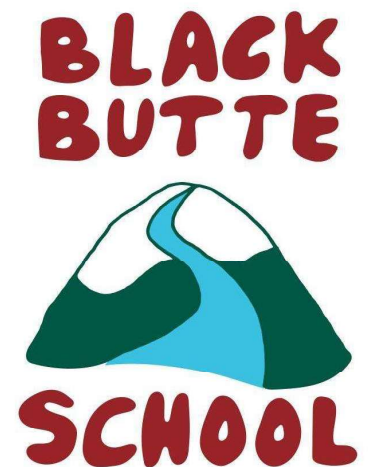


BLACK BUTTE SCHOOL DISTRICT NO. 41
JEFFERSON COUNTY, OREGON

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

For the Year Ended June 30, 2024



BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
BOARD OF DIRECTORS AND OFFICIALS
June 30, 2024

BOARD OF DIRECTORS

<u>Name</u>		<u>Position</u>
Bear Brown	PO Box 54 Camp Sherman, OR 97730	Chairperson
Siobhan Gray	PO Box 150 Camp Sherman, OR 97730	Director
Karen Lajoy	26311 SW Metolius Meadows Dr. Camp Sherman, OR 97730	Vice-Chair
Gary Lovegren	31351 SW Lovegren Ln. Camp Sherman, OR 97730	Director
Pamela Lovegren	31402 SW Lovegren Ln. Camp Sherman, OR 97730	Director

ADMINISTRATIVE STAFF

Delaney Sharp	Head Teacher
Simon Levear	Business Manager

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon,
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June 30, 2024

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Jefferson County, Oregon,
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Black Butte School District No. 41
Camp Sherman, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund information of Black Butte School District No. 41 (the district), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the district as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the Major Funds

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Special Revenues Fund and Capital Projects Fund of the district as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Basis for Qualified Opinion on the Governmental Activities

Management did not obtain an actuarial valuation for the implicit rate subsidy for retiree medical insurance coverage. This actuarial valuation was required as a part of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, no net OPEB liability/asset has been recorded for this implicit subsidy. The amount by which this departure would affect the assets, liabilities, net position, and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Summarized Comparative Information

We have previously audited the district's 2023 financial statements of the governmental activities and the major fund information and we expressed a qualified opinion on governmental activities and an unmodified opinion on the major fund information in those audited financial statements in our report dated December 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statement from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of PERS proportionate share of net pension liability and PERS contributions, schedules of proportionate share of RHIA Net OPEB liability and RHIA Contributions, and the budget to actual schedules for the General Fund and Special Revenues Fund, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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 accompanying budgetary comparison schedules and supplementary 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.

The budgetary comparison information and supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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 budgetary comparison information and supplementary 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 Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2024, on our consideration of the district's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the district's internal control over financial reporting and compliance.

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 December 16, 2024, on our consideration of the district's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, appearing to read "John Day", with a long, sweeping horizontal line extending to the right.

For Solutions, CPAs PC
John Day, Oregon
December 16, 2024

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Black Butte School District No. 41 (the district) management offers the district's financial statements through this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements provided in the audit document.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the district's net position at June 30, 2024 was \$2,002,837. Of this amount, 1,292,111 represents the district's net investment in capital assets (including restricted capital projects funds held at year end), \$74,043 is restricted for special programs, \$8,513 is restricted for debt service and the balance, \$628,170 is unrestricted and available to meet the district's ongoing obligations to citizens and vendors.
- The district's total net position increased by \$663,847.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private-sector business. These statements include:

The Statement of Net Position - The Statement of Net Position presents information on all of the assets and liabilities of the district at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The Statement of Activities - The Statement of Activities presents information showing how the net position of the district changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future periods (e.g., uncollected taxes).

In the government-wide financial statements, the district's activities are shown in one category:

Governmental activities - Most of the district's basic functions are shown here, such as regular and special education, students, instructional staff, administration, business services, food services, and community services. These activities are primarily financed through property taxes, Oregon's State School Fund, other intergovernmental revenues, and private foundation grants.

The government-wide financial statements can be found on pages 13 through 16 of this report.

Fund Financial Statements: The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the district can be divided into one category: governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. The governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statement of Net Position and Statement of Activities.

The district maintains 4 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General, Special Revenues and Capital Projects Funds, which are considered the major funds. The basic governmental fund financial statements can be found on pages 17 through 25 of this report.

Notes to Basic Financial Statements: The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 26 through 45 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pensions and the General, Special Revenues and Capital Projects Funds budget and actual schedules. Required supplementary information can be found on page 46 through 51 of this report.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Condensed Statement of Net Position

June 30, 2024

	Governmental Activities	
	June 30, 2024	June 30, 2023
Current and other assets	\$ 3,061,422	\$ 1,176,020
Capital assets	1,323,784	625,691
Total assets	4,385,206	1,801,711
Deferred outflow of resources	246,784	332,037
Total assets and deferred outflow of resources	4,631,990	2,133,748
Current liabilities	78,896	146,004
Bonds payable	1,930,000	-
Net pension/OPEB liability	505,881	413,349
Total liabilities	2,514,777	559,353
Deferred inflow of resources	114,375	235,405
Total liabilities and deferred outflow of resources	2,629,152	794,758
Net position:		
Net investment in capital assets	(636,216)	625,691
Restricted	2,010,883	54,402
Unrestricted	628,170	658,897
Total net position	\$ 2,002,837	\$ 1,338,990

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the district's financial position. On June 30, 2024, the net position was \$2,002,837.

Capital assets, which consist of the district's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 30% of total assets, and 66% of net position (including \$1,928,327 in restricted cash for capital projects from the May 2023 Bond Levy). The remaining assets consist mainly of investments, cash, and property taxes receivable.

The district's investment in capital assets is derived from a fixed asset inventory completed by the district, updated annually. The inventory is maintained by the district and used to calculate capital asset value. The district uses these capital assets to provide services to students and other district patrons; consequently, these assets are not available for future spending. The district's investment in its capital assets is reported at depreciated value because the district has no outstanding debt.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

Condensed Statement of Activities

For the year ended June 30, 2024

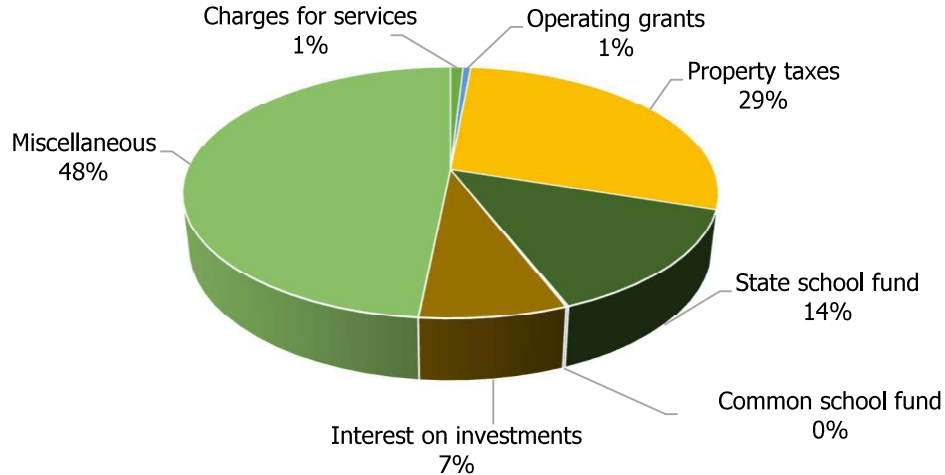
	Governmental Activities	
	June 30, 2024	June 30, 2023
Revenues		
Program revenues		
Charges for services	\$ 15,000	\$ 15,000
Operating grants and contributions	8,996	55,407
Capital grants and contributions		
General revenues		
Property taxes	471,420	322,072
State school fund – general support	230,995	181,722
Other federal, state, and local sources	798,466	118,486
Interest on investments	124,034	28,157
Other	3,306	4,788
Total revenues	<u>1,652,217</u>	<u>725,632</u>
Expenses		
Instruction	479,987	404,372
Support services	339,811	390,948
Facilities acquisition and construction	86,845	-
Debt service	81,727	-
Total expenses	<u>988,370</u>	<u>795,320</u>
Change in net position	663,847	(69,688)
Net position – July 1	<u>1,338,990</u>	<u>1,408,678</u>
Net position – June 30	<u>\$ 2,002,837</u>	<u>\$ 1,338,990</u>

