #230
<u>Revenues</u>								
Intergovernmental	\$ 2,259	\$ 31,114	\$ 58,527	\$ -	\$ 77,423	\$ 84,191	\$ 10,000	\$ -
Food Service Sales	-	-	-	-	-	100	-	-
Charges for Services	-	-	-	-	-	-	1,389	187,899
Contributions and Donations	-	-	-	-	-	-	1,000	21,395
Earnings on Investments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	466	-	5,780
Total Revenues	<u>2,259</u>	<u>31,114</u>	<u>58,527</u>	<u>-</u>	<u>77,423</u>	<u>84,757</u>	<u>12,389</u>	<u>215,074</u>
<u>Expenditures</u>								
Current:								
Instruction:								
Regular Programs	-	-	58,527	-	51,471	-	-	130,638
Special Programs	2,259	31,114	-	-	-	-	-	-
Support Services:								
Student Support Services	-	-	-	-	25,952	-	-	-
School Administration Support	-	-	-	-	-	-	-	-
Business Support Services	-	-	-	-	-	-	-	13,666
Enterprise and Community Services:								
Food Services	-	-	-	-	-	96,740	-	-
Community Services	-	-	-	-	-	-	22,360	-
Facilities Acquisitions and Construction	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,259</u>	<u>31,114</u>	<u>58,527</u>	<u>-</u>	<u>77,423</u>	<u>96,740</u>	<u>22,360</u>	<u>144,304</u>
Change in Fund Balances Before Other Financial Sources / (Uses)	-	-	-	-	-	(11,983)	(9,971)	70,770
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	-	32,714	9,000	-
Net Change in Fund Balances	-	-	-	-	-	20,731	(971)	70,770
Fund Balances, Beginning	-	-	-	724	-	5,210	17,500	106,847
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 724</u>	<u>\$ -</u>	<u>\$ 25,941</u>	<u>\$ 16,529</u>	<u>\$ 177,617</u>

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2022**

	Associated Student Body Fund #235	Student Investment Activities Fund #251	Early Retiree Benefit Fund #280	Housing Fund #290	Ione Community Clinic Fund #295	Capital Projects Fund #400	Total Nonmajor Governmental Funds
<u>Revenues</u>							
Intergovernmental	\$ -	\$ 208,000	\$ -	\$ -	\$ -	\$ -	\$ 471,514
Food Service Sales	-	-	-	-	-	-	100
Charges for Services	1,801	-	-	2,400	7,200	-	200,689
Contributions and Donations	19,838	-	-	-	-	18,000	60,233
Earnings on Investments	41	-	-	-	-	62	103
Other	18,969	-	-	-	-	-	25,215
Total Revenues	40,649	208,000	-	2,400	7,200	18,062	757,854
<u>Expenditures</u>							
Current:							
Instruction:							
Regular Programs	41,226	75,439	8,143	-	-	-	365,444
Special Programs	-	-	-	-	-	-	33,373
Support Services:							
Student Support Services	-	76,232	-	-	-	-	102,184
School Administration Support	-	43,383	-	-	-	-	43,383
Business Support Services	-	-	-	55	469	-	14,190
Enterprise and Community Services:							
Food Services	-	-	-	-	-	-	96,740
Community Services	-	-	-	-	-	-	22,360
Facilities Acquisitions and Construction	-	-	-	-	-	8,891	8,891
Capital Outlay	-	-	-	-	-	22,636	22,636
Total Expenditures	41,226	195,054	8,143	55	469	31,527	709,201
Change in Fund Balances Before Other Financial Sources / (Uses)	(577)	12,946	(8,143)	2,345	6,731	(13,465)	48,653
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	12,500	-	-	-	54,214
Net Change in Fund Balances	(577)	12,946	4,357	2,345	6,731	(13,465)	102,867
Fund Balances, Beginning	82,899	-	3,260	3,765	30,767	31,291	282,263
Fund Balances, Ending	\$ 82,322	\$ 12,946	\$ 7,617	\$ 6,110	\$ 37,498	\$ 17,826	\$ 385,130

Budgetary Comparison Schedules

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
ECIA Title I Fund #201
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Federal Sources:			
4500 Restricted Revenue From the Federal Government Through the State	\$ 11,338	\$ 2,259	\$ (9,079)
<u>Expenditures</u>			
Instruction:			
1272 Title I	2,673	2,259	414
1490 Summer School Programs	8,665	-	8,665
Total Instruction	11,338	2,259	9,079
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
REAP Grant Fund #202
Fiscal Year Ended June 30, 2022

