VALLEY INQUIRY CHARTER SCHOOL
MARION COUNTY, OREGON
FINANCIAL STATEMENTS
Year Ended June 30, 2023

GOVERNING BOARD

Name	*Title*
Ken Slough	Chair
BJ Foster	Vice Chair
James Carter	Treasurer
Kyle McSmith	Secretary
Cammi Carriere	Member-at-Large
Matthew Reynolds	Member-at-Large
Terry Rohse	Member-at-Large

ADMINISTRATIVE

Gary Etchemendy (beginning August 2023)

Susan Adams (April 2023 through July 2023)

Craig Harlow (August 2022 through March 2023)

Principal
5774 Hazelgreen Road NE
Salem, Oregon 97305

Board members may receive mail at the above address.

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Advisors & CPAs

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Valley Inquiry Charter School
Salem, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of Valley Inquiry Charter School (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Valley Inquiry Charter School as of June 30, 2023, 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). 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 School 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.

Responsibilities of Management for the Financial Statements

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

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

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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 School'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 School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), and the required supplementary information, as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

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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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated ***, 2023 on our consideration of the School'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.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: ______________________________
Larry E. Grant, Principal
***, 2023

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As management of Valley Inquiry Charter School (the School), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- Total net position increased by $563,240 during the year.
- At the end of the current and prior fiscal year, net position was $1,530,148 and $966,908, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School'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, deferred outflows and liabilities and deferred inflows of the School as of the date on the statement. Net position is what remains after the liabilities and deferred inflows 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 School is improving or deteriorating.

The *Statement of Activities*. The *statement of activities* presents information showing how the net position of the School changed over the most recent fiscal 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 may only result in cash flows in future fiscal periods.

In the government-wide financial statements, the School's activities are shown as governmental activities. All basic School functions are shown here. These activities are primarily financed through Oregon's State School Fund.

Fund financial statements. The *fund financial statements* provide more detailed information about the School's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

A *governmental fund* is used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of 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 School's near-term financing requirements.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental fund 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 School's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The School maintains one governmental fund, the General Fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* and other *supplementary information* related to the schedule of revenues, expenditures, and changes in fund balance - budget and actual - General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. The Statement of Net Position below is provided on a comparative basis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets and deferred outflows exceeded liabilities and deferred inflows by $1,530,148 as of June 30, 2023.

Net Position at June 30,

	2023	*2022*
Assets		
Current assets	$ 1,365,737	$ 844,066
Net OPEB asset	2,100	1,583
Capital assets	60,869	73,756
Total assets	1,428,706	919,405
Deferred Outflows of Resources	169,013	76,535
Total assets and deferred outflows of resources	1,597,719	995,940
Liabilities		
Accounts payable and accrued expenses	23,158	27,658
Net pension liability	37,024	-
Total liabilities	60,182	27,658
Deferred Inflows of Resources	7,389	1,374
Total liabilities and deferred inflows of resources	67,571	29,032
Net Position		
Investment in capital assets	60,869	73,756
Unrestricted	1,469,279	893,152
Total Net Position	$ 1,530,148	$ 966,908

Governmental Activities. During the current fiscal year, the School's net position increased by $563,240. The key elements of the change in the School's net position for the year ended June 30, 2023 are as follows:

- Revenues increased by $469,523 to $2,319,057, primarily due to increased revenue from Oregon's State School Fund. In the prior year, revenues were also somewhat offset by the abandonment of construction in progress related to the middle school expansion project that was suspended subsequent to year-end.
- Total expenses increased by $4,815 to $1,755,817 due to increased expenditures related to instructional and support services, offset by a decrease in expenditures for enterprise and community services due to the School returning to having food services provided by Salem-Keizer School District 24J.