Governmental Activities: A comparative analysis discussing and analyzing significant differences follows. During the current fiscal year, the district's net position increased by \$663,847, representing an increase of 49.58 percent from the previous fiscal year. The key elements of the change in the district's net position for the year ended June 30, 2024 are as follows:

- Overall expenses were \$193,050 more than the prior year and overall revenue was \$926,585 more than the prior year.
- Black Butte School District's net position reflects an increase of \$663,847. This increase is reflective of the net position after major accrual adjustments made to the district's financial statements due to GASB 68 requirements. An examination of the reconciliation of net position with the fund balance sheet on page 20 of this report will reflect the impact of GASB 68 reporting requirements. In addition, the district taxpayers passed a \$2M bond for capital improvements, with proceeds received in the current year, as well as matching capital funds from the state of Oregon.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

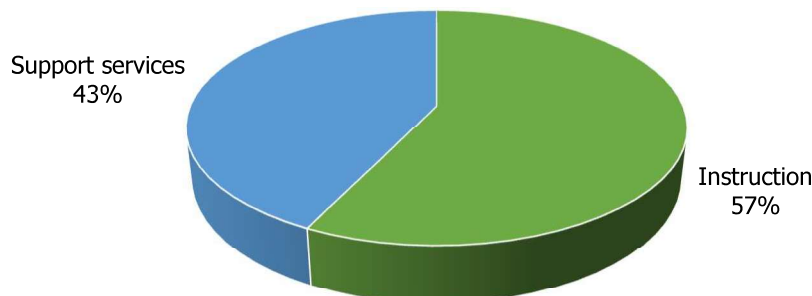
The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the district's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services.

At June 30, 2024, the district's governmental funds reported combined ending fund balances of \$2,997,293, an increase of \$1,982,943. Revenues were \$929,581 more than the prior year and expenditures were \$579,665 more than the prior year.

General Fund - The General Fund is the primary operating fund of the district. As of June 30, 2024, the fund balance was \$986,410. 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 approximately 168.9% of total General Fund expenditures. This is up from 158.0% the prior year.

GENERAL FUND EXPENDITURES BY FUNCTION



BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund total expenditures were \$475,056 under the final budgeted amounts. The administration and the governing board take great care to make sure that all expenditures are necessary and are in line with the goals of the district. Revenues came in \$93,015 more than the budgeted amount primarily due to more state school fund grant than anticipated.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets: The district's investment in capital assets includes land, buildings and improvements, vehicles, and equipment. As of June 30, 2024, the district had invested \$1,323,784 in capital assets, net of accumulated depreciation. Additional information on the district's capital assets can be found in note 4 on page 33 of this report.

Long-Term Debt: The district has outstanding bonded debt of \$1,960,000 as of June 30, 2024. The bond is matched with grant funding from the Oregon School Capital Improvement Matching Program. The bond agreement was finalized on August 16, 2023.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the district is the State of Oregon's state school fund allocation. Every biennium the State of Oregon legislatures will adopt a budget and make appropriations for K-12 funding. This legislative process and the resulting allocation for K-12 funding is the biggest economic factor for the district. Each legislative session for the State of Oregon is continually monitored by the district administration. This allocation directly impacts the State School Fund Grant allocation for the district, which as mentioned before, is 36.6 percent of General Fund revenue.

The 2024-25 budget reflects General Fund budgeted resources of \$1,590,952. The General Fund comprises about 26% of the total budgeted resources. The 2024-25 budget reflects overall appropriations of \$6,067,322. This is down from \$6,516,508 from 2022-23.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the district's finances and to demonstrate the district's accountability. Questions concerning any of the information provided in this report or requests for additional information can be obtained by calling the district's business office at 541-595-6203 between 8:00 a.m. and 1:00 p.m., or by sending a written request to: Black Butte SD No. 41, PO Box 150, Camp Sherman, OR 97730.

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BASIC FINANCIAL STATEMENTS

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
STATEMENT OF NET POSITION
June 30, 2024
(With Comparative Totals for 2023)

	Governmental Activities	
	June 30, 2024	June 30, 2023
ASSETS		
Cash and investments	\$ 2,684,934	\$ 1,145,890
Receivables		
Property taxes	18,054	15,666
Other	358,434	14,069
Prepaid expenses	-	395
Capital assets, not subject to depreciation		
Land	205,000	205,000
Construction in progress	717,666	228,176
Capital assets (net of accumulated depreciation)		
Buildings	156,346	162,531
Equipment	244,772	29,984
Total capital assets	1,323,784	625,691
Total assets	4,385,206	1,801,711
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension/OPEB	246,783	332,037
Total deferred outflows of resources	246,783	332,037
Total assets and deferred outflows of resources	4,631,989	2,133,748
LIABILITIES		
Current liabilities		
Accounts payable	30,111	104,951
Accrued liabilities	18,785	41,053
Current portion long term debt	30,000	-
Total current liabilities	78,896	146,004
Long term liabilities		
Bonds payable	1,930,000	-
Net pension/OPEB liability	505,881	413,349
Total long term liabilities	2,435,881	413,349
Total liabilities	2,514,777	559,353
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension/OPEB	114,375	235,405
Total deferred inflows of resources	114,375	235,405

Continued on next page

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
STATEMENT OF NET POSITION
June 30, 2024
(With Comparative Totals for 2023)

NET POSITION

Net investment in capital assets	\$ (636,216)	\$ 625,691
Restricted for special programs	74,043	54,402
Restricted for debt service	8,129	-
Restricted for capital projects	1,928,327	-
Unrestricted	<u>628,554</u>	<u>658,897</u>
Total net position	<u>\$ 2,002,837</u>	<u>\$ 1,338,990</u>

The Notes to Basic Financial Statements are an integral part of these statements.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2024
(With Comparative Totals for 2023)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Instruction			
Regular programs	\$ 469,786	\$ 15,000	\$ 7,996
Special programs	8,352	-	-
Summer school programs	1,849	-	-
Supporting services			
Students	33,768	-	-
Instructional staff	18,474	-	-
General administration	82,948	-	-
School administration	45,844	-	-
Business services	139,688	-	1,000
Central support services	19,089	-	-
Facilities acquisition and construction			
Site acq and development	86,845	-	-
Other uses			
Debt service	81,727	-	-
Total governmental activities	<u>\$ 988,370</u>	<u>\$ 15,000</u>	<u>\$ 8,996</u>

General revenues
Property taxes, levied for general purposes
State school fund
Common school fund
Other restricted funds
Other federal revenue
Unrestricted investment earnings
Miscellaneous
Total general revenues
Changes in net position
Net position - beginning
Net position - ending

The Notes to Basic Financial Statements are an integral part of these statements.