	<u>Original & Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<u>Revenues</u>			
Federal Sources:			
4300 Restricted Revenue From the Federal Government	\$ 33,500	\$ 31,114	\$ (2,386)
<u>Expenditures</u>			
Instruction:			
1272 Title I	<u>33,500</u>	<u>31,114</u>	<u>2,386</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
ESSER III Fund #203
Fiscal Year Ended June 30, 2022

	<u>Original & Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<u>Revenues</u>			
Federal Sources:			
4500 Restricted Revenue From the Federal Government	\$ 91,000	\$ 58,527	\$ (32,473)
<u>Expenditures</u>			
Instruction:			
1131 High School Program	<u>91,000</u>	<u>58,527</u>	<u>32,473</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
STARS Fund #214
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>	\$ -	\$ -	\$ -
<u>Expenditures</u>			
Support Services:			
2120 Guidance Services	724	-	724
Net Change in Fund Balance	(724)	-	724
Fund Balance, Beginning	724	724	-
Fund Balance, Ending	\$ -	\$ 724	\$ 724

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
CTE Grant Fund #216
Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
State Sources				
3299 Other Restricted Grants-In-Aid	\$ 104,725	\$ 68,325	\$ 77,423	\$ 9,098
<u>Expenditures</u>				
Instruction:				
1131 High School Programs	72,790	56,290	51,471	4,819
Support Services:				
2110 HS Career Related Learning	12,500	12,500	-	12,500
2120 Guidance Services	23,185	17,785	25,952	(8,167)
2240 Instructional Staff Development	14,500	-	-	-
Total Support Services	50,185	30,285	25,952	4,333
Total Expenditures	122,975	86,575	77,423	9,152
Net Change in Fund Balance	(18,250)	(18,250)	-	18,250
Fund Balance, Beginning	18,250	18,250	-	(18,250)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Food Service Fund #223
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Local Sources:			
1600 Food Sales	\$ 39,000	\$ 100	\$ (38,900)
1990 Miscellaneous	-	466	466
Total State Resources	39,000	566	(38,434)
State Sources:			
3102 SSF - Lunch Match	1,000	783	(217)
Federal Sources:			
4500 Restricted Revenue From the Federal Government Through the State	47,000	77,755	30,755
4900 Revenue for/on Behalf of the District	5,500	5,653	153
Total Federal Sources	52,500	83,408	30,908
Total Revenues	92,500	84,757	(7,743)
<u>Expenditures</u>			
Enterprise and Community Services:			
3100 Food Services	134,500	96,740	37,760
Change in Fund Balance Before			
Other Financial Sources / (Uses)	(42,000)	(11,983)	30,017
Other Financing Sources / (Uses):			
5200 Transfers from Other Funds	-	32,714	32,714
Net Change in Fund Balance	(42,000)	20,731	62,731
Fund Balance, Beginning	42,000	5,210	(36,790)
Fund Balance, Ending	\$ -	\$ 25,941	\$ 25,941

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Ione Pool Fund #225
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Local Sources:			
1200 Revenue from Local Governmental Units Other Than Districts	\$ 5,500	\$ 10,000	\$ 4,500
1800 Community Services Activities	2,500	1,389	(1,111)
1920 Contributions and Donations From Private Sources	20,000	1,000	(19,000)
Total Revenues	28,000	12,389	(15,611)
<u>Expenditures</u>			
Enterprise and Community Services:			
3300 Community Services	57,000	22,360	34,640
Change in Fund Balance Before Other Financial Sources / (Uses)	(29,000)	(9,971)	19,029
Other Financing Sources / (Uses):			
5200 Transfers from Other Funds	9,000	9,000	-
Net Change in Fund Balance	(20,000)	(971)	19,029
Fund Balance, Beginning	20,000	17,500	(2,500)
Fund Balance, Ending	\$ -	\$ 16,529	\$ 16,529

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Budgetary Comparison Schedule
Extracurricular Fund #230
Fiscal Year Ended June 30, 2022**

