



District 241 Salem-Keizer Public Schools

In Marion & Polk Counties in the State of Oregon

Our Vision: All students graduate and are prepared for a successful life.



Comprehensive Annual Financial Report

For the year ended June 30, 2020

Financial Services Department
2450 Lancaster Drive NE Suite 220
Salem, OR 97305
503-399-3021

Salem-Keizer Public Schools is an affirmative action/equal opportunity institution.

SALEM-KEIZER SCHOOL DISTRICT 24J
Salem, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

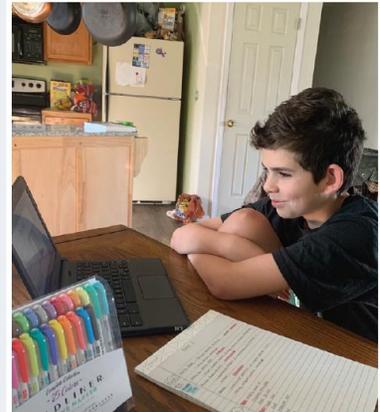
Christy Perry
Superintendent

Prepared by:
Financial Services Department



Our Vision:

All students graduate and are prepared for a successful life.



District 24j

2450 Lancaster Drive NE • Salem, Oregon 97305

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INTRODUCTORY SECTION



SALEM • KEIZER
PUBLIC SCHOOLS



CHRISTY PERRY, Superintendent
2450 Lancaster Drive NE • PO Box 12024
Salem, Oregon 97309-0024
503-399-3001

December 15, 2020

Community Members and Board of Directors
Salem-Keizer School District No. 24J
Salem, Oregon

Dear Stakeholders:

Oregon Revised Statutes regarding Municipal Audit Law and State Financing of Public Schools require that school districts publish audited financial statements within six months of the close of each fiscal year. A Securities Exchange Commission rule requires that a district that has issued municipal bonds file annual financial statements with the Municipal Securities Exchange Repository through Electronic Municipal Market Access (EMMA). Pursuant to these requirements, Salem-Keizer School District 24J (District) hereby issues its comprehensive annual financial report for the fiscal year ended June 30, 2020. This report is presented in conformity with accounting principles generally accepted in the United States of America. The financial statements of the District were audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of Oregon.

This report consists of District management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. Management asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Grove, Mueller & Swank, P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditor's Report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit, as required by the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Compliance Section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

District Profile

The District is one of 19 public school districts located in Marion and Polk counties, Oregon. It is the second largest of the 197 school districts in Oregon. The District provides public education programs from preschool through grade 12, as well as community transition programs for students ages 18-21. The District is required to report the number of students per school year to the state based on Average Daily Membership (ADM). ADM is the average number of full-time students enrolled in District schools and programs every day over the course of the entire school year, compared to student enrollment, which is a snapshot on a given day of the headcount of all students enrolled. The District's ADM was 41,158 in fiscal year 2019-20. The projected ADM for fiscal year 2020-21 is 41,361; however, staff is working on updated projections due to lower enrollment than expected. The average age of the school buildings is 50 years.

Salem-Keizer School District was organized in January of 1855 by then County Superintendent, William P. Pugh. At that time, the District consisted of a log cabin school at the southwest corner of Marion and Commercial streets. Today, the District consists of 42 elementary schools, 11 middle schools, eight high schools, four district-sponsored charter schools, and one state-sponsored charter school that is located within its boundaries. Located in Marion and Polk counties, the District serves cities within those counties, primarily Keizer and Oregon's state capital, Salem. It covers 172 square miles of Marion and Polk counties.

As of June 30, 2020, nearly 70 percent of Salem-Keizer's student population was considered to be living in poverty based on the numbers of those receiving the Federal Free and Reduced Meal Program. The District has 28 percent of students who speak a language other than English at home, and there are 87 different languages spoken in the District's schools.

In May 2018, voters approved general obligation bonds of \$619.7 million. The District issued \$383.2 million of those approved bonds in July 2018 and another \$236.5 million in July 2020. The bond proceeds are being used for construction projects throughout the District.

In 2019-20, management staff included the superintendent, two assistant superintendents, chief operations officer, executive director of human resources, director of community relations and communications, three directors of elementary education, director of middle school education, director of high school education,

director of technology and information services, two directors of curriculum and instruction, director of budget and financial services, and director of student equity, access and advancement. The District employed 168 management staff, which included the positions described above, as well as principals, assistant principals, athletic directors, department managers, and supervisors. It employed 2,471 licensed staff (teachers, counselors, and other licensed professionals) and 2,382 classified staff (instructional assistants, custodians, bus drivers, and support staff).

Under Oregon law, the District is considered a financially independent, special-purpose municipal corporation and is responsible for educating all children residing within the boundaries of the District. The District discharges this responsibility by building, operating, and maintaining school facilities; developing and maintaining approved educational programs and courses of study, including vocational programs and programs for handicapped students, in accordance with state standards; and carrying out programs for transportation and feeding of pupils in accordance with District, state, and federal guidelines.

The District's governing board, the Salem-Keizer School Board, is organized under Section 332 of the Oregon Revised Statutes. The Salem-Keizer School Board is elected on a district-wide basis and is the governing body of the District. It is composed seven community members and has oversight responsibility, which includes, but is not limited to, the hiring of the superintendent, the adoption of the annual budget, and negotiations of collective bargaining agreements. The board operates under a Policy Governance structure by setting overarching guidance related to student achievement and approving Executive Limitations that establish operational, ethical, and legal boundaries for District staff and decision-making. The budget committee, established by statute and composed of seven appointed volunteer members of the community and the Salem-Keizer School Board, reviews the superintendent's recommended budget and approves the annual budget, which is forwarded to the Salem-Keizer School Board for final adoption.

The financial reporting entity consists of a primary government. The District is a primary government because it has a nonpartisan elected governing body, is legally separate, and is fiscally independent of other state or local governments. Component units must be reported as part of the primary government if they meet a fiscal dependency criterion and a financial benefit or burden relationship exists as defined under the Governmental Accounting Standards Board (GASB) Statement No. 61. The District has determined that its sponsored charter schools should not be reported as component units. Operations of these schools are the responsibility of their individual boards and many of the schools no longer utilize licensed District staff for instruction. The District accounts for activity with charter schools in a separate fund within its internal service funds.

The State of Oregon requires the District to adopt an annual budget per Oregon Revised Statutes (294.305 through 294.565 inclusive). Oregon Budget Law specifies a process and format for a district's annual budget preparation and presentation. A school district is required to publish a budget using at least a "minimum chart of accounts," which includes fund, function, and object. Each year, the District follows a process to develop and adopt a budget for the following school year. The District's budget committee receives the proposed budget from the superintendent, takes public testimony, deliberates, and approves the budget with a recommendation to the school board for final adoption. The school board normally adopts the budget in early June. Once adopted, the budget represents the financial plan for the District. It contains estimates of revenues and expenditures needed to support the program offerings of the District for a single fiscal year. The budget is prepared for all funds, which include governmental, proprietary, and fiduciary funds. The annual expenditure budget serves as

the foundation for the District's financial planning and control since revenue is an estimate. Actual expenditures may not exceed the appropriated amount of the budget by function and fund.

The Oregon Department of Education rolled out the new reporting format recently. The "At-A-Glance Profile" is the redesigned report formerly known as the "District Report Card." The "At-A-Glance Profile" includes, but is not limited to, student enrollment, District and state academic goals, demographics, and outcomes. The "Start Strong" and "High School Success" sections compare to the Oregon averages. The District was higher than the Oregon average for the "On Track to Graduate" metric. The District's 2019-20 "At-A-Glance Profile" and reports by school can be found on the following website: <http://www.ode.state.or.us/data/reportcard/reports.aspx>. The District's "Report Cards" for previous years and for each school are available on the following website: <http://www.ode.state.or.us/data/reportcard/reportarchive.aspx>. The "At-A-Glance Profiles" are accurate for the data represented; the state suspended the state assessments Spring of 2020 because of school closures and the COVID-19 pandemic.

It is the District's intent to remain centered on student achievement through implementation of its Strategic Plan. The 2019-22 Strategic Plan has five distinct components with goals to accomplish them: implement data-driven systems, leadership development, inclusive culture and community, effective operations, and improve instruction. At the core of the Strategic Plan is the District's vision: *"All students graduate and are prepared for a successful life."* The District's 2019-22 Strategic Plan is on the District's website: www.salkeiz.k12.or.us.

Economic Condition

The District is located within Marion and Polk counties. Both counties are located south of the Portland metropolitan area in the center of the Willamette Valley. The city of Salem is the capital of the state, as well as the county seat for Marion County, and is the state's second largest city. The city of Keizer is the state's fourteenth largest city. Marion County is the largest producer of agricultural products of all of Oregon's counties, and Polk County has the second largest viticulture region in the state. Other industries in the counties are forest products, manufacturing, and education. There are two private universities and a community college located in Salem: Willamette University and Corban University are private liberal arts colleges, which offer bachelor and master degree programs; Chemeketa Community College is a public community college, which offers associate degrees and technical programs. Government agencies employ approximately 22 percent of the population in Salem. Major employers include the State of Oregon, the District, federal agencies, Salem Health, Marion County, Chemeketa Community College, and City of Salem.

The District receives approximately 77 percent of its General Fund revenue from state-controlled sources. The District's largest expense is labor and associated costs, which includes the Oregon Public Employees Retirement System (PERS).

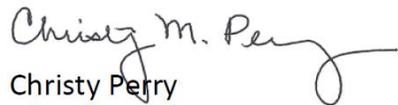
In March 2020, Oregon's Governor signed executive order 20-08 closing schools statewide through April 28, 2020, due to the public health threat from the novel coronavirus infection (COVID-19). In April 2020, this order was replaced with executive order 20-20 which prohibited in-person classroom instruction through June 30, 2020, and required continued educational services in order to maintain receipt of State School Fund allocations. The District implemented Comprehensive Distance Learning (CDL) to facilitate online learning. The District is still operating within a public health emergency as a result of the COVID-19 pandemic. Impacts due to COVID-19 are shown throughout this report.

It is too early to fully understand the economic impacts of COVID-19 for Oregon. However, there will be significant impact to the resources the District receives from the Student Success Act, which became law in May of 2019 under Oregon House Bill 3427. The Student Success Act promised to increase funding for schools, while also improving and expanding services for children and families. It was estimated that an additional \$1 billion would be invested in education in the state of Oregon each year. The District still expects to receive its first allotment from the Student Success Act starting in fiscal year 2020-21, but it will be one-third of what was projected. More information on the Student Success Act can be found on the following website: <https://www.oregon.gov/ode/StudentSuccess/Pages/default.aspx>.

Awards and Acknowledgements

The District thanks the entire Financial Services Department staff for their efforts and contributions to the comprehensive annual financial report and the members of the Salem-Keizer School Board for their continued support and dedication to the financial operations of the District. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Salem-Keizer School District 24J for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 37th consecutive year the District achieved this prestigious award. In order to be awarded a certificate of achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Respectfully submitted,


Christy Perry
Superintendent


Michael Wolfe
Chief Operations Officer


Sarah Head
Director of Budget & Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Salem-Keizer School District 24J
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Salem-Keizer School District 24J for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 37th consecutive year that the District achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Meet Your School Board

Salem-Keizer Public Schools | District 24J



Marty Heyen
Board Chair | Zone: 2
Elected to Board in 2015
Occupation: Retired IT Professional



Jesse Lippold
Board Vice Chair | Zone: 5
Elected to Board in 2017
Occupation: Real Estate Broker,
HomeSmart Realty Group



Kathy Goss
Board Director | Zone: 1
Elected to Board in 2017
Occupation: Real Estate Appraiser,
Retired Educator & Chief of
Operations-Newport Pacific Corp.



Sheronne Blasi
Board Director | Zone: 3
Elected to Board in 2017
Occupation: Director of Statewide
Veteran Services, Oregon Department
of Veterans' Affairs



Satya Chandragiri
Board Director | Zone: 4
Elected to Board in 2019
Occupation: Psychiatrist,
Salem Health



Danielle Bethell
Board Director | Zone: 6
Elected to Board in 2019
Occupation: Executive Director,
City of Keizer Chamber of Commerce



Paul Kylo
Board Director | Zone: 7
Elected to Board in 2013
Occupation: Retired

Seven citizens provide leadership

Our school board directors represent you – our community. They are regular citizens elected by you to provide direction for our schools. Their main job is to set policy that allows our schools to provide a quality education for nearly 42,000 students.

Elected citizens

Each board director is elected by local voters to serve a four-year term without pay. Even though each director represents a zone in our district, the entire board works together to serve all students in Salem and Keizer.

Open to the public

School board meetings are open to the public. Our community is encouraged to attend and participate in the process. The only meetings that are closed to the public are executive sessions as authorized by law. All board directors want to hear from you and welcome your feedback.

Mark your calendar

School board business meetings are held the second Tuesday of each month. Unless otherwise noted, meetings will begin at 6 p.m. and be held at the Support Services Center, 2575 Commercial St. SE. The board also holds a work session on the fourth Tuesday of each month at which they discuss and examine a particular educational topic.

Watch meetings on TV or on your computer

Business and work sessions are televised on CCTV, cable channel 21, in Salem. You can also watch the meetings on your computer by going to www.cctvsalem.org.

Stay up to date on special meetings & public hearings

The school board sometimes schedules public hearings or special meetings on specific topics. These are advertised in the local media and posted on our district website at www.salemkeizer.org.