Net (Expense) Revenue and Change in Net Position	
Governmental Activities	
June 30, 2024	June 30, 2023

\$ (446,790)	\$ (349,965)
(8,352)	-
(1,849)	-
(33,768)	(37,135)
(18,474)	(24,914)
(82,948)	(78,822)
(45,844)	(56,419)
(138,688)	(173,154)
(19,089)	(4,504)
(86,845)	-
(81,727)	-
(964,374)	(724,913)

471,420	322,072
230,995	181,722
1,985	1,893
711,493	45,019
84,988	71,574
124,034	28,157
3,306	4,788
1,628,221	655,225
663,847	(69,688)
1,338,990	1,408,678
\$ 2,002,837	\$ 1,338,990

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024
(With Comparative Totals for 2023)

	General Fund	Special Revenues Fund	Debt Service Fund	Capital Projects Fund
ASSETS				
Cash and investments	\$ 994,328	\$ 74,907	\$ 8,129	\$ 1,607,570
Receivables				
Property taxes	15,118	-	2,936	-
Other	6,392	4,325	-	347,716
Prepaid workers comp premium	-	-	-	-
Total assets	<u>\$ 1,015,838</u>	<u>\$ 79,232</u>	<u>\$ 11,065</u>	<u>\$ 1,955,286</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,352	\$ 1,800	\$ -	\$ 26,959
Accrued liabilities	15,396	3,389	-	-
Total liabilities	<u>16,748</u>	<u>5,189</u>	<u>0</u>	<u>26,959</u>
Deferred inflows of resources				
Unavailable property tax revenue	12,680	-	2,552	-
Total deferred inflows of resources	<u>12,680</u>	<u>0</u>	<u>2,552</u>	<u>0</u>
Fund balances				
Restricted				
Special programs	-	74,043	-	-
Debt service	-	-	8,513	-
Capital projects	-	-	-	1,928,327
Committed	-	-	-	-
Assigned	682,518	-	-	-
Unassigned	303,892	-	-	-
Total fund balances	<u>986,410</u>	<u>74,043</u>	<u>8,513</u>	<u>1,928,327</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,015,838</u>	<u>\$ 79,232</u>	<u>\$ 11,065</u>	<u>\$ 1,955,286</u>

The Notes to Basic Financial Statements are an integral part of these statements.

Total	
June 30, 2024	June 30, 2023
\$ 2,684,934	\$ 1,145,815
18,054	15,666
358,433	19,527
-	394
<u>\$ 3,061,421</u>	<u>\$ 1,181,402</u>

\$ 30,111	\$ 104,950
18,785	46,436
<u>48,896</u>	<u>151,386</u>

<u>15,232</u>	<u>15,666</u>
<u>15,232</u>	<u>15,666</u>

74,043	54,402
8,513	-
1,928,327	-
-	-
682,518	702,478
303,892	257,470
<u>2,997,293</u>	<u>1,014,350</u>
<u>\$ 3,061,421</u>	<u>\$ 1,181,402</u>

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BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**
June 30, 2024

Total Fund Balances		\$ 2,997,293
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 1,608,640	
Accumulated depreciation/amortization	<u>(284,856)</u>	1,323,784
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:		15,232
District's deferred outflows of resources related to pension/OPEB is not due and payable in the current period, therefore it is not recorded in the governmental funds.		246,783
District's net pension/OPEB liability is not due and payable in the current period, therefore it is not recorded in the governmental funds.		(505,881)
District's deferred inflows of resources related to pension/OPEB is not due and payable in the current period, therefore it is not recorded in the governmental funds.		(114,374)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Leases payable		(1,960,000)
Total Net Position		<u><u>\$ 2,002,837</u></u>

The Notes to Basic Financial Statements are an integral part of these statements.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended
June 30, 2024

	General Fund	Special Revenues Fund	Debt Service Fund	Capital Projects Fund
Revenues				
Taxes	\$ 343,910	\$ -	\$ 127,944	\$ -
Intergovernmental	233,701	174,535	2,296	709,703
Miscellaneous	59,561	1,000	-	-
Total revenues	<u>637,172</u>	<u>175,535</u>	<u>130,240</u>	<u>709,703</u>
Expenditures				
Current				
Instruction				
Regular programs	334,055	79,120	-	-
Special programs	-	8,132	-	-
Summer school programs	-	1,800	-	-
Support services				
Students	6,764	22,489	-	-
Instructional staff	7,508	10,479	-	-
General administration	70,426	10,331	-	-
School administration	40,783	-	-	-
Business services	54,525	-	-	-
Central support services	69,875	7,250	-	-
Technology services	-	18,046	-	-
Facilities acquisition and construction				
Site acquisition and dev. services	-	25,021	-	781,376
Total expenditures	<u>583,936</u>	<u>182,668</u>	<u>0</u>	<u>781,376</u>
Excess of revenues over (under) expenditures	<u>53,236</u>	<u>(7,133)</u>	<u>130,240</u>	<u>(71,673)</u>
Other financing sources (uses)				
Operating transfers in	-	26,774	-	-
Operating transfers out	(26,774)	-	-	-
Bond proceeds	-	-	-	2,000,000
Debt service	-	-	(121,727)	-
Total other financing sources (uses)	<u>(26,774)</u>	<u>26,774</u>	<u>(121,727)</u>	<u>2,000,000</u>
Net change in fund balance	26,462	19,641	8,513	1,928,327
Available fund balance, July 1	<u>959,948</u>	<u>54,402</u>	<u>-</u>	<u>-</u>

Continued on next page

Total	
June 30, 2024	June 30, 2023
\$ 471,854	\$ 319,209
1,120,235	339,615
60,561	64,245
<u>1,652,650</u>	<u>723,069</u>
413,175	380,277
8,132	-
1,800	-
29,253	36,020
17,987	24,176
80,757	92,385
40,783	52,920
54,525	58,691
77,125	112,188
18,046	-
<u>806,397</u>	<u>211,658</u>
<u>1,547,980</u>	<u>968,315</u>
<u>104,670</u>	<u>(245,246)</u>
26,774	150,993
(26,774)	(150,993)
2,000,000	-
(121,727)	-
<u>1,878,273</u>	<u>0</u>
1,982,943	(245,246)
<u>1,014,350</u>	<u>1,259,596</u>

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended
June 30, 2024

Available fund balance, June 30 - by category				
Restricted for special programs	\$ -	\$ 74,043	\$ -	\$ -
Restricted for debt service	-	-	8,513	-
Restricted for capital projects	-	-	-	1,928,327
Assigned	682,518	-	-	-
Unassigned	303,892	-	-	-
Available fund balance, June 30 - Total	<u>\$ 986,410</u>	<u>\$ 74,043</u>	<u>\$ 8,513</u>	<u>\$1,928,327</u>

The Notes to Basic Financial Statements are an integral part of these statements.

\$ 74,043	\$ 54,402
8,513	-
1,928,327	-
682,518	702,478
303,892	257,470
<u>\$ 2,997,293</u>	<u>\$ 1,014,350</u>

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**
For the Year Ended
June 30, 2024

Net Change in Fund Balance	\$ 1,982,943
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital purchases.

Expenditures for capital assets	\$ 722,025	
Less current year depreciation/amortization	<u>(23,933)</u>	698,092

Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period:	44,733
--	--------

Changes in net pension/OPEB liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:	(101,488)
---	-----------

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.	(433)
---	-------

Long-term debt proceeds are reported as resources in governmental funds. In the Statement of Activities, however, proceeds on long-term debt increases liabilities.	(2,000,000)
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Long-term debt payments are reported as debt service expenditures in governmental funds. In the Statement of Activities, however, payment on long-term debt decreases liabilities.	40,000
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Change in Net Position	<u>\$ 663,847</u>
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The Notes to Basic Financial Statements are an integral part of these statements.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies

School districts in the state of Oregon are created by legislative action. Black Butte School District No. 41 (the district) was organized under authority of ORS 619. The district is governed by a 5-member board of directors elected at large. The district operates a school for grades K-8. Students in grades 7-8 have the option of attending Sisters School District. Students in grades 9-12 attend Sisters High School, and are afforded access to additional college admissions prep, tutoring help, standardized testing classes, and help accessing local scholarship opportunities. Resident students are also encouraged to apply for funding for organized sports activities.

The accounting policies of the district conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of significant accounting policies used by the district in the preparation of the accompanying financial statements.

A. Reporting Entity

A five-member board of directors exercises governance responsibilities over all entities related to public elementary and secondary school education within the jurisdiction of the district as set by the state of Oregon. The board receives funding from local, state, and federal sources. However, the district is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. 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.