Changes in Net Position
For the years ended June 30,

	2023	2022
Revenues		
Program revenues:		
Operating grants and contributions	$ 361,614	$ 351,125
General revenues:		
State school fund - general support	1,936,350	1,688,905
Loss on disposal of capital assets	-	(195,744)
Miscellaneous	21,093	5,248
Total Revenues	2,319,057	1,849,534
Expenses		
Instructional services	1,431,923	1,383,927
Support services	323,894	317,579
Enterprise and community services	-	49,496
Total Expenses	1,755,817	1,751,002
Change in Net Position	563,240	98,532
Net Position, Beginning of year	966,908	868,376
Net Position, End of year	$ 1,530,148	$ 966,908

CAPITAL ASSETS

The School's investment in capital assets consists of equipment and leasehold improvements. For the year ended June 30, 2023, the School had depreciation expense of $13,764.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the School is its charter status with Salem-Keizer School District 24J, which enables the School to receive pass-through funding from Oregon's State School Fund. For the year ended June 30, 2023, State School Fund general support provided 83 percent of the School's General Fund revenues.

The School projects steady enrollment for the 2023-24 year.

Although budgets are not required by law, the School considers potential changes in enrollment, funding through Salem-Keizer School District 24J, and operating costs when planning the subsequent year's operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Valley Inquiry Charter School's finances for all those with an interest in them, and to demonstrate the School's accountability for the funding it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Treasurer, 5774 Hazelgreen Road NE, Salem, Oregon 97305.

ASSETS	
Cash and cash equivalents	$ 1,344,680
Accounts receivable	18,807
Prepaid expenses	2,250
Net OPEB Asset - RHIA	2,100
Capital assets, net of accumulated depreciation:	
Leasehold improvements	45,140
Equipment	14,852
Construction in progress	877
Total Assets	1,428,706
DEFERRED OUTFLOWS OF RESOURCES	
OPEB Deferred Outflows - RHIA	759
Pension Deferred Outflows - PERS	168,254
Total Deferred Outflows of Resources	169,013
Total Assets and Deferred Outflows of Resources	1,597,719
LIABILITIES	
Accounts payable	13,177
Payroll taxes and withholding payable	9,981
Noncurrrent liabilities:	
Net Pension Liability	37,024
Total Liabilities	60,182
DEFERRED INFLOWS OF RESOURCES	
OPEB Deferred Inflows - RHIA	486
Pension Deferred Inflows - PERS	6,903
Total Liabilities and Deferred Inflows of Resources	67,571
NET POSITION	
Investment in capital assets	60,869
Unrestricted	1,469,279
Total Net Position	$ 1,530,148

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

VALLEY INQUIRY CHARTER SCHOOL
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenue	
	Expenses	**Operating Grants and Contributions**	**Net (Expense) / Revenue and Change in Net Position**
FUNCTIONS/PROGRAMS			
Instructional services	$ 1,431,923	$ 361,614	$ (1,070,309)
Support services	323,894	-	(323,894)
Total Governmental Activities	$ 1,755,817	$ 361,614	(1,394,203)
General Revenues:			
State school fund - general support			1,936,350
Earnings on investments			16,906
Miscellaneous			4,187
Total General Revenues			1,957,443
Change in Net Position			563,240
Beginning Net Position			966,908
Ending Net Position			$ 1,530,148

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

ASSETS		
Cash and cash equivalents	$	1,344,680
Accounts receivable		18,807
Prepaid expenses		2,250
Total Assets	$	1,365,737
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	13,177
Payroll tax and withholding payable		9,981
Total Liabilities		23,158
Fund Balance		
Unassigned		1,342,579
Total Liabilities and Fund Balance	$	1,365,737

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

Fund Balance			$	1,342,579
Capital assets are not near-term financial resources and therefore are not reported in governmental funds:				
Cost	$	131,673		
Accumulated depreciation		(70,804)		60,869
Change in long-term liabilities or assets and related inflows and outflows of resources are not reported as governmental fund liabilities. These changes consist of:				
Pension related net outflows and inflows of resources		124,327		
OPEB asset net of related outflows and inflows of resources		2,373		126,700
Total Net Position			$	1,530,148

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

REVENUES	
Contributions and donations	$ 3,809
Earnings on investments	16,906
Miscellaneous	378
Intergovernmental - state sources	2,127,573
Intergovernmental - federal sources	170,391
Total Revenues	2,319,057
EXPENDITURES	
Current	
Instruction	1,481,879
Support services	310,130
Capital outlay	877
Total Expenditures	1,792,886
NET CHANGE IN FUND BALANCE	526,171
FUND BALANCE, Beginning of year	816,408
FUND BALANCE, End of year	$ 1,342,579