For more information

Please call us at 503-399-3001 or write to:
Salem-Keizer School Board
P.O. Box 12024
Salem, OR 97309-0024



Organizational Chart

Executive Administration – Salem-Keizer Public Schools | Oregon District 24]



Chairperson: Marty Heyen
Board of Directors



Christy Perry
Superintendent



Kraig Sproles
Assistant
Superintendent



Iton Udosenata
Assistant
Superintendent



Michael Wolfe
Chief
Operations Officer



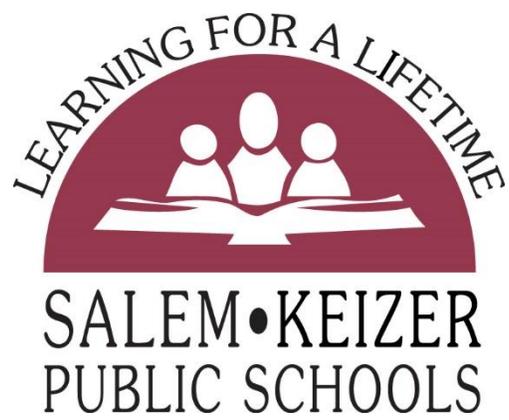
Lillian Govus, APR
Director of Community Relations
& Communications



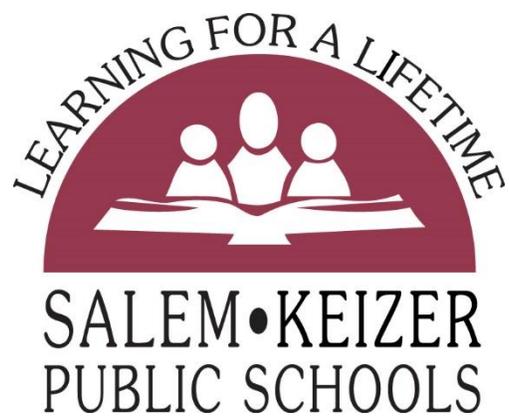
John Beight
Executive Director
Human Resources

Our Vision: All students graduate and are prepared for a successful life.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT





GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

www.gmscpa.com

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

INDEPENDENT AUDITOR'S REPORT

School Board
Salem-Keizer School District 24J
Salem, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Salem-Keizer School District 24J (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Salem-Keizer School District 24J as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information presented as required 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplemental 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 introductory section, other supplemental information, as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

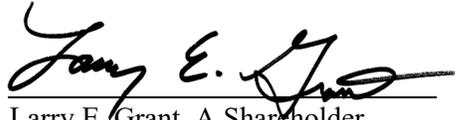
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, 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 issued our report dated December 15, 2020, 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.

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

By: 
Larry E. Grant, A Shareholder
December 15, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Salem-Keizer School District 24J, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. We present this information in conjunction with the information furnished in our Transmittal Letter which can be found in the introductory section of this report, and with the District's financial statements, which follow.

Financial Highlights

- The District restated beginning net position for fiscal year 2019-20 thereby increasing the balance by \$8.7 million to a deficit balance of \$98.7 million. For additional information regarding the prior period adjustment, please refer to note 12 of the financial statements.
- During the 2019-20 fiscal year the District's total net position decreased by \$22.2 million, to a deficit balance of \$120.9 million.
- The District's governmental funds reported a combined ending fund balance of \$397.8 million at June 30, 2020, a decrease of \$143.1 million from the prior year fund balance of \$540.9 million.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$65.5 million, or 14% of total General Fund expenditures compared to \$58.6 million or 13% for the prior year.
- The District's current and other assets decreased \$115.2 million during the 2019-20 fiscal year mainly from cash spent on construction funded through the 2018 Bond Capital Projects Fund.
- The District's capital assets increased \$138.9 million during the 2019-20 fiscal year primarily due to bond construction.
- The District's total outstanding long-term debt decreased \$54.4 million during the 2019-20 fiscal year due to payments of scheduled bond principal.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The focus is both on the District as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. This report also contains other supplementary 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 District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements. These statements include:

- **The Statement of Net Position:** The *Statement of Net Position* presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date on the statement with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- **The Statement of Activities:** The *Statement of Activities* presents information showing how the net position of the District changed over the most recent fiscal year by tracking revenues and expenses 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 will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the Statement of Net Position and the Statement of Activities, operations of the District are divided into two kinds of activities:

Governmental Activities: These activities outline the main functions of the District and are principally supported through Oregon’s State School Fund, property taxes, and other intergovernmental revenues. The governmental activities of the District include instruction, both regular and special education, support services, administration, operation and maintenance of plant services, student transportation services, child nutrition services, facilities services, operation of other non-instructional services, and interest on long-term debt.

Business-type Activities: The District charges fees to external customers (non-governmental entities) to help it cover all or part of the cost of certain services it provides. These transactions are recorded in the District’s Enterprise Fund. These costs include District facility rentals, transportation costs provided to organizations, reprographic services, and central store operations. This fund was closed on June 23, 2020. The District now accounts for these activities in the Auxiliary Services Fund.

Fund Financial Statements

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. 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. The Salem-Keizer School District 24J, 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 fit into three categories: governmental funds, proprietary funds, and fiduciary 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. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements use the modified accrual basis of accounting and 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 a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the District’s near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains eleven individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and changes in Fund Balances for the General Fund, Grants Fund, GO Debt Service Fund, PERS Pension Debt Service Fund, and 2018 Bond Capital Projects Fund, all of which the District considers major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements elsewhere in this report.

- **Proprietary funds:** The District maintains two types of proprietary funds: Enterprise and Internal Service Funds. The District has one Enterprise Fund which is used to account for business-type activities. It is the same as the business-type activities reported in the government-wide statements. The District closed this fund on June 23, 2020. The District now accounts for these activities in the Auxiliary Services Fund. The Internal Service Funds are accounting devices used to accumulate and allocate costs internally among the District’s various functions. The District uses Internal Service Funds to account for risk management, insurance, printing, copying and central stores services, and a charter school services fund to account for the cost of District sponsored charter schools. Because these internal services recorded in the Internal Service Funds benefit governmental functions, they have been included within governmental activities in

the Government-Wide Financial Statements. The District maintains three individual internal service funds. All these funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

- ***Fiduciary funds:*** Fiduciary funds account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the District’s own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus. The District has two fiduciary funds. The District uses an agency fund to account for resources held for student activities and groups and uses private-purpose trust funds to account for scholarships and memorial funds.

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. The Notes to the Basic Financial Statements can be found immediately following the basic financial statements.

Other Information

This report presents certain required supplementary information concerning the District’s budget process. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. In addition, the required supplementary information contains information regarding the District’s pension plan and other post-employment benefits.

Other supplemental information for the combined nonmajor governmental funds and internal service funds and statistical information follows the required supplementary information.

Government-Wide Financial Analysis
Statement of Net Position

The Statement of Net Position presents the value of all the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Net position may serve over time as an indicator of the District’s financial position, but pension liability can cause significant changes year over year. As of June 30, 2020, District liabilities and deferred inflows exceeded assets and deferred outflows by \$120.9 million, which was a decrease of \$22.2 million compared to a deficit net position of \$98.7 million restated as of June 30, 2019.

A portion of the District’s net position reflects its investment in capital assets net of accumulated depreciation (e.g. land, buildings, vehicles and equipment) and related outstanding debt (General Obligation Bonds and Leases) used for acquisition of some of the assets. The District uses these capital assets to provide services to students and other District residents. The capital assets acquired through this debt may not be used to liquidate these liabilities because the resources needed to repay this debt must be provided from other sources (generally property taxes) under the terms of the bond debt and lease agreements.

STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019*	2020	2019	2020	2019*
Assets						
Current and Other Assets	\$ 494,124,909	\$ 609,264,092	\$ -	\$ 38,321	\$ 494,124,909	\$ 609,302,413
Capital Assets	617,445,293	478,549,171	-	-	617,445,293	478,549,171
Net OPEB Asset - RHIA	4,534,037	2,606,873	-	-	4,534,037	2,606,873
Total Assets	<u>1,116,104,239</u>	<u>1,090,420,136</u>	<u>-</u>	<u>38,321</u>	<u>1,116,104,239</u>	<u>1,090,458,457</u>
Deferred Outflows of Resources	<u>145,603,453</u>	<u>172,452,499</u>	<u>-</u>	<u>-</u>	<u>145,603,453</u>	<u>172,452,499</u>
Liabilities						
Current Liabilities	172,393,918	138,461,336	-	-	172,393,918	138,461,336
Long-term Debt	732,424,065	786,869,702	-	-	732,424,065	786,869,702
Total OPEB Liability - RHIS	42,329,949	37,586,012	-	-	42,329,949	37,586,012
Total Pension Liability - Stipend Benefits	-	16,442	-	-	-	16,442
Net Pension Liability - PERS	394,594,093	370,018,658	-	-	394,594,093	370,018,658
Total Liabilities	<u>1,341,742,025</u>	<u>1,332,952,150</u>	<u>-</u>	<u>-</u>	<u>1,341,742,025</u>	<u>1,332,952,150</u>
Deferred Inflows of Resources	<u>40,843,714</u>	<u>28,617,744</u>	<u>-</u>	<u>-</u>	<u>40,843,714</u>	<u>28,617,744</u>
Net Position						
Net Investment in Capital Assets	354,844,900	312,831,305	-	-	354,844,900	312,831,305
Restricted for Special Purposes	1,167,616	469,654	-	-	1,167,616	469,654
Unrestricted	(476,890,563)	(411,998,218)	-	38,321	(476,890,563)	(411,959,897)
Total Net Position	<u>\$ (120,878,047)</u>	<u>\$ (98,697,259)</u>	<u>\$ -</u>	<u>\$ 38,321</u>	<u>\$ (120,878,047)</u>	<u>\$ (98,658,938)</u>

* FY 2019 restated: see Note 12 in the Basic Financial Statements

- Capital assets, which consist of the District’s land, buildings, building improvements, vehicles, and equipment, represent 55% of total assets. The remaining assets consist of cash, investments, receivables, prepaid items, inventories and net OPEB asset.
- Deferred Outflows of Resources represent deferred amounts on bond refunding and PERS pension and OPEB plans. The amount on bond refunding is the unamortized portion of the difference between the original cost of 2004 general obligation bonds refunded in fiscal year 2013, the original cost of 2002 pension bonds refunded in fiscal year 2011 and the actual price paid for the refunding bonds for both issues.
- The District’s largest liability is for the repayment of long-term debt, which represents 55% of total liabilities. Net Pension Liability – PERS represents 29% of total liabilities.
- Deferred Inflows of Resources represents the differences between projected and actual investment earnings of the District’s pension and OPEB plans as required by the GASB. See note 1L of the Notes to the Basic Financial Statements.

SALEM-KEIZER SCHOOL DISTRICT 24J – MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2020

Statement of Activities

The District’s Change in Net Position on the Statement of Activities for fiscal year 2019-20 was a decrease of \$22.2 million. This decrease includes pension expense of \$63.3 million and OPEB expense of \$4.3 million.

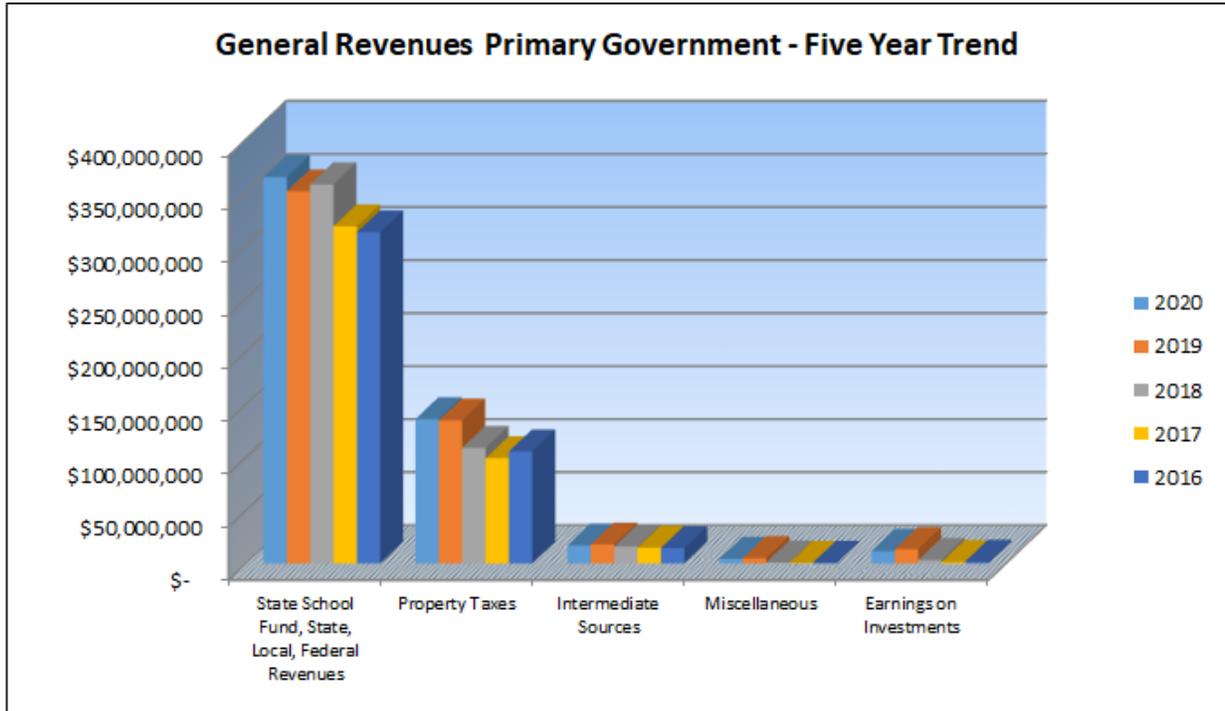
	CHANGES IN NET POSITION					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019*	2020	2019	2020	2019*
Revenues:						
Program Revenues:						
Charges for Services	\$ 25,199,290	\$ 27,164,693	\$ -	\$ -	\$ 25,199,290	\$ 27,164,693
Operating Grants and Contributions	52,279,934	59,556,267	-	-	52,279,934	59,556,267
Capital Grants and Contributions	4,742,854	3,449,971	-	-	4,742,854	3,449,971
General Revenues:						
Property Taxes	136,012,777	134,849,886	-	-	136,012,777	134,849,886
Revenue from Intermediate Sources	17,027,680	17,897,299	-	-	17,027,680	17,897,299
State School Fund - General Support	356,550,799	344,069,980	-	-	356,550,799	344,069,980
Other State and Local Sources	6,263,055	6,156,130	-	-	6,263,055	6,156,130
Federal Forest Fees - General Support	138,783	127,616	-	-	138,783	127,616
Unrestricted State and Local Sources	1,341,310	530,183	-	-	1,341,310	530,183
Gain on Sale of Capital Assets	32,195	234,328	-	-	32,195	234,328
Earnings on Investments	11,825,284	13,517,879	-	-	11,825,284	13,517,879
Net Increase in the Fair Value of Investments	3,965,505	4,279,592	-	-	3,965,505	4,279,592
Miscellaneous	407,056	485,005	-	-	407,056	485,005
Total Revenues	<u>615,786,522</u>	<u>612,318,829</u>	<u>-</u>	<u>-</u>	<u>615,786,522</u>	<u>612,318,829</u>
Expenses:						
Instructional Services	368,583,635	355,262,280	-	-	368,583,635	355,262,280
Support Services	206,421,622	192,071,508	-	-	206,421,622	192,071,508
Community Services	2,848,675	2,279,807	-	-	2,848,675	2,279,807
Food Services	14,379,549	16,387,924	-	-	14,379,549	16,387,924
Facilities Services	7,332,653	6,898,483	-	-	7,332,653	6,898,483
Interest on Long-term Debt	38,439,497	38,440,258	-	-	38,439,497	38,440,258
Total Expenses	<u>638,005,631</u>	<u>611,340,260</u>	<u>-</u>	<u>-</u>	<u>638,005,631</u>	<u>611,340,260</u>
Change in Net Position Before Transfers	(22,219,109)	978,569	-	-	(22,219,109)	978,569
Transfers	38,321	100,000	(38,321)	(100,000)	-	-
Change in Net Position	(22,180,788)	1,078,569	(38,321)	(100,000)	(22,219,109)	978,569
Net Position, beginning of year	(98,697,259)	(99,775,828)	38,321	138,321	(98,658,938)	(99,637,507)
Net Position, end of year	<u>\$ (120,878,047)</u>	<u>\$ (98,697,259)</u>	<u>\$ -</u>	<u>\$ 38,321</u>	<u>\$ (120,878,047)</u>	<u>\$ (98,658,938)</u>