In evaluating how to define the district for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the primary government's financial accountability. The criteria used to determine financial accountability include whether the primary government appoints a voting majority, the primary government can impose its will on the component unit, whether there is financial benefit or burden on the primary government, and if the component unit has a fiscal dependency on the primary government. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the district is financially accountable. No other entities met requirements for inclusion in the district.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the district. These statements include the governmental financial activities of the overall district. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, inter-governmental revenues, and charges for services.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided and (2) operating grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the district's. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The district reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the district. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenues Fund – The Special Revenues fund accounts for revenues and expenditures for specific educational purposes. Principal revenue sources are federal and state restricted grants.

Debt Service Fund – The Debt Service fund accounts for property taxes collected to service debt service requirements on bonded debt.

Capital Projects Fund – The Capital Projects fund accounts for revenues and expenditures for specific capital infrastructure projects. The primary revenue sources are bond funding.

C. Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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. Revenues from grants, entitlements, and donations are 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

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

unrestricted net assets available to finance the program. It is the district's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The district considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Budgets and Budgetary Accounting

A budget is prepared for each district fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, enterprise and community services and contingencies by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30.

Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the board of directors. The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program. The district does not utilize encumbrance accounting for budgeted funds.

E. Deposits and Investments

The district's cash and cash equivalents are considered cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in savings accounts, the Oregon State Treasury Local Government Investment Pool, and the Jefferson County Local

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Government Investment Pool and allocated to each fund based on the excess cash each fund has deposited.

Oregon statutes and local ordinances authorize the district to invest (short-term and long-term) in certificates of deposit (considered investments for risk categorization purposes), certain bond obligations of civil subdivisions, general obligations of the United States, U.S. agency issues, general obligations of the states of Oregon, Washington, Idaho and California, certain interest bearing bonds of a county, port or school district, certain interest bearing bonds on any city in the state of Oregon, life insurance and annuity contracts, pooled deferred compensation trusts, banker's acceptances, and certain corporate bonds. All investments are stated at market value.

F. Receivables and Payables

Property taxes assessed in prior years, but not yet collected or accrued, are reported on the balance sheet, but are offset by deferred revenue accounts. The district levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15 and become delinquent May 15. Foreclosure is started three years after taxes become delinquent. The district turns all tax collection duties over to Jefferson County, Oregon.

The government reports deferred revenues on its governmental funds Balance Sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the district receives resources before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the district has a legal claim to the resources, the liability for deferred revenue is removed from the Balance Sheet and revenue is recognized.

G. Inventory

Inventories of supplies are charged to expenditures when purchased. The items in inventory remain at a relatively constant level and the amount is not material. No physical inventory of supplies was taken during the year.

H. Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The district defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

School buses	10 years
Buildings and improvements	20 to 20 years
Equipment	5 to 10 years

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

I. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

No provision is made for accumulated unpaid vacation, sick pay, and other employee benefits. The district's vacation policy varies by employee classification. A liability for accumulated sick pay does exist; however, it is not able to be estimated. Each employee may accumulate sick leave and carry it over to the succeeding year. In a year when sick leave is used, the teacher is paid the regular contract salary during the absence to the extent of sick leave earned. Substitutes must be hired by the district. When a teacher becomes employed by another district, the accumulated sick leave is transferred to that district.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The district has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions/OPEB. This amount is deferred and recognized as an outflow of resources in the period when the district recognizes pension expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The district also reports deferred amounts related to pensions/OPEB. This amount is deferred and recognized as an inflow of resources in the period when the district recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position.

K. Pensions

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 (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Post-Employment Benefits (OPEB)

PERS – Retirement Health Insurance Account

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments are recognized

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a nonspendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the board of directors passes an ordinance or resolution that places specific constraints on how the resources may be used. The board action that imposed the limitation would need to occur no later than the close of the reporting period. The board of directors can modify or rescind the legislative action at any time through passage of an additional ordinance or resolution.

The net resources that are constrained by the district's intent to use them are reported as assigned fund balance. Intent is expressed when the board of directors approves which resources should be set aside for specific purposes during the adoption of the annual budget. The board of directors and deputy clerk use that information to determine whether those resources should be classified as assigned in the district's financial statements. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The district applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Note 2. Deposits and Investments

At June 30, 2024 the carrying amount of the district's deposits was \$1,718,879 and the bank balance was \$1,947,683. The district maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's Oregon Public Funds Collateralization Program (PFCP) web site. Oregon Revised Statute Chapter 295 requires all Oregon bank depositories holding public fund deposits to maintain securities totaling a value not less than 110 percent of the greater of:

- a. All public funds held by the bank depository; or
- b. The average of the balances of public funds held by the bank depository, as shown on the last four immediately preceding treasurer reports.

Custodial credit risk is the risk that in the event of a financial institution failure, the district's deposits may not be returned to it. The district does not have a policy for custodial credit risk. However, the balances in excess of the FDIC insurance are considered collateralized by PFCP. As of June 30, 2024 the district had no balances exposed to custodial credit risk.

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

Investment	Maturities	Fair Value
Oregon State LGIP	Varies	\$ 309,479
Jefferson County LGIP	Varies	656,575
Total		<u>\$ 966,054</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Investments with the Local Government Investment Pool are not rated.

The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council.

The district participates in the Jefferson County Treasurer's external investment pool, a non-SEC regulated, open-ended, no-load diversified portfolio created under Oregon Revised Statutes Chapter 294. The Treasurer has calculated the fair market value of the underlying investments of the pool, which approximates the carrying value. The portfolio's maturities are regulated by state statute and the County's investment policy. The pool is not rated for credit quality.

Note 3. Receivables

Receivables are presented net of reserve for bad debt (if any). The district expects all receivables to be collected within one year. Receivables are comprised of the following as of June 30, 2024:

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Property taxes	\$ 18,054
Grants	358,434
Total	<u>\$ 376,488</u>

Note 4. Changes in Capital Assets

The following is a summary of changes in capital assets:

Capital assets	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 205,000	\$ -	\$ -	\$ 205,000
Construction in Progress	228,176	697,005	207,515	717,666
Total capital assets not being depreciated	433,176	697,005	207,515	922,666
Capital assets being depreciated				
Buildings and improvements	278,822	-	-	278,822
Equipment	74,665	232,536	-	307,201
Vehicles	99,951	-	-	99,951
Total depreciable capital assets	453,438	232,536	-	685,974
Accumulated depreciation				
Buildings and improvements	116,291	6,185	-	122,476
Equipment	74,665	7,752	-	82,417
Vehicles	69,967	9,996	-	79,963
Total accumulated depreciation	260,923	23,933	0	284,856
Net depreciable capital assets	192,515	208,603	0	401,118
Net capital assets	\$ 625,691	\$905,608	\$207,515	\$ 1,323,784

Depreciation expense has been allocated to the following functions on the Statement of Activities:

Instruction	
Regular programs	\$ 12,402
Special programs	220
Summer programs	49
Supporting services	
Students	891
Instructional staff	488
General administration	2,190
School administration	1,210
Business services	3,687
Central support services	504
Facilities acquisition and construction	
Site acquisition and development	2,292
Total Depreciation Expense	<u>\$ 23,933</u>

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Note 5. Pension Plan

Name of pension plan

The Oregon Public Employees Retirement System consists of a single cost-sharing multiple employer defined benefit pension plan.

Description of benefit terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

A. PERS Pension Chapter 238 (Tier One/Tier Two Retirement Benefit).

1. Pension Benefits

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members on or after August 29, 2003.

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit result.

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

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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

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.

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Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

B. OPSRP Pension Program (OPSRP DB)

1. Pension Benefits

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

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

- General service: 1.5 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. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

C. 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.

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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

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

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

Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum unfunded actuarial liability payments to establish side accounts, and their rates have been reduced. Employer contributions for the year ended June 30, 2024 were \$69,932, excluding amounts to fund employer specific liabilities.