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balance		$ 526,171
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.		
Cost of capital assets purchased	$ 877	
Current year depreciation	(13,764)	(12,887)
OPEB and PERS income (expense) are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities retirement obligations are recognized as an expenditure when earned by the employee.		49,956
Change in Net Position		$ 563,240

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Valley Inquiry Charter School (the School) began operations in 2005 under the name Baker Charter School. The School changed its name to Valley Inquiry Charter School for the fiscal year ended June 30, 2011. The School is an Oregon charter school sponsored by the Salem-Keizer School District 24J (the "District").

The School is managed by up to a ten-member Governing Board.

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 School receives value without giving equal value in exchange, include grants, entitlements and donations. On the accrual basis of accounting, revenue from these transactions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the School funds certain programs by a combination of specific cost-reimbursement grants and general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental fund to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

The School reports only a General Fund. This fund accounts for all financial resources and expenditures of the School unless required to be accounted for in another fund. Principal revenue sources are state school support payments from the sponsor district and grants.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions, and on account with the sponsor District.

Contracted Services

The principal and some teachers and support positions are provided by contracting with Salem-Keizer School District 24J.

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 School defines capital assets as assets with an initial cost more than $5,000 and a useful life of more than one year. Capital assets consist of equipment and leasehold improvements. Equipment is depreciated using the straight-line method over useful lives ranging from seven to twenty years and leasehold improvements are depreciated using the straight-line method over the remaining term of the lease.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Compensated Absences

The School provides three personal days to direct employees to be used or lost during the ten-month contract covering the academic year. See policy on contracted services.

Income Taxes

The School has qualified as an organization whose activities, related to its nonprofit status, are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision has been made for income taxes in these financial statements.

The School follows Accounting Standards Codification (ASC) 740, Accounting for Uncertainty in Income Taxes. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. As of June 30, 2023, the School has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements based on this guidance.

The School's federal and state information returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on their tax returns. In general, the federal and state income tax returns have a three-year statute of limitations.

Budget

The School is not subject to local budget law. While not required, the School prepares an annual budget for management purposes. A budgetary comparison schedule is included for analysis.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2023. Actual results may differ from such estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The School has two items that arise only under the full accrual basis of accounting that qualify for reporting under this category. The statement of net position reports one type related to the net pension liability and one related to the net OPEB asset. These amounts are deferred and recognized as an outflow of resources in the period(s) to which the amounts apply.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School currently has one item that arises for reporting in this category. The statement of net position reports one type related to the net OPEB asset. These amounts are deferred and recognized as an inflow of resources in the period(s) that the amounts become available.

Governmental Fund Balances

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

Governmental Fund type fund balances are classified as follows:

- **Nonspendable –** Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- **Restricted –** Amounts that can be spent only for specific purposes when the constraints placed on the use of these 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.
- **Committed –** Amounts that can be used only for specific purposes determined by a formal action of the Governing Board. The Governing Board can modify or rescind the commitment at any time through taking a similar formal action.
- **Assigned -** Amounts that are constrained by the School's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Governing Board approves which resources should be "reserved" during the adoption of the annual budget.
- **Unassigned –** All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the School's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the School's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications; committed and then assigned fund balances before using unassigned fund balances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement Plans

Substantially all of the School's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of 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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following as of June 30, 2023:

Deposits with financial institutions	$	567,338
Cash on deposit with sponsor district (book balance)		777,342
Total cash and cash equivalents	$	1,344,680

Deposits

At year end, the book balance of the School's bank deposits was $567,338 and the bank balance was $575,488; the difference is due to transactions in process. The book and bank balance of the School's deposits with the sponsor district were $777,342. Amounts on deposit with the District are subject to collateralization by the District. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The Federal Depository Insurance Corporation (FDIC) provides insurance for the School's deposits with financial institutions for up to $250,000 each for the aggregate of all demand deposits and the aggregate of all time deposits and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2023, $325,488 of the School's bank balances were covered by the PFCP.