		<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Local Sources:				
1700	Extracurricular Activities	\$ 5,000	\$ 149	\$ (4,851)
1910	Rentals	182,550	187,750	5,200
1920	Contributions and Donations From Private Sources	-	21,395	21,395
1960	Recoverable Prior Year Expenses	-	596	596
1990	Miscellaneous	-	5,184	5,184
	Total Revenues	<u>187,550</u>	<u>215,074</u>	<u>27,524</u>
<u>Expenditures</u>				
Instruction:				
1122	Middle/Junior High School Extracurricular	62,223	29,720	32,503
1132	High School Extracurricular	183,467	100,918	82,549
	Total Instruction	<u>245,690</u>	<u>130,638</u>	<u>115,052</u>
Support Services:				
2559	Student Transportation Services	15,000	4,772	10,228
2560	Extracurricular Student Transportation	33,500	8,894	24,606
	Total Support Services	<u>48,500</u>	<u>13,666</u>	<u>34,834</u>
	Total Expenditures	<u>294,190</u>	<u>144,304</u>	<u>149,886</u>
	Net Change in Fund Balance	(106,640)	70,770	177,410
	Fund Balance, Beginning	<u>106,640</u>	<u>106,847</u>	<u>207</u>
	Fund Balance, Ending	<u>\$ -</u>	<u>\$ 177,617</u>	<u>\$ 177,617</u>

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Associated Student Body Fund #235
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Local Sources:			
1500 Earnings on Investments	\$ 200	\$ 41	\$ (159)
1730 Extracurricular Activities	6,000	1,801	(4,199)
1760 Club Fundraising	55,800	12,201	(43,599)
1920 Contributions and Donations From Private Sources	25,000	19,838	(5,162)
1990 Miscellaneous	1,000	6,768	5,768
Total Revenues	88,000	40,649	(47,351)
<u>Expenditures</u>			
Instruction:			
1113 Elementary Extracurricular	9,000	2,205	6,795
1122 Middle/Junior High School Extracurricular	13,500	390	13,110
1132 High School Extracurricular	125,500	38,631	86,869
Total Expenditures	148,000	41,226	106,774
Net Change in Fund Balance	(60,000)	(577)	59,423
Fund Balance, Beginning	60,000	82,899	22,899
Fund Balance, Ending	\$ -	\$ 82,322	\$ 82,322

**IONE SCHOOL DISTRICT #R2
Morrow County, Oregon**

**Budgetary Comparison Schedule
Student Investment Activities Fund #251
Fiscal Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
State Sources:				
3299 Other Restricted Grants-In-Aid	\$ 184,500	\$ 208,075	\$ 208,000	\$ (75)
<u>Expenditures</u>				
Instruction:				
1131 High School Programs	80,500	80,800	75,439	5,361
Support Services:				
2122 Guidance Services	66,925	79,950	76,232	3,718
2410 Office of the Principal Services	37,075	47,325	43,383	3,942
Total Support Services	104,000	127,275	119,615	7,660
Total Expenditures	184,500	208,075	195,054	13,021
Net Change in Fund Balance	-	-	12,946	12,946
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 12,946	\$ 12,946

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Early Retiree Benefit Fund #280
Fiscal Year Ended June 30, 2022

	<u>Original & Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<u>Revenues</u>	\$ -	\$ -	\$ -
<u>Expenditures</u>			
Instruction:			
1131 High School Programs	16,000	8,143	7,857
Change in Fund Balance Before			
Other Financial Sources / (Uses)	(16,000)	(8,143)	7,857
Other Financing Sources / (Uses):			
5200 Transfers from Other Funds	12,500	12,500	-
Net Change in Fund Balance	(3,500)	4,357	7,857
Fund Balance, Beginning	3,500	3,260	(240)
Fund Balance, Ending	\$ -	\$ 7,617	\$ 7,617

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Housing Principal - #290
Fiscal Year Ended June 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Federal Sources:			
1910 Rentals	\$ 2,400	\$ 2,400	-
<u>Expenditures</u>			
Support Services:			
2540 Operation and Maintenance of Plant Services	6,200	55	6,145
Net Change in Fund Balance	(3,800)	2,345	6,145
Fund Balance, Beginning	3,800	3,765	(35)
Fund Balance, Ending	\$ -	\$ 6,110	\$ 6,110

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Ione Community Clinic - #295
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Federal Sources:			
1910 Rentals	\$ 7,200	\$ 7,200	\$ -
<u>Expenditures</u>			
Support Services:			
2540 Operation and Maintenance of Plant Services	38,200	469	37,731
Net Change in Fund Balance	(31,000)	6,731	37,731
Fund Balance, Beginning	31,000	30,767	(233)
Fund Balance, Ending	\$ -	\$ 37,498	\$ 37,498