* FY 2019 restated: see Note 12 in the Basic Financial Statements

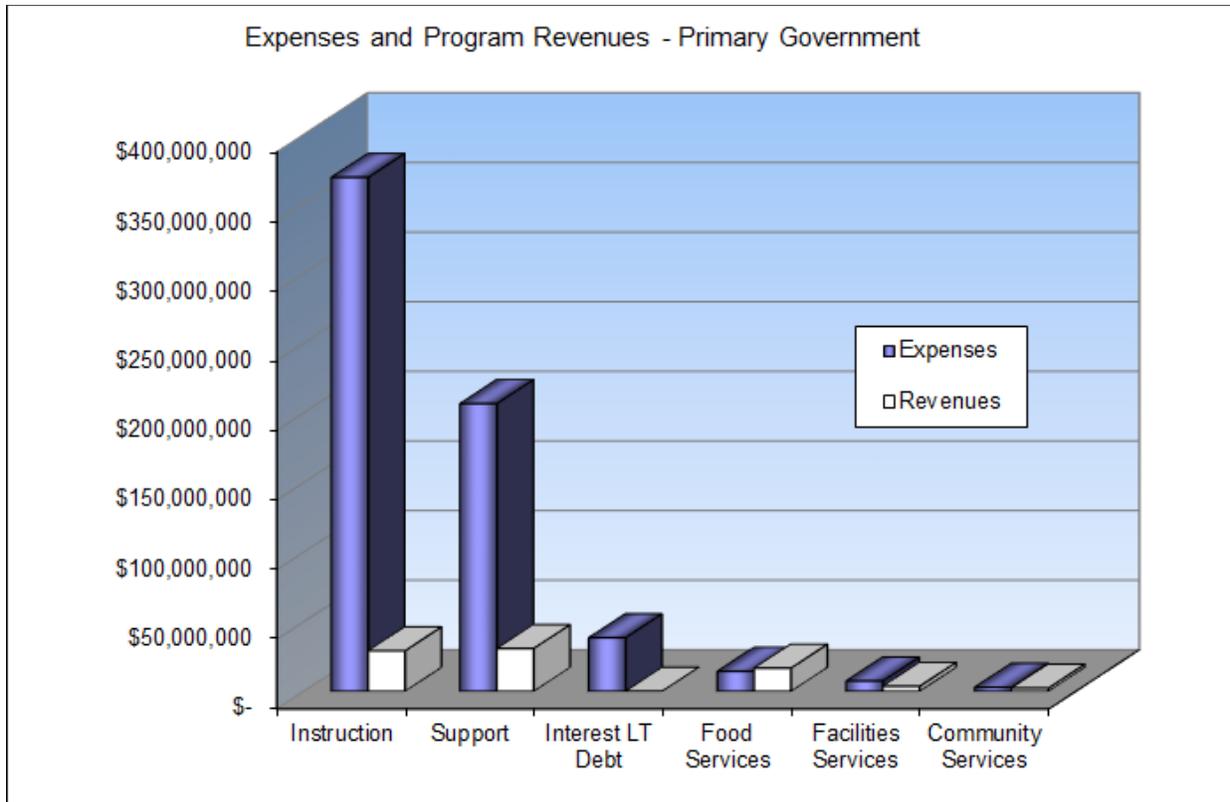
Other key elements of the change in the District’s net position for the year ended June 30, 2020 are as follows:

- Revenue from the State School Fund increased \$12.5 million or 3.6% because the new biennium funding for 2019-21 was \$800 million higher for the entire state.
- Revenue from Operating Grants and Contributions decreased by \$7.3 million for fiscal year 2019-20 related to reduction of spending on various reimbursable grants primarily caused by the restrictions placed on in-person learning relating to the COVID-19 pandemic.
- Expenses for Instructional Services increased by \$13.3 million or 3.7%. The increase related to year over year payroll costs. The increases were offset, in part, by the reduction in spending resulting from suspending in-person learning in March due to COVID-19.
- Expenses for Support Services increased by \$14.4 million or 7.5% caused by year over year payroll cost increases, and additional maintenance and custodial expenses related to COVID-19.
- Expenses for Food Services decreased by \$2.0 million from the COVID-19 pandemic which required the closure of in-person learning for the last three months of fiscal year 2019-20. During that time, grab-and-go meals were provided to the community and not full-fledged meal services that occur during in-person school days.

The following chart shows General Revenues by Source for the Primary Government over five years.



The following chart compares expenses of the Primary Government with associated revenues for the current fiscal year.



Financial Analysis of the District’s Funds

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

Governmental funds

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

At the end of June 30, 2020, the District’s governmental funds reported combined ending fund balances of \$397.8 million, a decrease of \$143.1 million in comparison with the prior year. This decrease related to the net outflows of cash on hand of \$118.5 million during the 2019-20 fiscal year because of the district-wide bond construction projects. Accounts payable increased by \$20.3 million, also related to the bond construction projects. Though the District has \$65.5 million of unassigned balance as of June 30, 2020, this is expected to decline in fiscal year 2020-21.

General Fund

The General Fund is the primary operating fund of the District, and the majority of its revenue comes from state funding distributed through the State School Fund (SSF) by the Oregon Department of Education (ODE). The State of Oregon is the largest source of revenue for public education in Oregon. The Oregon Legislature allocates money to the State School Fund primarily from the State General Fund and lottery revenue. School Districts get 95.5% of the State School Fund dollars available less local revenue. Local revenues include tax offsets, local property taxes for school operations (specifically excludes taxes for voter approved general obligation bonds), common school fund, county school fund, federal forest, and state timber revenues.

SSF funding is distributed to Oregon school districts pursuant to a formula, the objective of which is to provide equal funding for all school districts. The SSF grant provides to each school district a general-purpose grant, a transportation grant, a high-cost disability grant, a facilities’ grant, and a network of quality teaching and learning grant, less local revenues. Other grants deducted from the SSF grant are much smaller and generally relate to a specific District activity or condition. Details of these may be found under “District Estimates and Warrants” on the Oregon Department of Education website.

The general-purpose grant is determined by a distribution formula, which incorporates a system of weights connected to the student count. The student count begins with average daily membership (ADM). This becomes resident ADM (ADM_r). The ADM_r count is then adjusted to reflect the differences in the cost of educating students requiring more extensive educational services, such as English as a second language, special education, pregnant and parenting, impoverished, and students attending a remote small school. The total of all students is multiplied by a statewide target grant of \$4,500. In addition to a state derived funding ratio, a factor of \$25 per year per student that a district’s average teacher experience exceeds the state average is added to (or subtracted from, if below the State average) this calculation to arrive at the state general purpose grant.

The transportation grant is 70% of approved transportation costs. Approved costs are those attributable to transporting students from home to school (if over 1 mile from elementary school or 1.5 miles from secondary school), between schools, on field trips, and for other reasons in special cases.

The facility grant is distributed on a first-come, first-served basis to districts in the first year a new school facility is put into use. The facility grant is based on 8% of the total construction costs of a new school building excluding land but including the addition of new structures to existing school buildings and pre-manufactured buildings, if the new structures are used for instructing students.

The high cost disabilities grant is equal to the approved costs of a resident pupil with disabilities for whom the approved costs to the school district of providing special education and related services exceed \$30,000. Other state grants are deducted from the formula. These grants include amounts for talented and gifted students, speech pathology, virtual school funding, long term care and state schools, a small high school grant, network of quality

teaching and learning funding, a local option equalization grant, and an amount for pediatric and nursing facilities. These amounts are approved by the state legislature and are subject to change every year.

As of June 30, 2020, unassigned fund balance in the General Fund was \$65.5 million compared to \$58.6 million as of June 30, 2019. In fiscal year 2019-20, the District collected higher revenue than expected from state funding. It continued to experience high vacancy rates for transportation and instructional staff budgeted positions. Additionally, the District opted to participate in the Work Share program through the Oregon Employment Department. This program provided external compensation to qualifying employees for taking one furlough day per week from May through July. The District budgeted to spend a significant amount of the unassigned fund balance in the fiscal year 2020-21 Budget, so this fund balance is expected to decline. The School Board has set a targeted annual fund balance of five to seven percent (5% to 7%) of the annual operating revenues.

Grants Fund

The Grants Fund represents funding received from state and federal agencies for the purpose of expanding educational offerings and opportunities. Use of resources in this fund is restricted by federal and state statutes, state administrative rules, and the provisions of each individual grant. Per the terms of the grants, the District incurs expenditures for the grant programs and is reimbursed for the expenses primarily from the Oregon Department of Education as the fiduciary agency receiving the funds from the federal government and the state, or from other agencies that issued the grants. For fiscal year 2019-20, the District received \$39.7 million in funding compared to the prior year of \$44.3 million. The 2019-20 reduction in spending on various reimbursable grants was primarily caused by the restrictions placed on in-person learning relating to the COVID-19 pandemic.

GO Debt Service Fund

The GO Debt Service Fund has a total fund balance of \$3.6 million, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$9.7 million from the sinking fund payment made in the 2019-20 fiscal year.

PERS Pension Debt Service Fund

The PERS Pension Debt Service Fund has a total fund balance of \$24.9 million. The fund was set up in fiscal year 2002-03 to account for the payment of principal and interest on long-term pension bonds. The major source of revenue for the fund is charges to other funds. The District maintained the fund balance in anticipation of making future debt payments while sustaining a large increase in the percentage of payroll contributions for the Oregon Public Employees Retirement Plan (PERS). In addition, the fund balance may be utilized to mitigate payroll contributions in future periods to PERS based on the expectation that rates will rise significantly over the next three biennia.

2018 Bond Capital Projects Fund

The 2018 Bond Capital Projects Fund has a total fund balance of \$282.8 million, all of which is restricted for construction-related expenditures. This fund balance was created during the current year from the GO bonds issued in July 2018. The District has construction work underway at many locations funded by these bond dollars.

Other Nonmajor Governmental Funds

Other Nonmajor Governmental Funds include the Fee Based Programs Fund, Food Services Fund, Energy Efficiency Fund, Asset Replacement Fund, Special Capital Projects Fund, and the Preventative & Deferred Maintenance Fund. The total fund balance for the Other Nonmajor Governmental Funds was \$20.8 million as of June 30, 2020, an increase of \$0.8 million from the prior year.

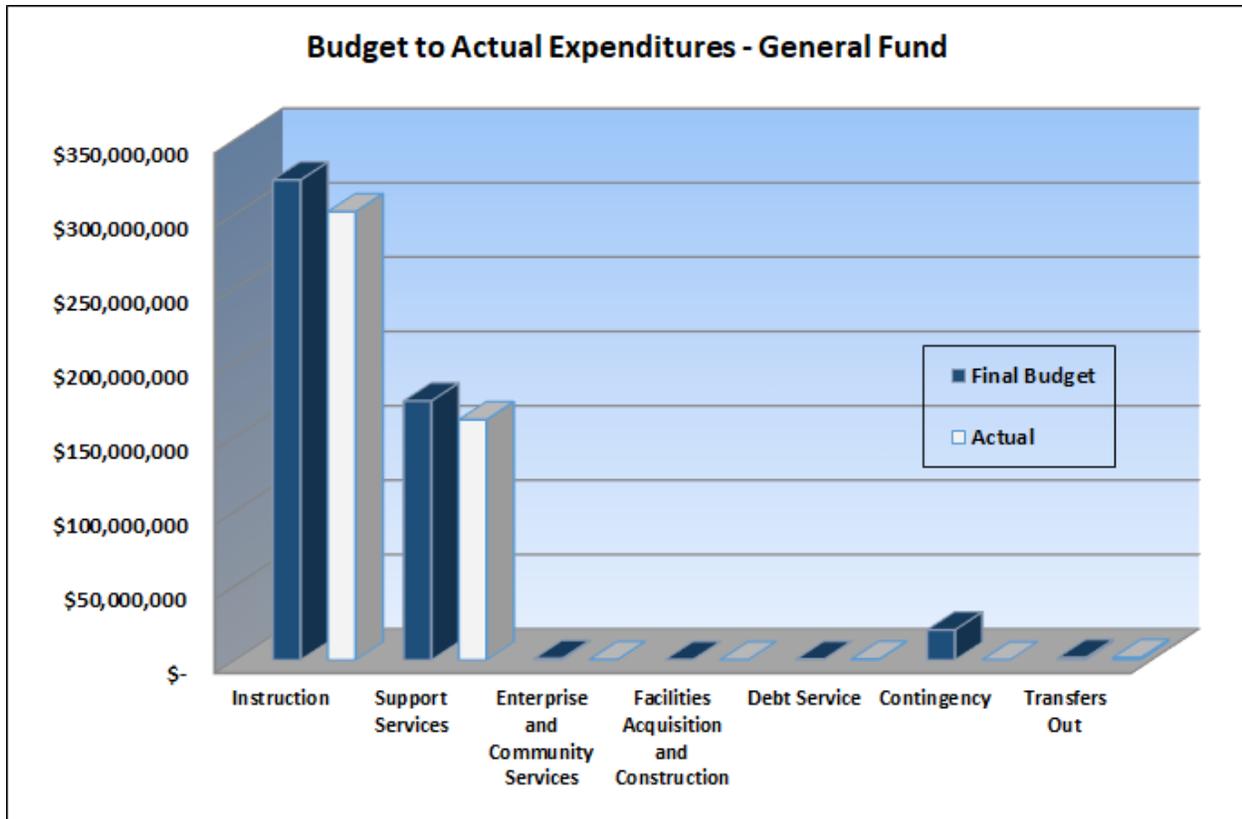
General Fund Budgetary Highlights

Within the General Fund, the supplemental budget for 2019-20 realigned \$1.0 million from Contingency to Enterprise and Community Services. All General Fund expenditures were within budgeted appropriations.