CAPITAL ASSETS

	Balances July 1, 2022	Additions	Transfers/ Retirements	Balances June 30, 2023
Construction in progress	$ -	$ 877	$ -	$ 877
Equipment	52,742	-	-	52,742
Leasehold improvements	78,054	-	-	78,054
Less accumulated depreciation	(57,040)	(13,764)	-	(70,804)
	$ 73,756	$ (12,887)	$ -	$ 60,869

OPERATIONS

The School uses the facilities of the District as part of the charter agreement. The District, a related party, charges the School for the School's use of its facilities and other services provided by the District. Amounts charged under this agreement totaled $44,350 for the year ended June 30, 2023. The current agreement expires on June 30, 2031.

PENSION PLAN

Plan Description

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

http://www.oregon.gov/PERS/pages/financials/actuarial-financial-information.aspx.

PERS Pension (Chapter 238)

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

Pension Benefits. 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 (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

PENSION PLAN *(Continued)*

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

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

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

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.

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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

<u>Oregon Public Service Retirement Plan Pension Program (OPSRP DB)</u>

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

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

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

PENSION PLAN *(Continued)*

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.

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

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

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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. The funding policy applies to the PERS Defined Benefit Plan. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The State of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$75,692, excluding amounts to fund employer specific liabilities. For the year ended June 30, 2023, \$49,632 was recognized as a reduction of employer pension expense.

At June 30, 2023, the School reported a net pension liability of \$37,024 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to a measurement date of June 30, 2022. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the School's proportion was 0.00024 percent, which was an increase of 0.00024 percent from its proportion measured as of June 30, 2021.

PENSION PLAN *(Continued)*

At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Difference between expected and actual experience	$ 1,797	$ (231)	
Changes in assumptions	5,809	(53)	
Net difference between projected and actual earnings on pension plan investments	-	(6,619)	
Changes in proportionate share	33,119	-	
Differences between employer contributions and employer's proportionate share of system contributions	51,837	-	
Subtotal - Net deferrals amortized below	92,562	(6,903)	$ 85,659
Contributions subsequent to measurement date	75,692	-	
Net deferred outflows (inflows) of resources	$ 168,254	$ (6,903)	

The $75,692 reported as deferred outflows of resources related to PERS resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	$ 20,617
2025	19,682
2026	16,660
2027	20,513
2028	8,187
Total	$ 85,659

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 20, 2023, which can be found at: http://www.oregon.gov/PERS/emp/pages/GASB.aspx

Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: http://www.oregon.gov/PERS/pages/financials/actuarial-financial-information.aspx.

PENSION PLAN *(Continued)*

Actuarial Valuations

The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal 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 (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer 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 actuarially determined amount for funding a disability benefit component, and (c) 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, 2020
Measurement date	June 30, 2022
Experience study	2020, published July 20, 2021
Actuarial Assumptions	
Actuarial cost method	Entry age normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	**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. **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. **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.

(Source: June 30, 2022 PERS Annual Comprehensive Financial Report; page 71)

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

***PENSION PLAN** (Continued)*

Discount Rate **-** The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plans' 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.

(Source: June 30, 2022 PERS Annual Comprehensive Financial Report; page 69)

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

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

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

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

(Source: June 30, 2022 PERS Annual Comprehensive Financial Report; page 70)

***PENSION PLAN** (Continued)*

Assumed asset allocation

Asset Class/Strategy	OIC Policy Range	Current Year Target
Debt Securities	15.0 - 25.0 %	20.0 %
Public Equity	25.0 - 35.0	30.0
Real Estate	7.5 - 17.5	12.5
Private Equity	15.0 - 27.5	20.0
Risk Parity	0.0 - 3.5	2.5
Real Assets	2.5 - 10.0	7.5
Diversifying Strategies	2.5 - 10.0	7.5
Opportunity Portfolio	0.0 - 5.0	0.0
Total		100.0%

(Source: June 30, 2022 PERS Annual Comprehensive Financial Report; page 104)

Long-Term Expected Rate of Return

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

(Source: June 30, 2022 PERS Annual Comprehensive Financial Report; page 70)