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Debt Service Fund #300
Fiscal Year Ended June 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Local Sources:			
1110 Ad Valorem Taxes Levied by District	\$ 735,000	\$ 727,751	\$ (7,249)
1500 Earnings on Investments	-	2,444	2,444
Intermediate Sources:			
2199 Other Intermediate Services	-	235	235
Total Revenues	735,000	730,430	(4,570)
<u>Expenditures</u>			
Other Uses:			
5100 Debt Service	770,000	758,152	11,848
Net Change in Fund Balance	(35,000)	(27,722)	7,278
Fund Balance, Beginning	35,000	60,651	25,651
Fund Balance, Ending	\$ -	\$ 32,929	\$ 32,929

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Capital Improvement / Building Repair Fund #400
Fiscal Year Ended June 30, 2022

	<u>Original & Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<u>Revenues</u>			
Local Sources:			
1500 Earnings on Investments	\$ -	\$ 62	\$ 62
1920 Contributions and Donations From Private Sources	-	18,000	-
	-	18,000	18,000
Total Local Sources	-	18,062	18,062
 <u>Expenditures</u>			
Facilities Acquisition and Construction:			
4150 Building Acquisition, Construction, and Improvement Services	75,000	31,527	43,473
	75,000	31,527	43,473
Total Expenditures	75,000	31,527	43,473
Total Expenditures	75,000	31,527	43,473
Net Change in Fund Balance	(75,000)	(13,465)	61,535
Fund Balance, Beginning	75,000	31,291	(43,709)
	75,000	31,291	(43,709)
Fund Balance, Ending	\$ -	\$ 17,826	\$ 17,826
	-	17,826	17,826

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Budgetary Comparison Schedule
Capital 2021 GO Bond Fund #425
Fiscal Year Ended June 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Local Sources:			
1500 Earnings on Investments	\$ -	\$ 91,928	\$ 91,928
State Sources:			
3299 Other Restricted Grants	4,000,000	-	(4,000,000)
Total Revenue	4,000,000	91,928	(3,908,072)
<u>Expenditures</u>			
Facilities Acquisition and Construction:			
4150 Building Acquisition, Construction, and Improvement Services	22,500,000	337,828	22,162,172
Total Expenditures	22,500,000	337,828	22,162,172
Change in Fund Balance Before Other Financial Sources / (Uses)	(18,500,000)	(245,900)	18,254,100
Other Financing Sources / (Uses):			
5110 Bond Proceeds	18,500,000	18,498,165	(1,835)
5120 Bond Premium	-	1,760,961	1,760,961
Net Change in Fund Balance	-	20,013,226	20,013,226
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ 20,013,226	\$ 20,013,226

Other Financial Schedules

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Detailed Schedule of Associated Student Body Fund #235 Activity
Fiscal Year Ended June 30, 2022

<u>ASB Accounts</u>	<u>06/30/2021</u> <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>06/30/2022</u> <u>Balance</u>
Advanced Social Studies	\$ 173.34	\$ -	\$ -	\$ -	\$ 173.34
Archery Club	891.92	-	-	-	891.92
Art	117.00	-	-	-	117.00
Bob Hubbard Memorial	1,000.00	-	-	-	1,000.00
Cardinal Aid	1,795.59	-	-	-	1,795.59
Carnival	5,046.23	-	(2,346.31)	-	2,699.92
Class Activities:					
Class of 2019	0.00	-	-	-	0.00
Class of 2020	3,333.00	-	(3,333.00)	-	0.00
Class of 2021	2,008.05	-	(2,008.05)	-	0.00
Class of 2022	2,052.25	-	(307.20)	-	1,745.05
Class of 2023	-	590.80	(590.80)	-	-
Class of 2024	1,242.51	-	-	-	1,242.51
Class of 2027	1.84	-	-	-	1.84
Concessions	1,292.59	-	-	-	1,292.59
Elementary ASB	1,239.02	-	-	-	1,239.02
FFA	11,999.75	11,958.53	(18,016.57)	-	5,941.71
Backpack Program (FFA)	-	6,500.00	(1,168.57)	-	5,331.43
Geology Class	520.07	-	-	-	520.07
Greenhouse	-	-	-	-	-
Health Class	383.30	-	-	-	383.30
Honor Society	94.40	-	-	-	94.40
High School ASB	1,594.73	9,584.96	(5,195.01)	-	5,984.68
Sport Activities:					
HS Athletic	386.00	-	-	-	386.00
BBX	253.71	2,607.05	(2,860.76)	-	-
GBX	554.23	2,300.00	(949.81)	-	1,904.42
Tennis	-	-	-	-	-
Football	1,074.34	-	-	-	1,074.34
Track	200.45	-	(169.99)	-	30.46
Volleyball	2,642.69	-	-	-	2,642.69
MS Athletic	406.24	-	-	-	406.24
MS BBX	168.12	-	-	-	168.12
MS GBX	34.35	-	-	-	34.35
MS Uniforms	-	-	-	-	-
Middle School ASB	1,117.17	-	(205.21)	-	911.96
International Club	2,729.25	-	-	-	2,729.25
iPad	932.20	70.00	-	-	1,002.20
General Classroom:					
B. Orem Classroom	378.49	-	-	-	378.49
Holland Classroom	-	-	-	-	-
L. Orem Classroom	115.10	-	-	-	115.10
Math Classroom	118.39	-	-	-	118.39