The rates, presented as a percentage of covered payroll, for the district in effect for the fiscal year ended June 30, 2024 were:

Rate Category	Normal Cost Rate	Combined UAL Rate	Net Rate
PERS general service	13.45%	13.33%	26.78%
OPSRP general service	8.64%	15.08%	23.72%

Pension Plan Comprehensive Annual Financial Report (ACFR)

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

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of

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(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 PERS 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.

Actuarial Methods and Assumptions

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumption:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount Rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustment (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 reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020

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Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

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 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>.

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.

Sensitivity of the District's Proportionate Share of 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)	\$ 835,622	\$ 505,882	\$ 229,925

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

At June 30, 2024, the district reported a liability of \$505,882 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a

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projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the district's proportion was 0.00270082 percent.

For the year ended June 30, 2024, the district recognized pension expense of \$144,632. Pension expense includes the district's proportionate share of system pension expense (adjusted for amortization of deferred amounts) of \$125,358 and employee contributions picked up by the district of \$19,274.

At June 30, 2024, 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
Differences between expected and actual experience	\$ 24,739	\$ 2,006
Changes in assumptions	44,940	335
Net difference between projected and actual earnings on pension plan investments	9,093	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>212,151</u>	<u>111,862</u>
Total (prior to post-MD contributions)	290,923	114,203
District contributions subsequent to the measurement date	<u>(44,733)</u>	<u>-</u>
Net deferred outflow/(inflow) of resources	<u><u>\$ 131,987</u></u>	

\$44,733 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Fiscal Year	Deferred Outflow or (Inflow) of Resources
2025	\$ 43,486
2026	16,720
2027	82,102
2028	33,178
2029	1,234
Thereafter	-
Total	<u>\$ 176,720</u>

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2023 measurement date that would require a brief description under GASB 68.

Note 6. Other Post-Employment Benefits (OPEB) - RHIA

Plan Description

Organization

The Oregon Public Employees Retirement System administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Post-Employment Benefit (OPEB) plan (the plan) for political subdivisions such as the District. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the plan.

Plan Membership

RHIA was established by ORS 238.420. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Contribution

Contributions are mandatory for each employer that is a member of PERS. For the fiscal year ended June 30, 2024, the district's contribution rate was 0.06 percent of PERS subject to wages. Employees are not required to contribute to the plan.

Net OPEB Liability

The district's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Methods and Assumptions

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Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumption:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree Healthcare Participation	Health retirees: 32%; Disabled retirees: 20%
Healthcare cost trend rate	Not Applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled 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 reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the OPEB 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 RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at <http://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>.

Sensitivity of the District's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

The following presents the district's proportionate share of the net OPEB 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 OPEB liability (asset)	\$ -	\$ -	\$ -

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

At June 30, 2024, the district reported no liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The district's proportion of the net OPEB liability was based on a projection of the district's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the district's proportion was .00000000 percent.

For the year ended June 30, 2024, the district recognized expense of \$1,282. At June 30, 2024, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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June 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	594	172
Total	<u>\$ 594</u>	<u>\$ 172</u>

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	Deferred outflow or (inflow) of Resources
2025	\$ 285
2026	137
2027	-
2028	-
2029	-
Thereafter	-
Total	<u>\$ 422</u>

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2023 measurement date that would require a brief description under GASB standard.

Note 7. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government and the state of Oregon. Any disallowed claims, including amounts already collected, may constitute a liability to the district. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although district management expects such amounts, if any, to be immaterial.

The district is dependent on the state of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the state level, future funding for school districts may be

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June 30, 2024

reduced. The ultimate effect of this possible reduction in funding on the district's future operations is not yet determinable.

Note 8. Risk Management

The district is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the district carries commercial insurance. The district does not engage in risk financing activities where the risk is retained (self-insurance). Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The district is exposed to risk of loss due to unemployment claims. Unemployment claims are administered through the state employment division and the district reimburses the state for all employment benefits paid out through the General Fund as claims are filed. The district does not have a policy for determining accruals for benefits or evaluating the adequacy of the cash balance. No accruals have been made for unpaid insurance claims.

Note 9. Changes in Long-term Debt

The following is a summary of changes in the long-term debt:

	Payable at June 30, 2023	Addition	Reduction	Payable at June 30, 2024	Due in One Year
GO Bond Payable	\$ -	\$2,000,000	\$ 40,000	\$ 1,960,000	\$ 30,000
Total Long-Term Debt	<u>\$ 0</u>	<u>\$2,000,000</u>	<u>\$ 40,000</u>	<u>\$ 1,960,000</u>	<u>\$ 30,000</u>

Note 10. General Obligation Bond

The district's voters approved the issuance of \$2,000,000 in general obligation bonds in the May 2023 election. Terms of the bonds include semi-annual payments including 4.92% through June 2043. Total interest paid on the loan during the fiscal year was \$81,727. As of June 30, 2024, future payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 30,000	\$ 96,432	\$ 126,432
2026	40,000	94,956	134,956
2027	45,000	92,988	137,988
2028	50,000	90,774	140,774
2029	55,000	88,314	143,314
2030-2034	395,000	392,862	787,862
2035-2039	625,000	274,290	899,290
2040-2043	<u>720,000</u>	<u>91,758</u>	<u>811,758</u>
Total	<u>\$1,960,000</u>	<u>\$1,222,374</u>	<u>\$ 3,182,374</u>

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Note 11. Fund Balance Classification

At year end the district's fund balances consisted of the following:

Fund Balances:	100 General Fund	200 Special Revenues Fund	300 Debt Service Fund	400 Capital Projects Fund	Total
Restricted fund balance					
<u>Restricted:</u>					
Education - grants	\$ -	\$ 74,043	\$ -	\$ -	\$ 74,043
Debt service	-	-	8,513	-	8,513
Capital projects	-	-	-	1,928,327	1,928,327
	<u>0</u>	<u>74,043</u>	<u>8,513</u>	<u>1,928,327</u>	<u>2,010,883</u>
Unrestricted fund balance					
<u>Assigned To:</u>					
PERS reserve	178,903	-	-	-	178,903
General reserve	439,372	-	-	-	439,372
Long term maintenar	64,243	-	-	-	64,243
	<u>682,518</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>682,518</u>
<u>Unassigned:</u>	<u>303,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,892</u>
Total fund balances	<u>\$ 986,410</u>	<u>\$ 74,043</u>	<u>\$ 8,513</u>	<u>\$ 1,928,327</u>	<u>\$ 2,997,293</u>

REQUIRED SUPPLEMENTARY INFORMATION

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (asset) (NPL/A)	(c) District covered payroll	(b/c) NPL/A as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00270082%	\$ 505,882	\$ 418,598	120.85%	81.70%
2023	0.00270739%	\$ 414,556	\$ 371,179	111.69%	84.50%
2022	0.00154708%	\$ 185,131	\$ 397,850	46.53%	87.60%
2021	0.00262825%	\$ 573,575	\$ 300,335	190.98%	75.80%
2020	0.00245031%	\$ 423,845	\$ 205,368	206.38%	80.20%
2019	0.00205440%	\$ 311,215	\$ 178,483	174.37%	82.10%
2018	0.00247203%	\$ 333,231	\$ 154,213	216.08%	83.10%
2017	0.00335913%	\$ 504,283	\$ 173,525	290.61%	80.50%
2016	0.00339753%	\$ 195,068	\$ 183,862	106.09%	91.88%
2015	0.00350718%	\$ (79,498)	\$ 180,577	-44.02%	103.59%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SCHEDULE OF DISTRICT CONTRIBUTIONS
OREGON PUBLIC RETIREMENT SYSTEM
Last 10 Fiscal Years*