Asset Class	Target Allocation *	Annual Arithmetic Return**	Compound Annual (Geometric) Return	Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds - Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity - Hedge	0.63	5.85	5.31	11.05
Hedge Fund - Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 ***	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

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

*** Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy

(Source: June 30, 2022 PERS Annual Comprehensive Financial Report; page 74; Table 31)

Sensitivity - Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the School'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%)
School's proportionate share of the net pension liability (asset)	$ 65,660	$ 37,024	$ 13,058

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.
http://www.oregon.gov/PERS/pages/index.aspx

PENSION PLAN *(Continued)*

OPSRP Individual Account Program (OPSRP IAP)

Plan Description – ORS Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of Oregon PERS and is administered by the Oregon PERS Board.

Pension Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a $200 minimum distribution limit.

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.

Contributions – The School pays or "picks up" 6 percent of the employees' covered payroll. The School paid $18,702 in employee contributions for the year ended June 30, 2023.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Employers participating in other post-employment benefit plans are required to report OPEB information in their financial statements in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The requirements of the Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities for OPEB and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

The other post-employment benefits (OPEB) for the School is comprised of one plan: contributions to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

PERS Retirement Health Insurance Account

Plan Description

The School contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 283.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. PERS issues publicly available financial statements and required supplementary information.. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 9281-3700, or online at http://www.oregon.gov/PERS/pages/financials/actuarial-financial-information.aspx.

Benefits Provided

RHIA was established by ORS 238.240 and authorizes a payment of up to $60 from RHIA toward monthly costs of health insurance. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the healthcare 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 PERS-sponsored health plan.

Contributions

PERS funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The School's total contributions for the year ended June 30, 2021 were $5, which equaled the required contributions for the year.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2023, the School reported an asset of $2,100 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB assets was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The School's proportion of the net OPEB asset was based on the School's contributions to the RHIA program during the measurement period relative to contributions from all participating employees. At June 30, 2022, the School's proportionate share was 0.000591%, which is a increase of 0.00013% from its proportion measured as of June 30, 2021.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

PERS Retirement Health Insurance Account (Continued)

For the year ended June 30, 2023, the School recognized OPEB revenue from this plan of $324. The major actuarial assumptions and long-term expected rate of return for the RHIA OPEB liability/(asset) are essentially the same as the major assumptions for the PERS plan. Except for information on discount rate sensitivity and deferred outflows and inflows of resources, the other standard GASB disclosures for the RHIA OPEB are immaterial and accordingly are not disclosed.

At June 30, 2023, the School reported deferred outflows and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Difference between expected and actual experience	$ -	$ (57)	
Changes in assumptions	16	(70)	
Net difference between projected and actual earnings on pension plan investments	-	(160)	
Changes in proportionate share	738	(199)	
Subtotal - Net deferrals amortized below	754	(486)	$ 268
Contributions subsequent to measurement date	5	-	
Net deferred outflows (inflows) of resources	$ 759	$ (486)	

The $5 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	$ 483
2025	(164)
2026	(101)
2027	50
Total	$ 268

All assumptions, methods and plan provisions used in these calculations are described in Oregon PERS system-wide GASB 75 reporting summary dated January 20, 2023.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

PERS Retirement Health Insurance Account (Continued)

Sensitivity Analysis

Sensitivity of the School's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the School's proportionate share of net OPEB liability (asset), as well as what the proportionate share of net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current discount rate:

	1% Decrease (5.90%)	**Discount Rate (6.90%)**	**1% Increase (7.90%)**
School's proportionate share of the net OPEB liability (asset)	$ (1,893)	$ (2,100)	$ (2,278)

Sensitivity of the School's proportionate share of net OPEB liability to changes in the healthcare cost trend rates. The ORS stipulates a $60 monthly payment, so there would be no change to the proportionate share of net OPEB liability if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current rates. The current discount rate is 6.90 percent, which was the same percent in the prior year.

CLAIMS AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, or expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Management has represented that there are no contingent liabilities that require disclosure or recognition in accordance with Accounting Standards Codification 450. Such contingent liabilities would include, but not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options. The School has had no claims or settlements exceeding insurance coverage in the prior three years.