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Detailed Schedule of Associated Student Body Fund #235 Activity
Fiscal Year Ended June 30, 2022

<u>ASB Accounts</u>	<u>06/30/2021</u> <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>06/30/2022</u> <u>Balance</u>
Mathieu Classroom	130.18	-	-	-	130.18
Neiffer Classroom	57.59	-	-	-	57.59
Skirivin Classroom	-	200.00	(76.23)	-	123.77
Spivey Classroom	50.55	-	-	-	50.55
Lego Club	300.00	-	-	-	300.00
Les Schwab	354.46	-	-	-	354.46
Library	1,042.54	60.00	(17.00)	-	1,085.54
Locks	139.00	-	-	-	139.00
Med Camp	208.00	-	-	-	208.00
MCGG	-	-	-	-	-
Music	119.37	-	-	-	119.37
Music Travel	103.74	-	-	-	103.74
Outdoor School	1,329.17	-	-	-	1,329.17
OBOB	220.40	-	-	-	220.40
Paris 2012	50.00	-	-	-	50.00
Playground Fund	533.84	25.80	-	-	559.64
Sand Hallow Ag	-	-	-	-	-
School Supplies	394.39	-	-	-	394.39
Science Club	954.84	-	-	-	954.84
Shop	3,385.19	6,325.00	(4,298.57)	-	5,411.62
Spanish Club	9,470.57	2,448.00	(4,500.00)	-	7,418.57
Speech & Debate	2,654.36	-	-	-	2,654.36
Stage Curtains	558.13	-	-	-	558.13
STEM Trip	1,585.00	-	-	-	1,585.00
Stillman ERC	262.58	-	-	-	262.58
Student Christmas Fund	200.39	-	-	-	200.39
Student Rewards	4,532.14	2,585.30	(60.00)	-	7,057.44
Sunshine Fund	123.90	-	(99.98)	-	23.92
Textbooks	389.64	10.00	-	-	399.64
Towel Fees	611.60	-	-	-	611.60
Turnaround	10.00	6,067.00	(5,567.00)	-	510.00
Uniforms	1,297.76	-	(410.05)	-	887.71
Weight Lifting Club	292.18	-	-	-	292.18
Wheatland Insurance	-	-	-	-	-
Wyatt Aleksa Memorial	1,370.31	-	-	-	1,370.31
YAC	2,963.06	-	-	-	2,963.06
Yearbook (Annual)	125.00	270.00	-	-	395.00
Total ASB Accounts	81,716.20	51,602.44	(52,180.11)	-	81,138.53
ASB TCD	1,183.13	-	-	-	1,183.13
Total ASB Fund #235	\$ 82,899.33	\$ 51,602.44	\$ (52,180.11)	\$ -	\$ 82,321.66

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Supplemental Information Required by the Oregon Department of Education
Fiscal Year Ended June 30, 2022

A. Energy Bills for Heating – All Funds:

Please enter your expenditures for electricity
and heating fuel for these Functions and Objects.