Year Ended, June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District covered payroll	Contributions as a percent of covered payroll
2024	\$ 64,630	\$ 64,630	\$ -	\$ 400,841	16.12%
2023	\$ 68,987	\$ 68,987	\$ -	\$ 418,598	16.48%
2022	\$ 68,476	\$ 68,476	\$ -	\$ 371,179	18.45%
2021	\$ 85,664	\$ 85,664	\$ -	\$ 397,850	21.53%
2020	\$ 53,981	\$ 53,981	\$ -	\$ 300,335	17.97%
2019	\$ 45,305	\$ 45,305	\$ -	\$ 205,368	22.06%
2018	\$ 42,193	\$ 42,193	\$ -	\$ 178,483	23.64%
2017	\$ 28,284	\$ 28,284	\$ -	\$ 154,213	18.34%
2016	\$ 29,829	\$ 29,829	\$ -	\$ 173,525	17.19%
2015	\$ 37,307	\$ 37,307	\$ -	\$ 183,862	20.29%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
RETIREE HEALTH INSURANCE ACCOUNT PERS
Last 10 Fiscal Years*

Year Ended, June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net OPEB liability (asset) (NOL/A)	(c) District covered payroll	(b/c) NOL/A as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00000000%	\$ -	\$ 418,598	0.00%	201.60%
2023	0.00033963%	\$ (1,207)	\$ 371,179	-0.33%	194.60%
2022	0.00000000%	\$ -	\$ 397,850	0.00%	183.90%
2021	0.00231634%	\$ (4,720)	\$ 300,335	-1.57%	150.10%
2020	0.00181948%	\$ (3,516)	\$ 205,368	-1.71%	64.90%
2019	0.00168159%	\$ (1,877)	\$ 178,483	-1.05%	123.99%
2018	0.00140764%	\$ (587)	\$ 154,213	-0.38%	108.90%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

SCHEDULE OF DISTRICT CONTRIBUTIONS
RETIREE HEALTH INSURANCE ACCOUNT PERS
Last 10 Fiscal Years*

Year Ended, June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District covered payroll	Contributions as a percent of covered payroll
2024	\$ -	\$ -	\$ -	\$ 400,841	0.00%
2023	\$ 8	\$ 8	\$ -	\$ 418,598	0.00%
2022	\$ 8	\$ 8	\$ -	\$ 371,179	0.00%
2021	\$ 147	\$ 147	\$ -	\$ 397,850	0.04%
2020	\$ 903	\$ 903	\$ -	\$ 300,335	0.30%
2019	\$ 807	\$ 807	\$ -	\$ 205,368	0.39%
2018	\$ 701	\$ 701	\$ -	\$ 178,483	0.39%

* The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available.

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended
June 30, 2024

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Taxes	\$ 343,910	\$ 328,624	\$ 328,624	\$ (15,286)
Local sources	59,561	33,100	33,100	(26,461)
Intermediate sources	296	-	-	(296)
State sources	232,980	181,933	181,933	(51,047)
Federal sources	425	500	500	75
Total revenues	<u>637,172</u>	<u>544,157</u>	<u>544,157</u>	<u>(93,015)</u>
Expenditures				
1000 Instruction	334,055	343,378	343,378	9,323
2000 Supporting services	249,881	379,347	379,347	129,466
4000 Facilities acq. and construction	-	19,000	19,000	19,000
6000 Contingency	-	317,267	317,267	317,267
Total expenditures	<u>583,936</u>	<u>1,058,992</u>	<u>1,058,992</u>	<u>475,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,236</u>	<u>(514,835)</u>	<u>(514,835)</u>	<u>(568,071)</u>
Other financing sources (uses)				
Operating transfers out	<u>(26,774)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>(373,226)</u>
Total other financing sources (uses)	<u>(26,774)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>(373,226)</u>
Net change in fund balance	26,462	(914,835)	(914,835)	(941,297)
Fund balance at beginning of year	<u>959,948</u>	<u>914,735</u>	<u>914,735</u>	<u>(45,213)</u>
Fund balance at end of year	<u>\$ 986,410</u>	<u>\$ (100)</u>	<u>\$ (100)</u>	<u>\$ (986,510)</u>

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUES FUND
For the Year Ended
June 30, 2024

	Actual	Budget		(Over) Under
		Original	Final	Budget
Revenues				
Local sources	\$ 1,000	\$ 10,000	\$ 10,000	\$ 9,000
State sources	89,972	57,983	57,983	(31,989)
Federal sources	84,563	80,925	80,925	(3,638)
Total revenues	175,535	148,908	148,908	(26,627)
Expenditures				
1000 Instruction	89,052	74,042	129,042	39,990
2000 Supporting services	68,595	88,271	103,271	34,676
4000 Facilities acquisition and const	25,021	100,000	30,000	4,979
Total expenditures	182,668	262,313	262,313	79,645
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(7,133)	(113,405)	(113,405)	(106,272)
Other financing sources (uses)				
Operating transfers in	26,774	-	-	(26,774)
Total other financing sources (uses)	26,774	0	0	(26,774)
Total change in fund balance	19,641	(113,405)	(113,405)	(133,046)
Fund balance at beginning of year	54,402	143,490	143,490	89,088
Fund balance at end of year	\$ 74,043	\$ 30,085	\$ 30,085	\$ (43,958)

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
For the Year Ended
June 30, 2024

In accordance with Oregon Revised Statutes, the board of directors annually adopts a budget following required public notice and hearing for all funds except private purpose trust and agency funds. The budget may be amended during the year through statutorily prescribed procedures. The district's budget is prepared on the modified accrual or GAAP basis of accounting. Appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within each fund. The functions include: instruction, support services, enterprise and community services, facilities acquisition and construction, debt services, contingencies and transfers. There were two budget amendments adopted for the General Fund during the year and two amendments to the Special Revenues Fund.

During the year ended June 30, 2024, disbursements in the major funds were within certified budget amounts in all.

SUPPLEMENTARY SCHEDULES

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended
June 30, 2024

	Actual	Budget Original	Budget Final	(Over) Under Budget
Revenues				
Taxes	\$ 127,944	\$ 400,000	\$ 400,000	\$ 272,056
Local sources	2,296	2,000	2,000	(296)
Total revenues	130,240	402,000	402,000	271,760
Expenditures				
2000 Support services				
2520 Fiscal services	-	50	50	50
Total expenditures	0	50	50	50
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	130,240	401,950	401,950	271,710
Other financing sources (uses)				
Debt service	(121,727)	(401,950)	(401,950)	(280,223)
Total other financing sources (uses)	(121,727)	(401,950)	(401,950)	(280,223)
Total change in fund balance	8,513	0	0	(8,513)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 8,513	\$ 0	\$ 0	\$ (8,513)

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended
June 30, 2024

	Actual	Budget Original	Final	(Over) Under Budget
Revenues				
Local sources	\$ 80,187	\$ 4,000	\$ 4,000	\$ (76,187)
State sources	629,516	2,000,000	2,000,000	1,370,484
Total revenues	709,703	2,004,000	2,004,000	1,294,297
Expenditures				
2000 Support services				
2520 Fiscal services	-	5,000	5,000	5,000
4000 Facilities acquisition and const				
4150 Building acquisition	781,376	4,399,000	4,399,000	3,617,624
Total expenditures	781,376	4,404,000	4,404,000	3,622,624
Excess (deficiency) of revenues over (under) expenditures and net change in fund balance	(71,673)	(2,400,000)	(2,400,000)	(2,328,327)
Other financing sources (uses)				
Bond proceeds	2,000,000	2,000,000	2,000,000	-
Operating transfers in	-	400,000	400,000	400,000
Total other financing sources (uses)	2,000,000	2,400,000	2,400,000	400,000
Total change in fund balance	1,928,327	0	0	(1,928,327)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 1,928,327	\$ 0	\$ 0	\$ (1,928,327)