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	***Employer's proportion of the net pension liability (NPL)***	***Employer's proportionate share of the net pension liability (asset) (NPL)***	***Covered payroll***	***NPL as a percentage of covered payroll***	***Plan fiduciary net position as a percentage of the total pension liability***
2023	0.0002 %	$ 37,024	$ 239,281	0.2 %	84.6 %
2022	0.0000 %	-	46,194	- %	87.6 %
2021	0.0000 %	-	31,952	- %	75.8 %

Notes:
These schedules are required to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

1. The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
2. Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

Year Ended June 30,	***Statutorily required contribution***	***Contributions in relation to the statutorily required contribution***	***Contribution deficiency (excess)***	***Covered payroll***	***Contributions as a percent of covered payroll***
2023	$ 75,692	$ 75,692	$ -	$ 311,705	24.3 %
2022	58,766	58,766	-	239,281	24.6 %
2021	14,155	14,155	-	46,194	30.6 %

Notes:
The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is required to present information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

VALLEY INQUIRY CHARTER SCHOOL

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
YEAR ENDED JUNE 30, 2023

Year Ended June 30,	*Employer's proportion of the net OPEB liability (NOL)*	*(1) Employer's proportionate share of the net OPEB liability (asset) (NOL)*	*(2) Covered payroll*	*NOL as a percentage of covered payroll*	*Plan fiduciary net position as a percentage of the total OPEB liability*
2023	0.0006 %	$ (2,100)	$ 239,281	-0.1 %	194.7 %
2022	0.0005 %	(1,583)	46,194	-0.1 %	183.9 %
2021	0.0019 %	(3,921)	31,952	-0.2 %	150.1 %

Notes:
These schedules are required to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

1. The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
2. Amounts for covered payroll use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.

Year Ended June 30,	*Statutorily required contribution*	*Contributions in relation to the statutorily required contribution*	*Contribution deficiency (excess)*	*Covered payroll*	*Contributions as a percent of covered payroll*
2023	$ 5	$ 5	$ -	$ 311,705	- %
2022	15	15	-	239,281	- %
2021	12	12	-	46,194	- %

Notes:
The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is required to present information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SUPPLEMENTARY INFORMATION

VALLEY INQUIRY CHARTER SCHOOL

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

YEAR ENDED JUNE 30, 2023

	Budget Amounts			Variance
	Original	**Final**	**Actual**	**with Final Budget**
REVENUES				
Local sources	$ -	$ -	$ 21,093	$ 21,093
State sources	1,897,625	1,897,625	2,127,573	229,948
Federal sources	208,173	208,173	170,391	(37,782)
Total Revenues	2,105,798	2,105,798	2,319,057	213,259
EXPENDITURES				
Instruction	1,533,647	1,533,647	1,481,879	51,768
Support services	563,704	563,704	311,007	252,697
Total Expenditures	2,097,351	2,097,351	1,792,886	304,465
NET CHANGE IN FUND BALANCE	8,447	8,447	526,171	517,724
FUND BALANCE, Beginning of year	259,198	259,198	816,408	557,210
FUND BALANCE, End of year	$ 267,645	$ 267,645	$ 1,342,579	$ 1,074,934

COMPLIANCE SECTION

GROVE, MUELLER & SWANK

redw

Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Governing Board
Valley Inquiry Charter School
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Valley Inquiry Charter School (the School) as of and for the year ended June 30, 2023 and have issued our report thereon dated *****, 2023.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatements, 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:

- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Public charter school requirements.**

In connection with our testing nothing came to our attention that caused us to believe the School 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.

475 Cottage Street NE, Suite 200, Salem, OR 97301 ◆ T: 503.581.7788 ◆ E: info@gms.cpa ◆ www.redw.com/gms

Internal Control

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Restriction on Use

This report is intended solely for the information and use of the governing board and management of Valley Inquiry Charter School, Salem-Keizer School District 24J, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: ______________________________
Larry E. Grant, Principal
***, 2023

475 Cottage Street NE, Suite 200, Salem, OR 97301 ◆ T: 503.581.7788 ◆ E: info@gms.cpa ◆ www.redw.com/gms