	Objects 325, 326 & 327
Function 2540	\$ 89,285
Function 2550	\$ -

B. Replacement of Equipment – General Fund:

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

	\$ -
--	------

Exclude these functions:

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

Exclude these functions:

4150	Construction
2550	Pupil Transportation
3100	Food Service
3300	Community Services

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2022

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources								
1110 Ad Valorem Taxes Levied by District	1,682,885	955,134	-	727,751	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	10,000	-	10,000	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-	-
1500 Earnings on Investments	102,647	8,171	42	2,444	91,990	-	-	-
1600 Food Service	100	-	100	-	-	-	-	-
1700 Extracurricular Activities	14,151	-	14,151	-	-	-	-	-
1800 Community Services Activities	1,389	-	1,389	-	-	-	-	-
1910 Rentals	197,350	-	197,350	-	-	-	-	-
1920 Contributions and Donations From Private Sources	724,919	750	706,169	-	18,000	-	-	-
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	596	-	596	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-	-
1990 Miscellaneous	39,812	27,394	12,418	-	-	-	-	-
Total Revenue from Local Sources	2,773,849	991,449	942,215	730,195	109,990	-	-	-
Revenue from Intermediate Sources								
2101 County School Funds	17,978	17,978	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-	-
2199 Other Intermediate Sources	541	305	-	236	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	18,519	18,283	-	236	-	-	-	-
Revenue from State Sources								
3101 State School Fund - General Support	1,985,931	1,985,931	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	783	-	783	-	-	-	-	-
3103 Common School Fund	15,818	15,818	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	290,826	3,565	287,261	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from State Sources	2,293,358	2,005,314	288,044	-	-	-	-	-
Revenue from Federal Sources								
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	31,114	-	31,114	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	183,666	45,125	138,541	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-	-
4801 Federal Forest Fees	2,221	2,221	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	5,653	-	5,653	-	-	-	-	-
Total Revenue from Federal Sources	222,654	47,346	175,308	-	-	-	-	-
Revenue from Other Sources								
5100 Long Term Debt Financing Sources	20,259,126	-	-	-	20,259,126	-	-	-
5200 Interfund Transfers	54,214	-	54,214	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	1,102,114	740,764	269,408	60,651	31,291	-	-	-
Total Revenue from Other Sources	21,415,454	740,764	323,622	60,651	20,290,417	-	-	-
Grand Totals	26,723,834	3,803,156	1,729,189	791,082	20,400,407	-	-	-

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2022

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	569,588	347,846	214,037	1,750	5,955	-	-	-
1113	Elementary Extracurricular	2,803	1,112	380	301	1,010	-	-	-
1121	Middle/Junior High Programs	134,921	81,088	43,258	6,513	4,062	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	267,124	156,517	98,198	8,065	4,344	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	31,863	17,601	14,262	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	175,876	99,553	65,286	8,055	2,982	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	44,699	24,578	17,159	1,000	1,962	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		1,226,874	728,295	452,580	25,684	20,315	-	-	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	12,500	-	-	12,500	-	-	-	-
2120	Guidance Services	8,009	761	248	7,000	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	55,160	26,764	26,285	-	1,897	-	214	-
2230	Assessment & Testing	23,677	10,361	13,316	-	-	-	-	-
2240	Instructional Staff Development	14,942	5,000	1,109	7,541	95	-	1,197	-
2310	Board of Education Services	22,152	-	-	18,778	332	-	3,042	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	433,536	248,760	155,057	20,566	8,081	-	1,072	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	48,402	-	-	44,240	-	-	4,162	-
2540	Operation and Maintenance of Plant Services	366,724	82,365	65,005	128,512	20,557	33,869	36,416	-
2550	Student Transportation Services	328,464	100	11	328,021	332	0	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	12,000	-	-	12,000	-	-	-	-
2660	Technology Services	77,062	-	-	44,369	32,693	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		1,402,628	374,111	261,031	623,527	63,987	33,869	46,103	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	54,214	-	-	-	-	-	-	54,214
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		54,214	-	-	-	-	-	-	54,214
Grand Totals		2,683,716	1,102,406	713,611	649,211	84,302	33,869	46,103	54,214