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended
June 30, 2024

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
1000 Instruction			
1111 Primary K-3	\$ 120,964	\$ 60,936	\$ 2,364
1121 Junior high programs	92,983	48,643	1,614
1131 High school programs	-	-	-
Total 1000 instruction	<u>213,947</u>	<u>109,579</u>	<u>3,978</u>
2000 Support services			
2120 Guidance services	3,988	2,148	-
2240 Instructional staff development	-	-	7,508
2310 Board of education	-	-	19,770
2320 Executive administration services	27,205	2,200	-
2410 Principal's office	22,599	12,093	5,960
2520 Fiscal services	30,157	19,957	1,462
2540 Operation and maintenance of plant services	2,385	419	17,398
2550 Student transportation	18,709	16,605	5,139
2630 Information services	500	40	-
Total 2000 support services	<u>105,543</u>	<u>53,462</u>	<u>57,237</u>
4000 Facilities acquisition and construction			
4120 Site acquisition and development services	-	-	-
Total 4000 facilities acquisition and construction	<u>0</u>	<u>0</u>	<u>0</u>
5000 Other uses			
5200 Transfer of funds	-	-	-
Total 5000 other uses	<u>0</u>	<u>0</u>	<u>0</u>
6000 Contingencies			
6110 Operating contingency	-	-	-
Total expenditures	<u><u>\$ 319,490</u></u>	<u><u>\$163,041</u></u>	<u><u>\$ 61,215</u></u>

400 Supplies and Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ 3,433	\$ -	\$ -	\$ 187,697	\$ 138,302	\$ 138,302	\$ (49,395)
3,118	-	-	146,358	204,576	204,576	58,218
-	-	-	-	500	500	500
6,551	0	0	334,055	343,378	343,378	9,323
628	-	-	6,764	20,424	20,424	13,660
-	-	-	7,508	16,183	16,183	8,675
-	-	21,251	41,021	48,912	48,912	7,891
-	-	-	29,405	40,013	40,013	10,608
131	-	-	40,783	33,998	33,998	(6,785)
740	-	2,209	54,525	60,481	60,481	5,956
1,493	-	2,025	23,720	110,812	110,812	87,092
3,073	-	2,089	45,615	48,524	48,524	2,909
-	-	-	540	-	-	(540)
6,065	0	27,574	249,881	379,347	379,347	129,466
-	-	-	-	19,000	19,000	19,000
0	0	0	0	19,000	19,000	19,000
-	-	26,774	26,774	400,000	400,000	373,226
0	0	26,774	26,774	400,000	400,000	373,226
-	-	-	-	317,267	317,267	317,267
\$ 12,616	\$ 0	\$ 54,348	\$ 610,710	\$ 1,458,992	\$ 1,458,992	\$ 848,282

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - SPECIAL REVENUES FUND
For the Year Ended
June 30, 2024

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
1000 Instruction			
1111 Primary K-3	\$ 45,490	\$ 25,835	\$ -
1121 Junior high programs	1,597	127	-
1250 Special education	-	-	8,132
1400 Summer school programs	-	-	1,800
Total 1000 instruction	<u>47,087</u>	<u>25,962</u>	<u>9,932</u>
2000 Support services			
2120 Guidance services	14,148	8,341	-
2210 Improvement of instruction services	-	-	-
2220 Educational media services	-	-	-
2222 Library and media center	675	54	-
2240 Instructional staff development	-	-	3,223
2320 Executive administrative services	1,465	116	8,750
2540 Operation and maintenance of plant services	560	44	6,475
2630 Information services	16,710	1,336	-
2660 Technology services	-	-	-
Total 2000 support services	<u>33,558</u>	<u>9,891</u>	<u>18,448</u>
4000 Facilities Acquisition and Construction			
4150 Bldg acquisition, construction, and imprv svc	-	-	-
4190 Other facility construction services	-	-	-
Total 4000 Facilities acquisition and construction	<u>0</u>	<u>0</u>	<u>0</u>
6000 Contingencies			
6110 Operating contingency	-	-	-
Total expenditures	<u><u>\$ 80,645</u></u>	<u><u>\$ 35,853</u></u>	<u><u>\$ 28,380</u></u>

400 Supplies and Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ 5,342	\$ -	\$ -	\$ 76,667	\$ 68,647	\$ 123,647	\$ 46,980
729	-	-	2,453	1,395	1,395	(1,058)
-	-	-	8,132	4,000	4,000	(4,132)
-	-	-	1,800	-	-	(1,800)
6,071	0	0	89,052	74,042	129,042	39,990
-	-	-	22,489	20,210	20,210	(2,279)
-	-	-	-	4,000	4,000	4,000
3,134	-	-	3,134	10,000	10,000	6,866
3,393	-	-	4,122	-	-	(4,122)
-	-	-	3,223	925	925	(2,298)
-	-	-	10,331	2,153	2,153	(8,178)
171	-	-	7,250	7,027	22,027	14,777
-	-	-	18,046	12,609	12,609	(5,437)
-	-	-	-	31,347	31,347	31,347
6,698	0	0	68,595	88,271	103,271	34,676
-	25,021	-	25,021	-	-	(25,021)
-	-	-	-	100,000	30,000	30,000
0	25,021	0	25,021	100,000	30,000	4,979
-	-	-	-	29,985	29,985	29,985
\$ 12,769	\$ 25,021	\$ 0	\$ 182,668	\$ 292,298	\$ 292,298	\$ 109,630

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended
June 30, 2024

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
2000 Support services			
2520 Fiscal services	\$ -	\$ -	\$ -
Total 2000 support services	<u>0</u>	<u>0</u>	<u>0</u>
5000 Other uses			
5110 Long-term debt service	-	-	-
Total 5000 Other uses	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

400 Supplies and Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 50	\$ 50
0	0	0	0	50	50	50
-	-	121,727	121,727	401,950	401,950	280,223
0	0	121,727	121,727	401,950	401,950	280,223
\$ 0	\$ 0	\$ 121,727	\$ 121,727	\$ 402,000	\$ 402,000	\$ 280,273

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended
June 30, 2024

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services
2000 Support services			
2520 Fiscal services	\$ -	\$ -	\$ -
Total 2000 support services	<u>0</u>	<u>0</u>	<u>0</u>
4000 Facilities Acquisition and Construction			
4150 Bldg acquisition, construction, and imprv svc	2,235	438	-
Total 4000 Facilities acquisition and construction	<u>2,235</u>	<u>438</u>	<u>0</u>
Total expenditures	<u>\$ 2,235</u>	<u>\$ 438</u>	<u>\$ 0</u>

400 Supplies and Materials	500 Capital Outlay	600 Other Objects	Total	Budget		(Over)Under Budget
				Original	Final	
\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
0	0	0	0	5,000	5,000	5,000
-	778,703	-	781,376	4,399,000	4,399,000	3,617,624
0	778,703	0	781,376	4,399,000	4,399,000	3,617,624
\$ 0	\$ 778,703	\$ 0	\$ 781,376	\$ 4,404,000	\$ 4,404,000	\$ 3,622,624

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

Program Title	Pass Through Organization	Federal Assistance Listing Number	Grant Award Number	Expenditures
U.S. Department of Agriculture				
Forest service schools and roads cluster				
Federal forest fees	Jefferson County	10.666	N/A	\$ 425
Total forest service schools and roads cluster				425
Total Department of Agriculture				425
U.S. Department of Education				
Special Education - Grants to States	ODE	84.027	68577/73973	8,132
Small Rural Schools Achievement Program	Direct	84.358A	S358A233321	42,541
Supporting Effective Instruction - State				
Grants	ODE	84.367	76630.000	923
COVID - Education Stabilization Fund -				
State Educational Agency	ODE	84.425U	64840	50,113
Total Department of Education				101,709
Total federal assistance				\$ 102,134

See accompanying notes to the schedule of expenditures of federal awards

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

Note 1. Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (SEFA) is a supplementary schedule to the district financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the district, it is not intended to and does not present the financial position or changes in fund balances of the district.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The SEFA includes the federal grant activity for the district and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

Federal Financial Assistance

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

Federal Forest Fees

Federal forest fees considered federal revenues are included in the schedule due to requirements of the Oregon Department of Education. However, these expenditures are not subject to Uniform Guidance and there are no applicable compliance requirements once these funds are passed to the district. Based on guidance from the oversight agency, the Oregon Department of Education, and the United States Department of Agriculture, a single audit has not been completed because the total federal revenues, not including forest fees, are less than \$750,000.