The following table and chart show the budgeted expenditures to actual expenditures for the General Fund for fiscal year 2019-20.

General Fund Expenditures & Transfers Out	Final Budget	Actual	Variances	
			Dollars	Percent
Instruction	\$ 322,832,135	\$ 301,502,596	\$ 21,329,539	6.6%
Support Services	174,185,811	161,537,521	12,648,290	7.3%
Enterprise and Community Services	1,000,000	202,821	797,179	79.7%
Facilities Acquisition and Construction	230,079	128,300	101,779	44.2%
Debt Service	451,515	450,251	1,264	0.3%
Contingency	20,202,436	-	20,202,436	100.0%
Transfers Out	1,570,001	1,570,000	1	0.0%
Total	\$ 520,471,977	\$ 465,391,489	\$ 55,080,488	10.6%

The District’s labor and benefits budget has been prepared based on high level assumptions in the past, which cause large variances. The budgeting method, combined with the difficulty in filling staffing vacancies, has generated significant favorable variances between budget and actual. Improvements in recruiting and implementation of position control are expected to lead to more detailed budgeting, thus closing the gap between budget and actual in future years. Contingency is used for transfers of appropriations to functions, as needed. Amounts not needed are shown as unspent from Contingency.



Capital Assets

The District’s investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2020, the District had invested \$617.4 million in capital assets, net of accumulated depreciation, as shown in the following table:

	<u>2020</u>	<u>2019</u>
Land and Construction In Progress	\$ 210,818,683	\$ 63,516,189
Buildings and Improvements, net	374,533,911	384,145,137
Vehicles and Equipment, net	<u>32,092,699</u>	<u>30,887,845</u>
Total	<u>\$ 617,445,293</u>	<u>\$ 478,549,171</u>

During fiscal year 2019-20, the District’s investment in net capital assets increased by \$138.9 million. The major capital asset events for the year were the various bond construction projects which increased Construction in Progress by \$146.4 million.

Additional information on the District’s capital assets can be found in Note 1K and Note 4 in the Notes to the Basic Financial Statements of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total long-term debt, including capital leases, outstanding of \$732.4 million versus \$786.9 million at the end of fiscal year 2018-19. The decrease in long-term debt was from scheduled principal payments in fiscal year 2019-20 including the \$31.8 million payoff of the 2009 General Obligation bonds. This debt outstanding as of June 30, 2020, includes general obligation bonds of \$479.7 million and pension bonds of \$187.0 million.

State statute ORS 328.245 limits the amount of general obligation debt a school district may issue up to 7.95% of its real market value. The current debt limitation for the District is \$2.8 billion which is significantly in excess of the District’s outstanding general obligation debt of \$479.7 million. Additional information on the District’s long-term debt can be found in Note 1Q and Note 5 in the Notes to the Basic Financial Statements of this report.

Economic Factors in Current and Next Year’s Budget

The most significant economic factor for the District is the funding level from the State of Oregon’s State School Fund. State funding is the largest source of funding for school districts. While it is increasing, the rate of increase does not match the rate that pension and other costs are increasing. The District is optimistic that state funding for education will continue to increase given the Governor’s emphasis on educational outcomes.

The State School Fund (SSF) for the 2019-21 biennium is \$9.0 billion, 10% higher than the 2017-19 biennium of \$8.2 billion. Average Daily Membership (ADM) is the state calculation of enrolled students based on days of attendance and is utilized in the state funding formula (ADMw) for school districts modified by factors such as poverty levels, half of kindergarten students, special education students and other items. In fiscal year 2015-16 the District implemented full-day kindergarten which provided another 0.5 weight to the District’s ADMw.

Since ADM is based on enrollment, the data is available sooner than ADMw. The District receives their SSF allocation based on Extended ADMw which is the greater of the current or prior year’s ADMw number. The annual ADMw figures are finalized by the Oregon Department of Education the following spring. The ADMw for 2019-20 was 52,147 and the most recent estimated ADMw figure for 2020-21 was 52,456. The District’s ADM decreased by 97 in fiscal year 2019-20, and an increase of 203 is estimated for fiscal year 2020-21. The District is currently reviewing enrollment to revise the 2020-21 ADM and ADMw estimates as enrollment is down.

<u>Year Ended</u>	<u>ADM</u>	<u>ADMw</u>
2011	39,427	48,213
2012	39,611	48,370
2013	39,664	48,567
2014	39,974	49,133
2015	40,181	50,242
2016	40,799	52,557
2017	41,178	53,054
2018	41,416	52,629
2019	41,255	52,340
2020	41,158	52,147
2021	41,361 *	52,456 *
2022	41,234 *	n/a
2023	41,170 *	n/a
2024	40,967 *	n/a
2025	40,485 *	n/a

Source: Salem-Keizer Public Schools. * Projected.

Information on PERS rates for Salem-Keizer School District 24J can found on the Oregon PERS website, <http://www.oregon.gov/pers/Pages/index.aspx>.

Requests for Information

This financial report is designed to present the user (community members, taxpayers, investors, and creditors) with a general overview of the District’s finances and to demonstrate our accountability. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Financial Services, 2450 Lancaster Dr. NE, Suite 220, Salem, OR 97305

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Pooled Cash and Investments	\$ 469,630,649	\$ -	\$ 469,630,649
Accounts Receivable:			
Property Taxes	5,330,931	-	5,330,931
Other Receivables	18,006,672	-	18,006,672
Prepaid Items	25,296	-	25,296
Inventories	1,131,361	-	1,131,361
Capital Assets Not Depreciated:			
Land	36,617,717	-	36,617,717
Construction in Progress	174,200,966	-	174,200,966
Capital Assets, Net of Accumulated Depreciation:			
Land Improvements	27,824,813	-	27,824,813
Buildings and Improvements	346,709,098	-	346,709,098
Equipment	21,674,499	-	21,674,499
Vehicles	10,418,200	-	10,418,200
Net OPEB Asset - RHIA	4,534,037	-	4,534,037
TOTAL ASSETS	1,116,104,239	-	1,116,104,239
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amount on Bond Refunding	18,000	-	18,000
OPEB Deferred Outflows - RHIA	287,100	-	287,100
OPEB Deferred Outflows - RHIS	9,957,864	-	9,957,864
Pension Deferred Outflows - PERS	135,340,489	-	135,340,489
TOTAL DEFERRED OUTFLOWS	145,603,453	-	145,603,453
LIABILITIES:			
Accounts Payable	36,024,159	-	36,024,159
Accrued Salaries and Benefits	33,201,187	-	33,201,187
Accrued Interest Payable	97,139,244	-	97,139,244
Accrued Compensated Absences Payable - Current	3,532,302	-	3,532,302
Accrued Claims Losses - Current	1,880,556	-	1,880,556
Unearned Revenue	616,470	-	616,470
Long-term Debt:			
Due within One Year	41,503,223	-	41,503,223
Due in More than One Year	690,920,842	-	690,920,842
Other Long-term Liabilities Due in More than One Year:			
Total OPEB Liability - RHIS	42,329,949	-	42,329,949
Net Pension Liability - PERS	394,594,093	-	394,594,093
TOTAL LIABILITIES	1,341,742,025	-	1,341,742,025
DEFERRED INFLOWS OF RESOURCES:			
OPEB Deferred Inflows - RHIA	891,224	-	891,224
OPEB Deferred Inflows - RHIS	491,281	-	491,281
Pension Deferred Inflows - PERS	39,461,209	-	39,461,209
TOTAL DEFERRED INFLOWS	40,843,714	-	40,843,714
NET POSITION:			
Net Investment in Capital Assets	354,844,900	-	354,844,900
Restricted for Special Purposes	1,167,616	-	1,167,616
Unrestricted	(476,890,563)	-	(476,890,563)
TOTAL NET POSITION	\$ (120,878,047)	\$ -	\$ (120,878,047)

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities:							
Instructional Services	\$ 368,583,635	\$ 9,217,812	\$ 19,825,536	\$ -	\$ (339,540,287)	\$ -	\$ (339,540,287)
Support Services:							
Student Transportation Services	22,324,258	-	-	1,157,622	(21,166,636)	-	(21,166,636)
Other Support Services	184,097,364	14,438,165	15,100,057	-	(154,559,142)	-	(154,559,142)
Community Services	2,848,675	5,765	2,278,392	-	(564,518)	-	(564,518)
Food Services	14,379,549	1,537,548	15,075,949	-	2,233,948	-	2,233,948
Facilities Services	7,332,653	-	-	3,585,232	(3,747,421)	-	(3,747,421)
Interest on Long-term Debt	38,439,497	-	-	-	(38,439,497)	-	(38,439,497)
Total Primary Government	\$ 638,005,631	\$ 25,199,290	\$ 52,279,934	\$ 4,742,854	(555,783,553)	-	(555,783,553)
General Revenues:							
Property Taxes Levied for General Purposes					84,920,119	-	84,920,119
Property Taxes Levied for Debt Service					51,092,658	-	51,092,658
Revenue from Intermediate Sources					17,027,680	-	17,027,680
State School Fund (SSF) - General Support					356,550,799	-	356,550,799
SSF - Unrestricted High Cost Disability Grant					2,218,809	-	2,218,809
Common School Fund					4,044,246	-	4,044,246
Federal Forest Fees - General Support					138,783	-	138,783
Unrestricted State and Local Sources					1,341,310	-	1,341,310
Gain on Sale of Capital Assets					32,195	-	32,195
Earnings on Investments					11,825,284	-	11,825,284
Net Increase in the Fair Value of Investments					3,965,505	-	3,965,505
Miscellaneous					407,056	-	407,056
Transfers					38,321	(38,321)	-
Total General Revenues and Transfers					533,602,765	(38,321)	533,564,444
CHANGE IN NET POSITION					(22,180,788)	(38,321)	(22,219,109)
Net Position, June 30, 2019 as restated					(98,697,259)	38,321	(98,658,938)
Net Position, June 30, 2020					\$ (120,878,047)	\$ -	\$ (120,878,047)

The notes to the basic financial statements are an integral part of this statement.



BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

SALEM-KEIZER SCHOOL DISTRICT 24J
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Grants Fund</u>	<u>GO Debt Service Fund</u>
ASSETS			
Pooled Cash and Investments	\$ 85,023,144	\$ -	\$ 3,137,826
Property Tax Receivable	3,622,678	-	1,708,253
Accounts and Other Receivables	2,399,447	14,763,352	-
Due from Other Funds	13,269,382	-	-
Inventories	275,413	-	-
Total Assets	<u>\$ 104,590,064</u>	<u>\$ 14,763,352</u>	<u>\$ 4,846,079</u>
LIABILITIES			
Accounts Payable	\$ 3,266,603	\$ 852,941	\$ -
Accrued Payroll	13,250,892	370,916	-
Payroll Taxes and Withholding Payable	19,572,101	-	-
Due to Other Funds	-	13,269,382	-
Unearned Revenue	10,569	270,113	-
Total Liabilities	<u>36,100,165</u>	<u>14,763,352</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u>2,753,133</u>	<u>-</u>	<u>1,275,493</u>
FUND BALANCES			
Nonspendable for Inventories	275,413	-	-
Restricted for:			
Debt Service	-	-	3,570,586
Capital Projects	-	-	-
Special Purposes	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>65,461,353</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>65,736,766</u>	<u>-</u>	<u>3,570,586</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 104,590,064</u>	<u>\$ 14,763,352</u>	<u>\$ 4,846,079</u>

The notes to the basic financial statements are an integral part of this statement.