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2022

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	15,445	-	8,143	529	6,773	-	-	-
1113	Elementary Extracurricular	2,205	-	-	1,349	856	-	-	-
1121	Middle/Junior High Programs	41,359	25,436	14,993	-	930	-	-	-
1122	Middle/Junior High School Extracurricular	30,110	20,813	4,906	1,219	3,155	-	17	-
1131	High School Programs	233,072	139,448	77,883	2,652	13,089	-	-	-
1132	High School Extracurricular	139,550	56,847	9,721	26,644	27,027	-	19,311	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	1,893	1,438	455	-	-	-	-	-
1272	Title I	33,373	15,287	18,086	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		497,007	259,269	134,187	32,393	51,830	-	19,328	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	12,500	-	-	12,500	-	-	-	-
2120	Guidance Services	89,684	54,018	35,666	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	43,383	26,184	17,199	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	525	-	-	460	65	-	-	-
2550	Student Transportation Services	13,666	400	44	10,273	2,949	-	-	-
2560	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		159,758	80,602	52,909	23,233	3,014	-	-	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	96,740	23,052	24,343	589	47,816	-	940	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	22,359	7,316	1,038	6,880	6,261	-	864	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		119,099	30,368	25,381	7,469	54,077	-	1,804	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		-	-	-	-	-	-	-	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Totals		775,864	370,239	212,477	63,095	108,921	-	21,132	-

IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2022

Fund: 300 Debt Service Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	-	-	-	-	-	-	-	-

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	-	-	-	-	-	-	-	-

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	758,152	-	-	-	-	-	758,152	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	758,152	-	-	-	-	-	758,152	-

Grand Totals

	758,152	-	-	-	-	-	758,152	-
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IONE SCHOOL DISTRICT #R2
Morrow County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2022

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		-	-	-	-	-	-	-	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	369,355	-	-	173,203	8,890	24,636	162,626	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		369,355	-	-	173,203	8,890	24,636	162,626	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		-	-	-	-	-	-	-	-
Grand Totals		369,355	-	-	173,203	8,890	24,636	162,626	-

IONE SCHOOL DISTRICT #2
MORROW COUNTY, OREGON
Oregon Department of Education Required Schedule of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor Pass through Grantor	Program Title	Grant Period	CFDA Number	Grant Award	2021-22 Revenues	2021-22 Expenditure
U.S. Department of Agriculture:						
Passed through Morrow County, Oregon						
	Federal Forest Fees	7/1/21-6/30/2022	10.665	\$ 2,221	\$ 2,221	\$ 2,221
U.S. Department of Education						
Passed through Oregon Department of Education						
LEA ESSER Fund	Subgrant #64600	3/13/20-9/30/2023	84.425D	40,124	38,542	38,542
Title II-A-Teacher & Princ	#S367A180036.6	1/29/2021-6/30/2022	84.367A	6,833	6,583	6,583
Total General Fund				49,178	47,346	47,346
U.S. Department of Education - Special Revenue Fund:						
Direct Federal Grants:						
Small, Rural School Achievement Program		7/1/18 - 9/30/2021	84.358A	24,433	1,709	1,709
Small, Rural School Achievement Program		7/1/19 - 9/30/2021	84.358A	28,016	3,292	3,292
Small, Rural School Achievement Program		7/1/20 - 9/30/2022	84.358A	32,178	7,668	7,668
Small, Rural School Achievement Program		7/1/21 - 9/30/2023	84.358A	32,747	18,446	18,446
Passed through Oregon State Department of Education:						
Title II-A Improving Teacher Quality		7/1/21 - 9/30/2022	84.367	2,259	2,259	2,259
	Subgrant #67425					
LEA ESSER III	Subgrant #64905	3/13/20-9/30/2024	84.425D	90,176	58,527	58,527
Passed through InterMountain Education Service District:						
IDEA	Subgrant #60814	7/1/20 - 9/30/2022	84.027	26,878	-	-
IDEA	Subgrant #60836	7/1/20 - 9/30/2022	84.173	562	-	-
IDEA, Section 611 ARP	Subgrant #68393	7/1/21 - 9/30/2023	84.027	6,603	-	-
IDEA	Subgrant #68642	7/1/21 - 9/30/2023	84.027	27,078	-	-
IDEA, Section 619 ARP	Subgrant #69168	7/1/21 - 9/30/2023	84.173	276	-	-
Total U.S. Department of Education				271,206	91,900	91,900
U.S. Department of Agriculture - Special Revenue Fund:						
Passed through Oregon State Department of Education:						
	National School Lunch	7/1/21 - 6/30/2022	10.555	46,205	46,205	46,205
	National School Breakfast	7/1/21 - 6/30/2022	10.553	23,609	23,609	23,609
	NSLP Supply Chain Assista	7/1/21 - 6/30/2022	10.555	7,327	7,327	7,327
	Commodities	7/1/21 - 6/30/2022	10.555	5,653	5,653	5,653
	CNP SNAP State & Local P	7/1/21 - 6/30/2022	10.649	614	614	614
	Total			83,408	83,408	83,408
Total U.S. Department of Agriculture				83,408	83,408	83,408
Total Special Revenue Funds				354,614	175,308	175,308
Total Federal Financial Assistance				\$ 403,792	\$ 222,654	\$ 222,654

Note: The above schedule is federal awards is presented on the modified accrual basis of accounting. This Schedule is not presented as a requirement of OMB Uniform Guidance but rather as a requirement of the Oregon Department of Education.