Reporting Entity

The reporting entity is fully described in the notes to financial statements. The schedule includes all federal programs administered by the district for the year ended June 30, 2024.

Indirect Cost Rate

The district has not elected to use the 10% de minimis indirect cost rate.

Subrecipients

The district did not pass any federal funds to subrecipients during the year ended June 30, 2024.

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CONTINUING DISCLOSURE REQUIREMENTS
FOR BONDED DEBT

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the Year Ended
June 30, 2024

2023-24 Assessed valuation of taxable property \$ 115,349,928

Tax rate (Dollars per \$1,000 assessed value) \$ 3.0137

Ratio of annual debt service requirements for bonded debt to total General Fund Expenditures and Transfers:

	Principal	Interest	Total Bonded Debt Service	General Fund Expenditures and Transfers	Ratio of Debt Service to General Fund Expenditures and Transfers
2023-24	\$ 40,000	\$ 81,727	\$ 121,727	\$ 611,046	19.92%

Ratio of Net Bonded Debt to Assessed Value:

	Assessed Valuation	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value
2023-24	\$115,349,928	\$1,951,487	1.69%

(1) Computed as gross bonded debt less amount available for retirement of debt in Debt Service Fund

Principal Taxpayers for Black Butte School District No. 41

	Assessed Valuation	Percent of Total County Value
<u>Private Enterprises</u>		
Lake Creek Partners LLC	\$ 2,939,880	2.55%
SL Resort LLC	2,465,170	2.14%
Metolius LLC	2,288,060	1.98%
Souza Bradley E & Shellie Ann Trust	1,361,620	1.18%
Cold Springs Hideaway LLC	839,980	0.73%
Warner/Korish LLC	792,650	0.69%
Wieden, Dan G. Revocable Trust	772,940	0.67%
Ellsworth, Michael J and Barbara J	712,970	0.62%
Johnson, William T & McCarty, Neva J	622,630	0.54%
Van Campen, Elizabeth A Revocable Trust	612,300	0.53%
<u>All other taxpayers</u>	<u>\$101,941,728</u>	<u>88.38%</u>
Total	<u><u>\$115,349,928</u></u>	<u><u>100.00%</u></u>

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the Year Ended
June 30, 2024

Summary of General Fund State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2023-24	\$ 232,980	36.52%	\$ 637,902

Computation of Legal Debt Margin:

Real Market Value	\$ 388,974,132
Allowable proportion	0.0495
Debt limit: 4.95% of real market value (1)	<u>19,254,220</u>
Amount of debt applicable to debt limit:	
Bonded debt	\$ 1,960,000
Less: amount available in debt service funds	<u>(8,513)</u>
Amount of debt applicable to debt limit	<u>\$ 1,951,487</u>
Legal debt margin	<u><u>\$ 17,302,733</u></u>

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district based on the following:

- A. For each grade from kindergarten to eighth for which the district operates schools, fifty-five one-hundredths of one percent of the real market value.
- B. For each grade from ninth to twelfth for which the district operates schools, seventy-five one-hundredths of one percent of the real market value.

Allowable percentage of real market value:

A. Kindergarten through eighth grade, 9 x .0055	4.95%
B. Ninth through twelfth, 4 x .0075	0.00%
Allowable percentage	<u><u>4.95%</u></u>

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REPORT REQUIRED BY
OREGON STATE REGULATIONS

REPORT REQUIRED BY OREGON STATE REGULATIONS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Black Butte School District No. 41
Camp Sherman, Jefferson County, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Black Butte School District 41 (the district) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 16, 2024.

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*, except for the following:

- District failed to meet publication requirements under ORS 294.426(5)(b) – Publication of budget committee meeting notice failed to include reference to website where notice was located to appease local budget law publication requirements.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we do not express an opinion on the effectiveness of the district's internal control. Deficiencies in internal control, in any, were communicated separately.

Our Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 16, 2024, is presented under separate cover.

RESTRICTIONS ON USE

This report is intended solely for the information and use of the board of directors, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these parties.



For Solutions, CPAs PC
John Day, Oregon
December 16, 2024

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OREGON DEPARTMENT OF EDUCATION
REQUIRED INFORMATION

FORM 581-3211 - SUPPLEMENTAL INFORMATION

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
OREGON DEPARTMENT OF EDUCATION REQUIRED INFORMATION
FORM 581-3211 - SUPPLEMENTAL INFORMATION
June 30, 2024

A. Energy bills for heating – Enter expenditures for electricity and heating fuel for these functions and objects.

Function	Objects 325, 326, and 327
2540	\$ 7,079
2550	\$ 4,794

B. Replacement of equipment - general fund expenditures for objects 542, except for the following exclusions:

\$ 0

Exclude these functions:

1113 Co-curricular activities
1122 Co-curricular activities
1132 Co-curricular activities
1140 Pre-kindergarten
1300 Adult/continuing education
1400 Summer school
2550 Student transportation
3100 Food services
3300 Community services
4150 Construction

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



Mitch T. Saul, CPA
Amy K. Walker, CPA
Harmony S. Piazza, CPA
Anna K. Bass

Robert M. Armstrong, CPA

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Black Butte School District No. 41
Camp Sherman, Jefferson County, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Black Butte School District No. 41 (the district), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the district's basic financial statements, and have issued our report thereon dated December 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the district's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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 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 over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified on item 2024-001 we consider to be a *significant deficiency*.

Compliance and Other Matters

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 grant agreements, 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the district in a separate letter dated December 16, 2024.

District's Response to Findings

The district's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The district's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



For Solutions, CPAs PC
John Day, Oregon
December 16, 2024

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SCHEDULE OF FINDINGS AND RESPONSES

BLACK BUTTE SCHOOL DISTRICT NO. 41
Jefferson County, Oregon
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2024

SIGNIFICANT DEFICIENCIES IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2024-001

Segregation of Duties

Criteria: Custody, recording, and authorization functions should be segregated among different personnel over each significant transaction cycle when possible to provide adequate internal control for the prevention, detection, and correction of error or fraud.

Condition: Our evaluation of the district's internal control structure disclosed that the district does not have adequate segregation of duties. Accounting duties for main transaction cycles are concentrated on one individual which result in incompatible functions to provide proper segregation of duties.

Cause: The number of district employees has been limited due to the extent of various program activities.

Effect: Without separation of critical duties, accounting errors or fraud may not be prevented, detected, or corrected in a timely manner.

Recommendations: We acknowledge that a complete separation of duties (such as treasury functions from accounting functions) is not possible due to staffing limitations. We recommend, however, that management review accounting positions and functions to identify specific duties that could be separated among the available personnel to achieve the strongest control possible under the circumstances.

In order to achieve adequate segregation of duties the internal control structure will need to be distributed among all available employees and directors. Those whose duties have traditionally been limited to oversight duties will need to be involved at some level with the treasury or accounting function.

With some thought and creativity, we are confident that you will be able to identify specific areas where segregation should occur and the steps necessary to achieve this segregation. We are available to assist you in this process through analysis and training where needed.

Responsible Official's Response: Management understands the importance of segregation of duties and the need to address these matters in an informed, cost-beneficial way. As a result of our cost-benefit analysis we have determined the value of incurring the additional expense of hiring a staff person in order to provide additional segregation of duties does not justify the cost. In the future, we will continue to review our processes and attempt to identify ways to involve other employees and directors in order to improve our segregation.