PERS Pension Debt Service Fund	2018 Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 24,913,407	\$ 312,113,216	\$ 21,455,556	\$ 446,643,149
-	-	-	5,330,931
-	-	798,200	17,960,999
-	-	-	13,269,382
-	-	-	275,413
<u>\$ 24,913,407</u>	<u>\$ 312,113,216</u>	<u>\$ 22,253,756</u>	<u>\$ 483,479,874</u>
\$ -	\$ 29,289,544	\$ 1,147,124	\$ 34,556,212
-	-	1,164	13,622,972
-	-	-	19,572,101
-	-	-	13,269,382
-	-	335,665	616,347
-	<u>29,289,544</u>	<u>1,483,953</u>	<u>81,637,014</u>
-	-	-	4,028,626
-	-	-	275,413
-	-	-	3,570,586
-	282,823,672	-	282,823,672
-	-	1,167,616	1,167,616
3,000,000	-	10,006,367	13,006,367
21,913,407	-	9,595,820	31,509,227
-	-	-	65,461,353
<u>24,913,407</u>	<u>282,823,672</u>	<u>20,769,803</u>	<u>397,814,234</u>
<u>\$ 24,913,407</u>	<u>\$ 312,113,216</u>	<u>\$ 22,253,756</u>	<u>\$ 483,479,874</u>



SALEM-KEIZER SCHOOL DISTRICT 24J
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2020

TOTAL GOVERNMENTAL FUND BALANCES		\$ 397,814,234
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Non-depreciable Assets	\$ 210,818,683	
Depreciable Assets	637,560,369	
Accumulated Depreciation	<u>(232,166,908)</u>	616,212,144
Deferred outflows of resources related to deferred amounts on refundings of bonds payable are not reported in the funds.		
		18,000
Long-term pension/OPEB assets/liabilities and related deferred inflows/outflows of resources not payable in the current year are not reported as governmental fund liabilities. These consist of:		
OPEB Deferred Outflows - RHIA	283,790	
OPEB Deferred Outflows - RHIS	9,843,059	
Pension Deferred Outflows - PERS	133,780,138	
Net OPEB Asset - RHIA	4,481,764	
Net Pension Liability - PERS	(390,044,786)	
OPEB Deferred Inflows - RHIA	(880,949)	
OPEB Deferred Inflows - RHIS	(485,617)	
Pension Deferred Inflows - PERS	(39,006,258)	
Total OPEB Liability - RHIS	<u>(41,841,924)</u>	(323,870,783)
Deferred inflows of resources related to property taxes and miscellaneous revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds.		
		4,028,626
Internal service funds are used by the District to charge the costs of district services and insurance costs to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position:		
		17,924,486
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued Interest Payable	(97,139,244)	
Bonds Payable	(666,668,339)	
Premium on Bonds Payable	(61,858,536)	
Capital Leases Payable	(3,897,190)	
Compensated Absences Payable	<u>(3,441,445)</u>	<u>(833,004,754)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (120,878,047)</u>

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Grants Fund	GO Debt Service Fund
Revenues			
Taxes	\$ 85,146,197	\$ -	\$ 50,846,389
Fees Charged to Grants and Other Funds	2,187,246	-	-
Local Sources	1,050,774	-	-
Earnings on Investments	2,977,005	-	237,124
Intergovernmental Revenues:			
Intermediate Sources	18,031,117	1,289,729	-
State Sources	362,678,964	13,780,268	-
Federal Sources	138,782	24,664,700	-
Total Revenues	<u>472,210,085</u>	<u>39,734,697</u>	<u>51,083,513</u>
Expenditures			
Current:			
Instruction	301,489,326	19,018,971	-
Support Services	159,253,498	15,083,089	-
Enterprise and Community Services	202,821	2,394,106	-
Facilities Acquisition and Construction	43,921	-	-
Debt Service:			
Principal	411,893	-	39,923,377
Interest	38,358	-	20,831,323
Capital Outlay	2,381,672	3,238,531	-
Total Expenditures	<u>463,821,489</u>	<u>39,734,697</u>	<u>60,754,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,388,596</u>	<u>-</u>	<u>(9,671,187)</u>
Other Financing Sources and Uses, Including Transfers:			
Sale of Capital Assets	32,195	-	-
Transfers In	38,321	-	-
Transfers Out	(1,570,000)	-	-
Total Other Financing Sources and Uses, Including Transfers	<u>(1,499,484)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	6,889,112	-	(9,671,187)
Fund Balances, July 1, 2019	<u>58,847,654</u>	<u>-</u>	<u>13,241,773</u>
Fund Balances, June 30, 2020	<u>\$ 65,736,766</u>	<u>\$ -</u>	<u>\$ 3,570,586</u>

The notes to the basic financial statements are an integral part of this statement.

PERS Pension Debt Service Fund	2018 Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 135,992,586
-	-	-	2,187,246
23,870,942	37,188	7,210,935	32,169,839
722,725	10,863,819	426,924	15,227,597
-	-	-	19,320,846
-	-	1,473,957	377,933,189
-	-	14,643,900	39,447,382
<u>24,593,667</u>	<u>10,901,007</u>	<u>23,755,716</u>	<u>622,278,685</u>
-	-	5,840,680	326,348,977
-	-	1,301,809	175,638,396
-	-	14,374,214	16,971,141
-	5,268,690	67,212	5,379,823
9,663,666	-	627,187	50,626,123
14,327,671	-	82,483	35,279,835
-	147,296,815	2,253,235	155,170,253
<u>23,991,337</u>	<u>152,565,505</u>	<u>24,546,820</u>	<u>765,414,548</u>
<u>602,330</u>	<u>(141,664,498)</u>	<u>(791,104)</u>	<u>(143,135,863)</u>
-	-	-	32,195
-	-	1,570,000	1,608,321
-	-	-	(1,570,000)
-	-	1,570,000	70,516
<u>602,330</u>	<u>(141,664,498)</u>	<u>778,896</u>	<u>(143,065,347)</u>
<u>24,311,077</u>	<u>424,488,170</u>	<u>19,990,907</u>	<u>540,879,581</u>
<u>\$ 24,913,407</u>	<u>\$ 282,823,672</u>	<u>\$ 20,769,803</u>	<u>\$ 397,814,234</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

NET CHANGES IN FUND BALANCES		\$ (143,065,347)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
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. In the current period these amounts are:		
Additions to Capital Assets	\$ 152,567,643	
Depreciation Expense	<u>(13,983,075)</u>	138,584,568
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayment exceed proceeds:		
Bond and Capital Lease Debt Principal Repaid	50,626,142	
Accrued Interest	<u>(6,961,157)</u>	43,664,985
In the governmental funds amortization is not recognized for bond premiums and refunding amounts on bonds:		
Amortization of Bond Premium	3,819,495	
Amortization of Deferred Bond Refunding	<u>(18,000)</u>	3,801,495
Governmental Funds report pension contributions as expenditures. In the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense.		
Net Change in Pension Liability/Asset	(25,416,017)	
Net Change in Deferred Outflows of Resources	(26,393,881)	
Net Change in Deferred Inflows of Resources	<u>(11,518,676)</u>	(63,328,574)
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.		
		20,191
Internal service funds are used by the District to charge the costs of printing services and insurance premiums and claims to the individual funds. The change in net position of the internal service funds is reported with governmental activities.		
		3,247,176
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as expenditures when earned.		
		(1,973,554)
Governmental Funds report OPEB contributions as expenditures. In the Statement of Activities, the cost of OPEB benefits earned net of employer contributions is reported as OPEB expense.		
Net Change in OPEB Liability/Asset	(2,874,344)	
Net Change in Deferred Outflows of Resources	395,881	
Net Change in Deferred Inflows of Resources	<u>(653,265)</u>	(3,131,728)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (22,180,788)</u>

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets		
Pooled Cash and Investments	\$ -	\$ 22,987,500
Receivables	-	45,673
Prepaid Items	-	25,296
Inventories	-	855,948
Net OPEB Asset - RHIA	-	52,273
Total Current Assets	-	23,966,690
Capital Assets, Net of Accumulated Depreciation	-	1,233,149
TOTAL ASSETS	-	25,199,839
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Deferred Outflows - RHIA	-	3,310
OPEB Deferred Outflows - RHIS	-	114,805
Pension Deferred Outflows - PERS	-	1,560,351
Total Deferred Outflows	-	1,678,466
LIABILITIES		
Current Liabilities		
Accounts Payable	-	1,467,947
Accrued Salaries & Benefits	-	6,114
Accrued Claims Liability	-	1,880,556
Accrued Compensated Absences	-	90,857
Unearned Revenue	-	123
Total Current Liabilities	-	3,445,597
Long-term Liabilities		
Net Pension Liability - PERS	-	4,549,307
Total OPEB Liability - RHIS	-	488,025
Total Long-term Liabilities	-	5,037,332
TOTAL LIABILITIES	-	8,482,929
DEFERRED INFLOWS OF RESOURCES		
OPEB Deferred Inflows - RHIA	-	10,275
OPEB Deferred Inflows - RHIS	-	5,664
Pension Deferred Inflows - PERS	-	454,951
Total Deferred Inflows	-	470,890
NET POSITION		
Investment in Capital Assets	-	1,233,149
Unrestricted	-	16,691,337
TOTAL NET POSITION	\$ -	\$ 17,924,486

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
Operating Revenues		
State Sources	\$ -	\$ 7,552
Charges for Services	-	16,755,630
Total Operating Revenue	-	16,763,182
Operating Expenses		
Salaries	-	3,203,046
Employee Benefits	-	2,189,783
Purchased Services	-	4,149,761
Supplies and Materials	-	4,444,239
Depreciation	-	92,369
Total Operating Expenses	-	14,079,198
Total Operating Income	-	2,683,984
Nonoperating Revenues		
Earnings on Investments	-	563,192
Income Before Transfers	-	3,247,176
Transfers Out	(38,321)	-
Change in Net Position	(38,321)	3,247,176
Net Position, July 1, 2019 as restated	38,321	14,677,310
Net Position, June 30, 2020	\$ -	\$ 17,924,486

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Receipts for Services Provided	\$ -	\$ 16,762,286
Payments to Employees for Services	-	(5,368,989)
Payments to Suppliers for Goods and Services	-	(6,067,542)
Payments for Claims	-	(2,650,522)
Cash Provided (Used) by Operating Activities	<u>-</u>	<u>2,675,233</u>
Cash Flows from Non Capital Financial Activities:		
Transfers In (Out)	(38,321)	-
Cash Flows from Capital and Related Financing Activities:		
Purchases of Capital Assets	-	(403,923)
Cash Flows from Investing Activities:		
Interest Received	-	563,192
Increase (Decrease) in Cash and Cash Equivalents	(38,321)	2,834,502
Cash and Cash Equivalents at Beginning of Year	<u>38,321</u>	<u>20,152,998</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 22,987,500</u>
Reconciliation of Operating Loss to Cash Flows from Operating Activities:		
Operating Income	\$ -	\$ 2,683,984
Adjustments to Reconcile Operating Income to Cash Provided (Used) by Operating Activities:		
Depreciation Expense	-	92,369
RHIA OPEB Expense Adjustment	-	(938)
Pension Expense Adjustment	-	15,370
RHIS OPEB Expense Adjustment	-	(41,712)
Retirement Stipend Expense Adjustment	-	(240)
Change in Assets and Liabilities:		
Change in Receivables	-	24,400
Change in Prepaid Items	-	(25,296)
Change in Inventories	-	(179,495)
Change in Accounts Payable	-	405,825
Change in Accrued Salaries & Benefits	-	6,114
Change in Unearned Revenue	-	94
Change in Accrued Claims Liability	-	(350,488)
Change in Accrued Compensated Absences	-	45,246
Total Adjustments	<u>-</u>	<u>(8,751)</u>
Cash Provided (Used) for Operating Activities	<u>\$ -</u>	<u>\$ 2,675,233</u>

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Private-Purpose Trust Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 194,574
TOTAL ASSETS	<u>194,574</u>
NET POSITION	
Net Position Held in Trust for Scholarships	<u>194,574</u>
TOTAL NET POSITION	<u>\$ 194,574</u>

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2020

	<u>Agency Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$ 197,637
Total Assets	<u>\$ 197,637</u>
LIABILITIES:	
Accounts Payable	\$ 253
Due to Outside Groups	197,384
Total Liabilities	<u>\$ 197,637</u>

The notes to the basic financial statements are an integral part of this statement.

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Funds
Additions	
Contributions	\$ 4,400
Deductions	
Scholarships	10,664
Dues & Fees	236
Total Deductions	10,900
Change in Net Position	(6,500)
Net Position, July 1, 2019	201,074
Net Position, June 30, 2020	\$ 194,574

The notes to the basic financial statements are an integral part of this statement.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of Salem-Keizer School District 24J (the District) is presented to assist in understanding the School District's financial statements. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The District is a municipal corporation governed by a separately elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special districts within the District's boundaries. The District is not financially accountable for these entities.

The District has granted charter to four public charter schools; Howard Street Charter School, Jane Goodall Environmental Middle School, Optimum Learning Environments Charter School and Valley Inquiry Charter School. These public charter schools are legally separate, tax-exempt organizations governed by their own board of directors. Their financial statements may be requested by contacting their administrative offices.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the governmental financial activities of the overall District (primary government), except fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements to minimize the double counting of internal activities and business-type activities, except for interfund services. Net position is reported as restricted when constraints placed on net position are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services. They are reported separately from business type activities, which rely to a significant extent on charges for support.

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. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds include the General Fund, Grants Fund, GO Debt Service Fund, PERS Pension Debt Service Fund and the 2018 Bond Capital Projects Fund. Other Nonmajor Government Funds are reported as a separate column in the fund financial statements.

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

Government-Wide Financial Statements

Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds (excluding the Agency Fund) financial statements. 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. For the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then to general resources.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are charges between the School District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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 District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. 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.

The accounts of the School District are organized on the fund basis, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The financial statements provide information about the District's funds including those of a fiduciary nature. The District presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. All proprietary funds are combined in the statements in that there are no nonmajor proprietary funds. Major individual governmental funds are reported in separate columns in the fund financial statements with nonmajor funds being combined into a single column regardless of fund type.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

The District reports the following major governmental funds:

General Fund – This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are an apportionment from the State of Oregon and property taxes.

Grants Fund – This special revenue fund accounts for funds reserved for resources and expenditures from Federal and State grants. This fund did not qualify as a major fund this year, but the District has continued to include it in this category for community interest.

GO Debt Service Fund – This fund accounts for the payment of principal and interest on general obligation bonded debt. Principal revenue source is property taxes. This fund did not qualify as a major fund this year, but the District has continued to include it in this category for community interest.

PERS Pension Debt Service Fund – This fund accounts for the payment of principal and interest on pension bonds. Principal revenue sources are charges to other funds and earnings from investments. This fund did not qualify as a major fund this year, but the District has continued to include it in this category for community interest.

2018 Bond Capital Projects Fund – This fund accounts for capital outlay expenditures relating to the acquisition, construction and renovation of school facilities. Principal funding sources are proceeds from the sale of general obligation bonds and earnings from temporary investments.

Nonmajor governmental funds include:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are restricted, committed or assigned to expenditures for specific purposes. Special Revenue Funds of the district consist of the Fee Based Programs Fund, Food Services Fund, Energy Efficiency Fund and the Asset Replacement Fund.

Capital Projects Funds – These funds account for the proceeds of specific revenue sources that are restricted or committed to deferred maintenance or to specific capital projects designated by the District.

The District reports the following proprietary funds:

Enterprise Fund – This fund accounts for activity with external customers related to facility rentals, transportation, reprographics and central stores operations. The District closed this fund on June 23, 2020.