COMPLIANCE SECTION

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA
KYLIE M. McCLINTOCK, CPA

116 SOUTHEAST SECOND STREET
P.O. BOX 1579
PENDLETON, OREGON 97801
(541) 276-3521, FAX (541) 276-3545

MEMBERSHIPS

AMERICAN INSTITUTE OF CPA'S
OREGON SOCIETY OF CPA'S
AICPA - PRIVATE COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Education and Management
Ione School District #R2
Ione, Oregon 97843

We have audited the basic financial statements of Ione School District #R2 (the District) as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated November 18, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the auditing 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Restrictions on Use

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



Cockburn & McClintock, LLC

Pendleton, Oregon

November 18, 2022

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA
KYLIE M. McCLINTOCK, CPA

116 SOUTHEAST SECOND STREET
P.O. BOX 1579
PENDLETON, OREGON 97801
(541) 276-3521, FAX (541) 276-3545

MEMBERSHIPS

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OREGON SOCIETY OF CPA'S
AICPA - PRIVATE COMPANIES PRACTICE SECTION

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Education and Management
Ione School District #R2
Ione, Oregon 97843

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ione School District #R2 (the District) for the fiscal year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 19, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the deferred inflows of resources for unavailable property tax revenue and the assessment of collectability of property taxes are based on information provided by Morrow County's Assessment and Taxation Office.
- Management's estimate of the cost of capital assets to be capitalized is based on the historical or estimated historical cost greater than or equal to the established threshold value of \$5,000.
- Management's estimate of the useful lives and methods of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management’s estimate of the accrual of expenditures / expenses incurred at the fiscal year-end and not yet paid based on invoices the District has received from vendors before the fiscal year-end for services performed during the fiscal year and hours worked by employees during the fiscal year not yet paid.
- Management’s estimate of the District’s net other post-employment benefits obligation based on their interpretation of GASB Statement No. 45.
- Management’s estimate of the District’s net pension liability / (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense based on information reported by Oregon Public Employees Retirement System and their interpretation of GASB Statement Nos. 68 and 71.
- Management’s estimate of reserves established, funded, and reported in the general fund as restricted or committed fund balance based on their interpretation of GASB Statement No. 54.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Stewardship, Compliance, and Accountability in Note 2 to the financial statements conveying information relating to compliance with laws.
- The disclosure of Long-Term Debt Obligations in Note 6 to the financial statements presenting the existing obligations of the District.
- The disclosure of Pension Plan in Note 7 to the financial statements discussing the District’s proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense based on information reported by Oregon Public Employees Retirement System due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.
- The disclosure of Other Post-Employment Benefits (OPEB) in Note 8 to the financial statements discussing the District’s net OPEB assets/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses based on information reported by actuarial valuation due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions- an amendment of GASB Statement No. 45*.
- The disclosure of Fund Balance Reporting in Note 9 to the financial statements discussing the impact of the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to the presentation of the governmental fund financial statements.

- The disclosure of Contingencies in Note 12 to the financial statements discussing future uncertainties of the District due to a substantial portion of operating funding that is received from the State of Oregon, potential liabilities due to any costs which may become questioned by grantor agencies, and potential unemployment tax liabilities due to the District electing to be self-insured for unemployment tax purposes.
- The disclosure of Evaluation of Subsequent Events in Note 13 to the financial statements discussing significant events that occurred after June 30, 2022 but before the date the financial statements were available to be issued.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The following material misstatements detected as a result of audit procedures were corrected by management:

- An adjustment totaling \$1,760,961 in the 2021 GO Bond Capital Fund #425 to record the breakdown between the bonded debt proceeds and the premium received on the sale of the bond.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Schedules of the District's Proportionate Share of the Net Pension Liability / (Asset) and Employer Contributions, and the Schedules of the District's Funding Progress and Employer Contributions which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements, budgetary comparison schedules, and other financial schedules which accompany the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,



Cockburn & McClintock, LLC

Pendleton, Oregon

November 18, 2022