Internal Service Funds – These account for insurance, printing, the central stores operation, minor building modification services, and services to charter schools. These are services provided to other departments of the District on a cost reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are rental and lease charges for facility use and service charges to external customers for goods and services or transportation. Operating expenses for the Enterprise Fund include salaries and benefits, supplies, materials and administrative expenses. The principal operating revenues of the District's Internal Service Funds are charges to other funds for insurance or goods or services. Operating expenses for the Internal Service Funds include self-insurance, salaries and benefits, supplies, materials and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses in both the Enterprise Fund and the Internal Service Funds.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

The District reports the following fiduciary funds:

Fiduciary Funds – The School District’s fiduciary funds include private-purpose trust funds and a custodial fund. The private-purpose trust funds of the School District account for student scholarships and memorials. The custodial fund of the School District account for activities administered by the District on behalf of others controlled directly by parent and student groups. The School District’s custodial fund applies the accrual basis of accounting but does not have a measurement focus.

D. 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 assets and liabilities at the date of the basic financial statements, as well as, the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

E. Budget and Budgetary Accounting

A budget is prepared and legally adopted for each governmental fund type, and proprietary fund type, on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types. The exception is capital outlay expenditures, including items below the District’s capitalization level, which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Expenditures may exceed budgeted expenses at lower detail levels than functions. Unexpected additional resources may be added to the budget through the use of a supplemental budget and an appropriation resolution.

Supplemental budgets less than 10% of a fund’s original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund’s original budget requires hearings before the public, publication in newspaper and approval by the Board. Budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year. Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function.

F. Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value.

The District's investments consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Time certificates of deposit are stated at cost, which approximates fair value. Banker's acceptances, commercial paper and U.S. Government Agency securities are stated at amortized cost, which approximates fair value. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury (OST) administers the LGIP. It is an open-ended no-load diversified portfolio. The OST offers the LGIP to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any funds. The LGIP is commingled with the State’s short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

G. Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property tax receivables are due from property owners within the District.

H. Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. The District pursues the collection of debt to the full extent allowed by Oregon State statute. As of June 30, 2020, no allowance for bad debt was considered necessary.

I. Grants

Grant revenues are recognized as grants receivable as reimbursable expenditures are incurred. As expenditures are incurred revenue is recognized and a receivable is recognized. Grants received prior to the eligibility of expenditures are recorded as unearned revenue.

J. Inventories and Prepaid Items

Inventories of supplies, materials and food in the governmental funds are stated at cost (average cost). Inventoried items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method). Commodity inventories are not recorded as title to them is not considered to pass to the District until they are consumed.

General Fund inventory consist of transportation parts and fuel. Internal Service Fund inventory consists of warehouse fund inventory primarily of expendable supplies and equipment held at the central warehouse for issuance to district schools, other school district locations or to other school districts.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenditures using the consumption method.

K. Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated life in excess of one year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Capital assets are depreciated using the straight-line method over the following useful lives:

- Land improvements – 15 to 75 years
- Buildings and improvements – 15 to 75 years
- Equipment and Vehicles – 5 to 20 years

L. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined by a consumption of net position by the District that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net position by the District that is applicable to a future reporting period. Deferred outflows of resources increase net position, like assets, and deferred inflows of resources decrease net position, as do liabilities.

Deferred outflows on debt refunding result when the net carrying value of refunded debt exceeds its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension and OPEB deferred outflows relate to employee contributions subsequent to the PERS measurement date

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

and the net difference between projected and actual pension and OPEB plan activity. Pension and OPEB deferred inflows reflect the net difference between projected and actual pension plan activity.

M. Retirement Plans

Substantially all District employees are participants in the State of Oregon Public Employees Retirement System generally referred to as PERS. It is a cost-sharing multiple-employer defined benefit pension plan. PERS is administered by the Public Employees Retirement Board as required by Oregon Revised Statutes (ORS) chapters 238 and 238A. The financial reporting information pertaining to the District's participation in PERS was prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The Net Position and additions and deductions from the Net Position relating to the District's pension obligation were calculated based on an actuarial study completed by PERS. A copy of the study may be obtained on the following website:

http://www.oregon.gov/PERS/EMP/Pages/section/er_general_information/gasb-68.aspx

The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees became members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: The Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code, and a deferred compensation plan established pursuant to Section 457(b) of the Internal Revenue Code. For the year ended June 30, 2020 there were 1,157 employees participating in the plan. The only contribution made by the District is for one administrator position. Employees are immediately vested in their own contributions and any earnings on those contributions, but the contribution made by the District is subject to a service commitment. For the year ended June 30, 2020 the District contributed \$35,000.

N. Other Post-Employment Benefits

As a member of Oregon Public Employees Retirement System (PERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees which are administered by PERS. RHIA is a cost-sharing multiple-employer defined benefit plan. Contributions to PERS for RHIA are made on a current basis as required by the plan and are charged as expenses.

The District offers continued medical coverage for eligible retirees, their spouses and dependents until they are eligible for Medicare. The retiree must pay the entire premium in exchange for this coverage. The premium itself does not represent the full cost of coverage because the retirees are expected to generate higher medical claims and therefore higher medical premiums for the District. OPEB liabilities are generally liquidated by the General Fund.

O. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District.

It is the District's policy to permit employees to accumulate earned, but unused vacation pay benefits; however, unused benefits must be used or forfeited within one fiscal year of the fiscal year earned. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Compensated absences have been and will be paid from general revenues from the District's General Fund and are expected to be paid within the next twelve months.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

P. Self-Insurance – Accrued Claims Losses – Current

The Risk Management Fund - Internal Service accounts for the costs incurred for workers' compensation claims, general liability claims, unemployment claims, and property and fire losses.

The District currently provides for estimated losses to be incurred from pending claims and for claims incurred, but not reported (IBNR). IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date. These liabilities are based on actuarial valuations or District estimates.

The District is self-insured for costs up to policy deductible limits as follows:

- General Liability self-insured retention (SIR) is \$850,000 per occurrence. Insured limits are \$10,000,000 per occurrence, \$10,000,000 combined annual aggregate.
- Property liability SIR is \$500,000 per occurrence. Insured limits are \$250,000,000 per occurrence, \$250,000,000 combined annual aggregate.
- Workers' compensation SIR is \$600,000 per occurrence. Insured limits are \$1,000,000 for employer's liability and statutory for workers' compensation.
- Cyber policy limit is \$2,000,000 with a \$25,000 deductible.
- Crime policy limit is \$750,000 with a \$5,000 deductible.

Q. Long-Term Obligations

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported as net of the applicable bond premium or discount. Issuance costs are expensed in the year issued.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

R. Net Position

In the government-wide financial statements, net position consist of assets invested in capital assets (net of related debt), restricted and unrestricted net position. The restricted net position is restricted by state statute for debt service, for a voters' measure, and for other state funding restricted for certain useage. Long-term debt is reported as a liability in the Statement of Net Position.

S. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. The restrictions are constraints placed on the use of the resources, externally imposed by creditors, grantors, contributors, laws and regulations of the state, federal government, or other governments or may be imposed by law through constitutional provisions or enabling legislation.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

- **Committed** fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government’s highest level of decision-making authority, the District’s School Board through a School Board Resolution. The committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by passing another resolution to uncommit the amounts or utilize them for another purpose.
- **Assigned** fund balance comprises amounts intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.
- **Unassigned** fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Positive unassigned amounts will be reported only in the General Fund. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

If an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) amounts are available, the District applies restricted resources first if applicable. 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.

The General Fund reports inventory as nonspendable fund balance.

The GO Debt Service Fund has a restricted fund balance dedicated to the debt service of the General Obligation Bonds of the District. The balance is restricted due to provisions of the District’s General Obligation Bonds, voter approved legislation, and state law. Nonmajor governmental funds have restricted balances that are required to be utilized for specific purposes such as energy efficient and other capital projects and the state facilities grant.

The nonmajor governmental funds, the Asset Replacement Fund, the Special Capital Projects Fund and the Preventative & Deferred Maintenance Fund also have committed and assigned fund balances. The District set up a PERS Pension Debt Service Fund to accumulate funds to service the debt of its PERS pension bonds. These funds are classified as assigned or committed.

The remaining fund balance in the Governmental Funds is unassigned General Fund balance.

T. New Accounting Standards

For the fiscal year ended June 30, 2020, the District implement the following new accounting standards:

- GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this statement is to provide temporary relief to governments and other stakeholders due to the COVID-19 pandemic. The statement is effective for fiscal years beginning after June 15, 2018 and later.

The District will implement new GASB pronouncements no later than the required fiscal year.

Information about these pronouncements may be found on the Governmental Accounting Standards’ Board website: www.gasb.org/.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 2: Pooled Cash and Investments

The District maintains an internal cash and investments pool that is available for use by all funds. Each fund type's portion of the pool is displayed in the basic financial statements as Pooled Cash and Investments.

Cash and investments are comprised of the following as of June 30, 2020:

Petty Cash	\$ 24,915
Deposits with Financial Institutions:	
Cash on Deposit	26,264,766
Investments	443,733,179
Total Cash and Investments	<u>\$ 470,022,860</u>
Statement of Net Position	
Cash and Investments	\$ 469,630,649
Statement of Net Position Fiduciary Funds	
Cash and Cash Equivalents - Private-Purpose Trust Fund	194,574
Statement of Fiduciary Assets and Liabilities	
Cash and Cash Equivalents - Agency Fund	197,637
Total Cash and Investments	<u>\$ 470,022,860</u>

As required and authorized by Oregon Revised Statutes, Chapter 295, all deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. 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. A bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well 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. At June 30, 2020, bank balances of \$250,000 were insured by FDIC insurance. At June 30, 2020, the net carrying amount of the District's balance was \$26,264,766 and the bank balance was \$42,132,349.

Investments

As of June 30, 2020, the District held the following investments and maturities:

Investment Type	Fair Value Amount	Weighted Average Maturity in Years	% of Investment Portfolio
State of Oregon Treasurer's Local Government Investment Pool	\$ 80,412,674	0.003	18.1%
Federal Agency Coupon Securities, Maturing through December 10, 2021	345,631,839	2.537	77.9%
Corporate Notes Maturing through April 13, 2021	17,688,666	0.473	4.0%
Total	<u>\$ 443,733,179</u>	<u>1.995</u>	<u>100.0%</u>

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposits at each institution. As of June 30, 2020, \$41,882,349 of the District's bank balances were exposed to custodial credit risk as they were not covered by federal depository insurance; however, deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held in the name of the institution.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

As a means of limiting the District to fair value losses in case of rising interest rates, the District’s investment policy limits investments as follows:

<u>Investment Type</u>	<u>Maximum % of Portfolio</u>	<u>Maximum length to maturity</u>
U.S. Treasury Securities	100%	1.5 yrs, 3 yrs for Capital Projects Funds
U.S Agency Securities	100%	1.5 yrs, 3 yrs for Capital Projects Funds
State and Local Government Obligations (OR, WA, ID, CA)	25%	1.5 yrs, 3 yrs for Capital Projects Funds
Commercial/Corporate Paper Securities	35%	18 months
Bankers’ Acceptances	25%	18 months
Repurchase Agreement	25%	90 days
Time Deposits, Certificates of Deposits, Savings - Commercial Banks & Credit Unions	25%	18 months
Deposit Open Accounts - Commercial Banks and Credit Unions	10%	N/A
Local Government Investment Pool	Statutory Limit	N/A

With the exception of pass-through funds, the maximum amount of pooled investments to be placed in the Local Government Investment Pool (LGIP) is limited by Oregon Statute and increases annually in proportion to the U.S. City Average Consumer Price Index. The limit can be temporarily exceeded for ten business days and does not apply either to pass-through funds or to funds invested on behalf of another governmental unit.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments above, except for the investment in the LGIP and the bank time certificates of deposit are evidenced by securities and perfected in the name of the District. All other District investment securities are held in safekeeping by U.S. Bank in the District’s account name.

The District’s policy, which adheres to State of Oregon law, is to limit its investments to the following: Issuers within Oregon must be rated A (bonds) or A-2/P-2 (commercial paper) or better by Standard and Poor’s, Moody’s Investors Service or any other nationally recognized statistical rating organization. With certain exceptions, Issuers not in Oregon must be rated AA/Aa (bonds) or A-1/P-1 (commercial paper) or better.

The Oregon State Treasurer maintains the Oregon Short Term Fund, of which the LGIP is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short Term Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

The District’s investments include the LGIP, including LGIP balances held with the County Treasurer. Investments are stated at cost which approximates fair value of the pool shares. The Oregon State Treasury administers the LGIP. The pool is an open-ended, no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any funds. The LGIP is commingled with the State’s short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

The District’s policy for investing in individual issuers varies depending on the type of investments. U.S. treasury and agency securities do not have restrictions regarding concentration with any one issuer. No more than 10% of the total portfolio at settlement date may be invested in a single issuer of bankers’ acceptances. Investments in commercial paper or corporate indebtedness with any one issuer may not exceed 5% of the total portfolio at settlement date. Certificates of Deposit of commercial banks shall not represent more than 15% of the total portfolio at settlement date with any one financial institution, and 10% for banks and credit unions. In addition, the combination of Banker’s Acceptance, Corporate

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Indebtedness, Deposit Open Accounts, and Certificates of Deposit with any one financial institution or entity shall not exceed 33% of the total portfolio at settlement date.

The District investment objective is foremost to preserve capital and protect investment principal; to conform with federal, state, and other legal requirements; to maintain sufficient liquidity to meet operating requirements; to diversify to avoid unreasonable risks regarding security instruments or individual institutions; and to attain a reasonable rate of return.

At June 30, 2020, the District's investments were rated as follows:

Investment Type	Total	Aaa	A1/A2	Not Rated
State of Oregon Treasurer's LGIP	\$ 80,412,674	\$ -	\$ -	\$ 80,412,674
Federal Agency Coupon Securities, Maturing through December 10, 2021	345,631,839	325,632,659	-	19,999,180
Corporate Notes, Maturing through April 13, 2021	17,688,666	-	17,688,666	-
	<u>\$ 443,733,179</u>	<u>\$ 325,632,659</u>	<u>\$ 17,688,666</u>	<u>\$ 100,411,854</u>

The District categorizes its fair value measurements using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in U.S. Treasury securities, U.S. Agency securities, state and local government obligations, corporate securities and money market securities are valued using pricing models maximizing the use of observable inputs for similar securities (Level 2 inputs).

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 3: Receivables

Receivables for the District are comprised of the following as of June 30, 2020:

Governmental Funds

Property Tax Receivable	\$	5,330,931
Grants Receivable		14,763,352
Other Receivables		3,197,647
		23,291,930

Internal Service Funds

Receivables		45,673
		45,673

Total Receivables

	\$	23,337,603
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Receivables for the District by source are as follows:

Receivables by Source

Local	\$	5,330,931
Intermediate		205,568
State		2,992,079
Federal		14,763,352
Other		45,673
		45,673

Total Receivables by Source

	\$	23,337,603
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**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 4: Capital Assets

Capital assets activity for the year was as follows:

Governmental Activities	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets not Depreciated:				
Land	\$ 35,672,813	\$ 944,904	\$ -	\$ 36,617,717
Construction in Progress	27,843,376	150,152,566	(3,794,976)	174,200,966
<i>Total Capital Assets not Depreciated</i>	<u>63,516,189</u>	<u>151,097,470</u>	<u>(3,794,976)</u>	<u>210,818,683</u>
Capital Assets Depreciated:				
Land Improvements	38,555,378	514,885	(1,961,193)	37,109,070
Buildings and Improvements	537,893,119	1,800,528	(12,779,258)	526,914,389
Equipment	39,676,825	3,556,980	(1,210,363)	42,023,442
Vehicles	32,295,480	2,399,291	(232,492)	34,462,279
<i>Total Capital Assets Depreciated</i>	<u>648,420,802</u>	<u>8,271,684</u>	<u>(16,183,306)</u>	<u>640,509,180</u>
Less Accumulated Depreciation for:				
Land Improvements	(9,378,937)	(762,763)	857,443	(9,284,257)
Buildings and Improvements	(182,924,423)	(8,601,239)	11,320,371	(180,205,291)
Equipment	(18,278,970)	(3,147,992)	1,078,019	(20,348,943)
Vehicles	(22,805,490)	(1,471,081)	232,492	(24,044,079)
<i>Total Accumulated Depreciation</i>	<u>(233,387,820)</u>	<u>(13,983,075)</u>	<u>13,488,325</u>	<u>(233,882,570)</u>
<i>Total Capital Assets Depreciated, Net</i>	<u>415,032,982</u>	<u>(5,711,391)</u>	<u>(2,694,981)</u>	<u>406,626,610</u>
<i>Total Capital Assets, Net</i>	<u>\$ 478,549,171</u>	<u>\$ 145,386,079</u>	<u>\$ (6,489,957)</u>	<u>\$ 617,445,293</u>

Depreciation expense for the year was charged to the following programs:

<i>Program</i>	
Instructional Services	\$ 9,371,935
Support Services:	
Student Transportation Services	490,327
Other Support Services	4,019,867
Community Services	59,573
Food Services	4,150
Facilities Services	37,223
Total Depreciation Expense - Governmental Activities	<u>\$ 13,983,075</u>

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

**Note 5: Long Term Debt
Bonds Payable**

Changes in bonds outstanding are as follows:

Issue Date	Original Issue	Outstanding July 1, 2019	Amortized and Paid Premium	Matured and Redeemed	Outstanding June 30, 2020	Amounts Due in One Year
General Obligation						
March 16, 2009	\$ 178,715,189	\$ 108,286,716	\$ -	\$ 2,458,377	\$ 105,828,339	\$ 12,517,987
December 16, 2009	31,760,000	31,760,000	-	31,760,000	-	-
June 30, 2011	31,620,000	1,750,000	-	1,750,000	-	-
July 25, 2018	383,230,000	377,795,000	-	3,955,000	373,840,000	12,270,000
	<u>625,325,189</u>	<u>519,591,716</u>	<u>-</u>	<u>39,923,377</u>	<u>479,668,339</u>	<u>24,787,987</u>
Pension Bonds						
October 31, 2002	106,974,763	80,203,666	-	2,438,666	77,765,000	-
February 19, 2004	88,815,000	67,660,000	-	4,915,000	62,745,000	5,615,000
June 30, 2011	7,820,000	7,820,000	-	-	7,820,000	7,820,000
January 29, 2015	50,145,000	40,980,000	-	2,310,000	38,670,000	2,360,000
	<u>253,754,763</u>	<u>196,663,666</u>	<u>-</u>	<u>9,663,666</u>	<u>187,000,000</u>	<u>15,795,000</u>
Total Bonds		<u>716,255,382</u>	<u>-</u>	<u>49,587,043</u>	<u>666,668,339</u>	<u>40,582,987</u>
Unamortized Premium on GO Bond						
March 16, 2009		3,222,560	292,960	-	2,929,600	-
June 30, 2011		418,195	418,195	-	-	-
July 25, 2018		62,037,276	3,108,340	-	58,928,936	-
Total Unamortized Premium on GO		<u>65,678,031</u>	<u>3,819,495</u>	<u>-</u>	<u>61,858,536</u>	<u>-</u>
Total Bonds and Unamortized Premiums		<u>\$ 781,933,413</u>	<u>\$ 3,819,495</u>	<u>\$ 49,587,043</u>	<u>\$ 728,526,875</u>	<u>\$ 40,582,987</u>
General obligation bonds - issued March 2009, due in annual installments of \$1,189,388 to \$12,517,987, plus interest paid semi-annually at 4.22% to 5.84% through 2030.					\$ 105,828,339	
General obligation bonds - issued July 2018, due in annual installments of \$3,955,000 to \$38,755,000, plus interest paid semi-annually at 4.00% to 5.00% through 2039.					373,840,000	
PERS bonds - issued October 2002, due in annual installments of \$2,377,782 to \$15,225,000, plus interest paid semi-annually at 5.48% to 6.10% through 2028.					77,765,000	
PERS bonds - issued February 2004, due in annual installments of \$3,680,000 to \$11,190,000, plus interest paid semi-annually at 5.22% to 5.53% through 2028.					62,745,000	
PERS bonds - partially refunded from 2002, issued June 2011, due in one payment of \$7,820,000 in the year 2021, plus interest paid semi-annually at 4.12% through 2021.					7,820,000	
PERS bonds - issued in January 2015, due in annual installments of \$2,235,000 to \$3,475,000 plus interest paid semi-annually at 0.35% to 3.82% through 2034.					38,670,000	
Unamortized Premium on GO Bond						
March 16, 2009					2,929,600	
July 25, 2018					<u>58,928,936</u>	
					<u>\$ 728,526,875</u>	

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

General Obligation Debt

As of June 30, 2020, the District had outstanding general obligation bonds and PERS pension bonds related to governmental activities totaling \$666,668,339. The District also had outstanding direct borrowings for contracts reported as financed purchases of the underlying assets related to governmental activities totaling \$3,897,190 as of June 30, 2020. The District pledged its full faith and credit within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution for all General Obligation bonds, pension bonds and capital leases. The District had no lines of credit. As of June 30, 2020, the District had no assets pledged as collateral for debt, no terms specified in debt agreements related to significant (1) events of defaults with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective accelerations clauses.

In March 2009, the District issued general obligation bonds for \$178,715,189 to construct four new schools and renovate existing facilities. In December 2009, the District issued general obligation bonds for \$31,760,000, and in June 2011, the District issued general obligation bonds for \$31,620,000 to construct and renovate existing facilities. These issues were to fulfill the \$242,100,000 authorization approved by voters in November of 2008. The \$4,813 difference between the bonds issued and the authorization represents the bonding denominations sold.

The March 2009 bonds sold at a premium of \$6,248,840. The June 2011 bonds sold at a premium of \$3,763,732. The premiums are recognized as a reduction of future interest expense and are being amortized using the straight-line method over the life of the bonds.

In February 2013, the District issued \$46,260,000 of general obligation bonds to advance refund \$42,865,000 (par value) of the callable portion of the outstanding 2004 refunding bonds, maturing on June 15 in the years 2015 through 2019. Total issuance cost was \$298,514. The refunding resulted in a net present value savings of interest in the amount of \$3,783,210.

In May 2018, voters approved \$619,700,000 in bonds to renovate and build additional classrooms and common areas, upgrade technology, overhaul HVAC systems and provide additional security and seismic updates throughout the District. The District issued general obligation bonds of \$383,230,000 in July 2018.

The July 2018 bonds sold at a premium of \$64,964,296. The premium is recognized as a reduction of future interest expense and is being amortized using the straight-line method over the life of the bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of school facilities.

Pension Bonds

The District participated as one of twenty Oregon school districts and education service districts in issuing limited tax pension bonds in 2002 and 2004. The proceeds were used to finance a portion of the estimated unfunded actuarial liability of each participating district with the Oregon Public Employees Retirement System (PERS). The Oregon School Boards Association (OSBA) sponsored this pooled limited tax pension bond program. OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating district has no obligation or liability to any other participating districts' pension bonds or liabilities to PERS. The District records the amounts deposited with PERS as a prepayment on its actuarial obligation, and accounts for the payment of principal, interest and the amortization of the prepayment as pension expense over the life of the bonds. The District anticipates that the total costs of financing the District's actuarial obligation in this way will result in savings to the District when compared to paying for such costs in additional contribution rates to PERS.

The District issued \$114,614,763 Limited Tax Pension Obligation, Series 2002 and \$88,815,000 Limited Tax Pension Obligation, Series 2004 (Federally Taxable). The Limited Tax Pension Obligations are payable annually through June 2028. Interest on the current coupon bonds is payable semiannually at rates ranging from 4.92% to 6.10%.

To achieve debt service savings, in June of 2011, the District refinanced \$7,640,000 (par value) of its 2002 callable pension bonds which mature on June 30, 2021 with an interest rate of 5.5% to a lower interest rate of 4.12%. The actual debt issued in the refinancing was \$7,820,000 - Series 2011 Limited Tax Pension Obligation Bonds. The bonds are interest only, payable in full at maturity in June 2021. The bonds are federally taxable and subject to optional

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

prepayment prior to their stated maturities. The refunding resulted in a net present value savings of interest in the amount of \$646,626.

In 2015, the District issued \$50,145,000 Full Faith and Credit Pension Bonds, Series 2015 (Federally Taxable). The proceeds were used to finance the District’s estimated unfunded actuarial liability with PERS at the time of the issuance of the bonds. The Pension Obligations are payable annually through June 2034. Interest on the current coupon bonds is payable semi-annually at rates ranging from 0.35% to 3.82%.

Outstanding issues are callable as follows:

October 31, 2002 – current interest obligations:

- Due June 30, 2021 at par plus accrued interest beginning June 30, 2007
- Due June 30, 2028 mandatory prepayment in part, pro rata on or after June 30, 2024 at par plus accrued interest

In prior years, the District defeased pension obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2020, \$7,640,000 of pension bonds outstanding are considered defeased.

The general obligation bonds will be paid from property tax revenues from the GO Debt Service Fund. Pension bonds will be paid from revenues in the PERS Pension Debt Service Fund generated by charges to other funds.

Future maturities are as follows:

<i>Fiscal Year</i>				
<i>Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
2021	\$ 40,582,987	\$ 38,307,595	\$ 78,890,582	
2022	36,041,866	38,231,457	74,273,323	
2023	38,831,477	38,134,864	76,966,341	
2024	41,724,354	37,889,550	79,613,904	
2025	44,847,666	37,509,461	82,357,127	
2026-2030	196,944,989	178,376,662	375,321,651	
2031-2035	129,835,000	53,530,932	183,365,932	
2036-2039	137,860,000	17,933,250	155,793,250	
Total	<u>\$ 666,668,339</u>	<u>\$ 439,913,771</u>	<u>\$ 1,106,582,110</u>	

Other Long-Term Liabilities

Capital Leases

Capital lease activity for the year is as follows:

<i>Outstanding</i>			<i>Outstanding</i>	<i>Amount Due</i>
<i>July 1, 2019</i>	<i>Increases</i>	<i>Decreases</i>	<i>June 30, 2020</i>	<i>In One Year</i>
\$ 4,936,289	\$ -	\$ 1,039,099	\$ 3,897,190	\$ 920,236

The District’s capital lease obligations are mainly for bus replacements and are being paid from reimbursement from the state under a transportation grant from the Asset Replacement Fund and from General Fund revenues. Other capital lease proceeds were used to fund land, buildings, software and mail equipment.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Cost of capital assets under capital leases at June 30, 2020 totaled \$19,912,531 and had a book value net of accumulated depreciation of \$6,101,969. Depreciation expense on assets under capital leases for the year ended June 30, 2020 was \$390,824. Land, buildings and equipment under capital leases as of June 30, 2020 include the following:

Asset Class	Asset Purchase Price	Depreciated Asset Value
Land	\$ 4,813,723	\$ 4,813,723
Buildings	1,363,458	518,114
Equipment	13,735,350	770,132
Total Assets	<u>\$ 19,912,531</u>	<u>\$ 6,101,969</u>

Future minimum payments for capital leases are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 920,236	\$ 89,594	\$ 1,009,830
2022	933,557	62,833	996,390
2023	667,155	42,515	709,670
2024	681,036	28,634	709,670
2025	695,206	14,464	709,670
Total	<u>\$ 3,897,190</u>	<u>\$ 238,040</u>	<u>\$ 4,135,230</u>

Operating Leases

Other leases are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Certain operating leases are renewable for specified periods. In most cases, management expects that the leases will be renewed or be replaced by other leases. Future minimum payments for operating leases are as follows:

Fiscal Year Ending June 30,	Operating Leases
2021	\$ 1,127,342
2022	1,127,342
2023	1,127,342
Total	<u>\$ 3,382,026</u>

Compensated Absences

Compensated absences activity for the year is as follows:

Governmental Activities:

Outstanding July 1, 2019	Increases	Decreases	Outstanding June 30, 2020	Amounts Due In One Year
\$ 1,513,502	\$ 6,618,336	\$ 4,599,536	\$ 3,532,302	\$ 3,532,302

The General Fund is the primary fund in which the compensated absences liability is liquidated.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 6: Interfund Balances and Transfers

Interfund receivables and payables on June 30, 2020 are comprised of the following:

<u>Due To</u>	<u>Due From Grants Fund</u>
General Fund	\$ 13,269,382

Interfund balances represent cash owed by one fund to another. At June 30, 2020, the Grants Fund was advanced \$13.3 million by the General Fund for reimbursable expenditures that had not been received from granting agencies.

Interfund transfers for the year included the following:

<u>Transfers In</u>	<u>Transfers Out</u>		<u>Total Interfund Transfers</u>
	<u>General Fund</u>	<u>External Customers Fund</u>	
Asset Replacement Fund	\$ 320,000	\$ -	\$ 320,000
General Fund	-	38,321	38,321
Preventative & Deferred Maintenance Fund	1,250,000	-	1,250,000
Total Transfers by Fund	\$ 1,570,000	\$ 38,321	\$ 1,608,321

The District made transfers from the General Fund to various funds for specific projects and designated needs. These transfers were approved by the School Board. The \$0.32 million transfer from the General Fund to the Asset Replacement Fund was for the replacement of school buses. The \$1.25 million transfer from the General Fund to the Preventative & Deferred Maintenance Fund was for multi-year ongoing projects. The \$38,321 transfer to the General Fund was to close the External Customers Fund.

Note 7: Pension Plan

Oregon Public Employees Retirement System (PERS)

General Information about the Pension Plan

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing, multiple-employer defined benefit plan, administered by the PERS Board of Trustees with authority granted by the Oregon Legislature.

Plan description: Employees of the District are provided with pensions through PERS. All the benefits of PERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. PERS issues a publicly available financial report that can be obtained at:

<http://www.oregon.gov/pers/Pages/financials/actuarial-financial-information.aspx>

Benefits provided under Chapter 238 - Tier 1/Tier 2

Pension Benefits: The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 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 either under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if it results in a greater benefit.

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

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 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 2 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:

- Member was employed by an 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 an PERS-covered job, or
- 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 of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Benefits provided under Chapter 238A - Oregon Public Service Retirement Plan (OPSRP)

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

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

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

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.

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.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Benefits provided Individual Account Program (IAP) – Oregon Public Service Retirement Plan (OPSRP)

The District makes contributions on behalf of its PERS members at 6% of the member's annual salary. The member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in 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 of an anticipated live span option. Each distribution option has a \$200 minimum distribution limit. The IAP is not a Defined Benefit Plan, and it belongs to the individual account holder.

IAP

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

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate assets adequate 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The State of Oregon and certain entities, including the District, have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2020 were \$43,164,193 excluding amounts to fund employer specific liabilities. Approximately \$23,871,000 was charged for the year ended June 30, 2020 as PERS benefit expenditures to be used for bond payments as they become due.

The following information applies to Tier 1/Tier 2 and OPSRP plans:

PERS Net Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2020, the District reported a liability of \$394,594,093 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to a measurement date of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, the District's proportion was 2.28% which was a decrease of 0.16 percentage points from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense related to PERS of \$63,343,944 in the Government-wide Financial Statements. The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 2020-21 fiscal year.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

As of June 30, 2020, the District recognized deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 21,760,701	\$ -	
Change of assumptions	53,531,191	-	
Net difference between projected and actual earnings on pension plan investments	-	(11,186,342)	
Changes in proportionate share	12,984,617	(15,911,842)	
Differences between employee contributions and employer's proportionate share of system contributions	3,899,787	(12,363,025)	
Subtotal - Amortized Deferrals	92,176,296	(39,461,209)	\$ 52,715,087
District contributions subsequent to the measurement date	43,164,193	-	
Total Deferred Outflows (Inflows) of Resources	<u>\$ 135,340,489</u>	<u>\$ (39,461,209)</u>	

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

Year Ended June 30	Amount
2021	\$ 38,800,551
2022	1,223,015
2023	8,202,253
2024	4,780,034
2025	(290,766)
Total	<u>\$ 52,715,087</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system wide GASB 68 reporting summary dated March 4, 2020, which can be found at:

<http://www.oregon.gov/pers/emp/pages/GASB.aspx>

Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx>

Actuarial Valuations

The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier 1/Tier 2 component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an 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.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
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	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

(Source: June 30, 2019 PERS CAFR; page 71)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 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 of pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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 assets) 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 where 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.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

- Oregon 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 percent 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 which 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, 2019 Oregon PERSCAFR; page 70)

OIC Target and Actual Investment Allocation as of June 30, 2019*

Asset Class/Strategy	OIC Policy Range	OIC Target Allocation
Debt Securities	15.0 - 25.0%	20.0%
Public Equity	32.5 - 42.5%	37.5%
Real Estate	9.5 - 15.5%	12.5%
Private Equity	14.0 - 21.0%	17.5%
Alternatives Portfolio	0.0 - 12.5%	12.5%
Opportunity Portfolio ¹	0.0 - 3.0%	0.0%
Total		100.0%
¹ Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net position.		

(Source: June 30, 2019 Oregon PERSCAFR; page 100)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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, 2019 Oregon PERSCAFR; page 70)

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Long-Term Expected Rate of Return ¹				
Asset Class	Target Allocation*	Annual Arithmetic Return ²	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	8.00 %	3.59 %	3.49 %	4.55 %
Short-Term Bonds	8.00	3.42	3.38	2.70
Bank/Leveraged Loans	3.00	5.34	5.09	7.50
High Yield Bonds	1.00	6.90	6.45	10.00
Large/Mid Cap US Equities	15.75	7.45	6.30	16.25
Small Cap US Equities	1.31	8.49	6.69	20.55
Micro Cap US Equities	1.31	9.01	6.80	22.90
Developed Foreign Equities	13.13	8.21	6.71	18.70
Emerging Market Equities	4.13	10.53	7.45	27.35
Non-US Small Cap Equities	1.88	8.67	7.01	19.75
Private Equity	17.50	11.45	7.82	30.00
Real Estate (Property)	10.00	6.15	5.51	12.00
Real Estate (REITS)	2.50	8.26	6.37	21.00
Hedge Fund of Funds - Diversified	2.50	4.36	4.09	7.80
Hedge Fund - Event-driven	0.63	6.21	5.86	8.90
Timber	1.88	6.37	5.62	13.00
Farmland	1.88	6.90	6.15	13.00
Infrastructure	3.75	7.54	6.60	14.65
Commodities	1.88	5.43	3.84	18.95
Assumed Inflation - Mean			2.50 %	1.85 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

² 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.
(Source: June 30, 2019 Oregon PERSCAFR; page 74)

Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.20%	7.20%	8.20%
Proportionate Share of the Net Pension Liability (Asset)	\$631,907,429	\$394,594,093	\$195,995,524

Detailed information about the pension plan is available in the separately issued OPERS financial report available at <http://www.oregon.gov/pers/Pages/index.aspx>

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8: Other Post-Employment Benefits

The District contributes to a retirement health insurance account through Oregon Public Employees Retirement System, maintains a post-employment health insurance subsidy benefit, and a tax deferred annuity plan. The following summarizes the components of the OPEB asset/liability and the deferred inflows/outflows for each.

	Retirement Health Insurance Account	Retirement Health Insurance Subsidy	Total
Net OPEB Asset	\$ 4,534,037	\$ -	\$ 4,534,037
Total OPEB Liability	-	42,329,949	42,329,949
Deferred Outflows of Resources	287,100	9,957,864	10,244,964
Deferred Inflows of Resources	891,224	491,281	1,382,505
OPEB Expense (Revenue)	(883,975)	5,223,568	4,339,593

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (PERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes (ORS) 238.420, provides for a benefit payment of up to \$60 per month toward the costs of Medicare companion health insurance for eligible retirees. A comprehensive annual financial report of the funds administered by PERS may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling 888-320-7377, or on the PERS website at www.oregon.gov/PERS/.

Contributions

Participating school districts are contractually required to contribute at a rate assessed each year by PERS, currently 0.06% of annual covered OPERF (Oregon Public Employees Retirement Fund) employees' payroll and 0.00% of covered OPSRP (Oregon Public Service Retirement Plan) employees' payroll. The District's contributions to RHIA for the years ended June 30, 2020, 2019 and 2018 were \$287,100, \$1,162,909, \$1,130,778, respectively.

Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2020, the District reported an asset of \$4,534,037 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to the measurement date. The District's proportion of the net OPEB asset was based on actual amounts contributed projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, the District's proportion was 2.346% which is an increase of 0.011 percentage points from its proportion measured as of June 30, 2018.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

For the year ended June 30, 2020, the District recognized OPEB revenue of \$883,975 in the Government-wide Financial Statements. The following is a summary of the District’s deferred outflows/inflows of resources related to the RHIA OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ (597,904)	
Change of assumptions	-	(4,697)	
Net difference between projected and actual earnings on pension plan investments	-	(279,861)	
Changes in proportionate share	-	(8,762)	
Subtotal - Amortized Deferrals	-	(891,224)	\$ (891,224)
Total contributions subsequent to the measurement date	<u>287,100</u>	<u>-</u>	
Total Deferred Outflows (Inflows) of Resources	<u>\$ 287,100</u>	<u>\$ (891,224)</u>	

Deferred outflows of resources related to RHIA OPEB of \$287,100 resulting from the District’s contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2021.

Other amounts reported as RHIA deferred outflows/(inflows) of resources will be recognized as OPEB expense in the following years:

<u>Year Ended June 30</u>	<u>Amount</u>
2021	\$ (458,919)
2022	(409,059)
2023	(52,074)
2024	28,828
2025	-
Total	<u>\$ (891,224)</u>

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.5%
Long-Term Expected Rate of Return	7.2%
Discount Rate	7.2%
Projected Salary Increases	3.5%
Retiree Healthcare Participation	Healthy retirees - 35% Disabled retirees - 20%
Healthcare Cost Trend Rate	Not Applicable
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

(Source: June 30, 2019 Oregon PERS CAFR; Table 28, page 73)

Discount Rate

The discount rate used to measure the total OPEB asset was 7.20% for the RHIA Plan at June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those 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.

Long-Term Expected Rate of Return

For a summary of assumptions related to long-term expected rate of return, please refer to page 68.

Sensitivity Analysis

Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

RHIA	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.2%	7.2%	8.2%
Proportionate Share of the Net OPEB Liability (Asset)	(\$3,515,049)	\$ (4,534,037)	\$ (5,402,289)

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Sensitivity of the District’s proportionate share of the net OPEB liability (asset) to changes in the healthcare cost rate

The net OPEB liability (asset) for the District’s Retirement Health Insurance Account is (\$4,534,037). The ORS stipulates a \$60 monthly payment, so there would be no change to the total 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.

Retirement Health Insurance Subsidy (RHIS)

Plan Description

The District maintains a single employer medical benefit supplement program for its retired employees. The District offers continued medical coverage to eligible retirees and their spouses and dependents until eligible for Medicare. The retiree must pay the entire premium in exchange for this coverage. However, the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the “implicit subsidy” and is required to be valued under GASB Statement 75. This benefit is expected to continue indefinitely, in part because it is required by Oregon statute, and therefore the obligations could be amended through the employees’ collective bargaining agreements by vote of all parties with voting rights if the amendment follows the Oregon statute. The District does not issue a stand-alone report for this plan and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided for Retirement Health Insurance Subsidy

All classes of employees are eligible to continue medical coverage upon retirement. Dependent eligibility includes qualified spouses, domestic partners, and children. Coverage for retirees and eligible dependents continues until Medicare eligibility for everyone. A benefit arises as a result of the difference between the medical premium rates charged and the actual retiree claim costs. Premiums charged are typically less than actual costs. This is due to medical premium rates being determined by blending both active and retiree experience. As of July 1, 2019, the most recent valuation date, there were 5,256 active and 327 retired members in the plan.

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The District’s total OPEB liability of \$42,329,949 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019 rolled forward to the measurement date. For the year ended June 30, 2020, the District recognized OPEB expense from this plan of \$5,223,568. At June 30, 2020, the District reported the change in total OPEB liability as follows:

	Total OPEB Liability
Balance as of June 30, 2019	\$ 37,586,012
Changes for the year:	
Service cost	2,258,096
Interest on total OPEB liability	1,471,011
Differences between expected and actual experience	2,801,834
Changes in assumptions or other inputs	(552,691)
Benefit payments	(1,234,313)
Balance as of June 30, 2020	\$ 42,329,949

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

The following is a summary of the District’s deferred outflows/inflows of resources related to the RHIS OPEB for the year ended June 30, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 2,490,520	\$ -	
Change of assumptions	7,467,344	(491,281)	
Total - Amortized Deferrals	\$ 9,957,864	\$ (491,281)	\$ 9,466,583

Other amounts reported as RHIS deferred outflows/(inflows) of resources will be recognized as OPEB expense in the following years:

Year Ended June 30	Amount
2021	\$ 1,494,462
2022	1,494,462
2023	1,494,462
2024	1,494,462
2025	1,494,462
Thereafter	1,994,273
Total	<u>\$ 9,466,583</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, level percent of salary
Assumptions:	
Discount Rate for Discounting Future Liabilities	2.25% per year, based on all years discounted at municipal bond rate (based Bond Buyer 20-Bond General Obligation Index as of June 30, 2020)
General Inflation	2.0% per year
Payroll Growth	3.5% per year
Mortality Rates	Basic table: Pub-2010, Teachers table, separate Employee/Healthy Annuitant, sex distinct, generational Mortality rates for active male participants are 120% of the above rates, and for active female participants are 100% of the above rates Beneficiaries: Pub-2010 General Employees table, Healthy Annuitant, sex distinct, generational, set-back 12 months for males, no set-back for females Improvement Scale: Unisex Social Security Data Scale (60-year average), with data through 2015
Turnover Rates	Based on Oregon PERS assumptions
Disability Rates	Based on Oregon PERS assumptions
Retirement Rates	Based on Oregon PERS assumptions

Discount Rate

Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2020 reporting date is 2.25%, a change from 3.75% in the previous measurement date. (Source: Independent Actuaries, Inc.; Actuarial Valuation Report as of July 1, 2019)

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Healthcare Trend Rate

The actuarial calculations used an assumption that medical costs will increase 5.50% in the 2020-21 year, 6.00% in the 2021-22 year, 6.00% in the 2022-23 year, and varying from 4.50% to 5.90% over the remainder of the projection period. These trends are based in part on the 2019 Segal Health Plan Cost Trend Survey. Rates are trended down in subsequent years in accordance with prevalent actuarial practice, based in part on the Society of Actuaries – Getzen Long Term Healthcare Trends Resource Model, as updated October 2018. No implicit subsidy has been assumed for dental or vision due to costs of those benefits.

Sensitivity Analysis

Sensitivity of the District’s total OPEB liability to changes in the discount rate

The following presents the District’s total OPEB liability of the health insurance subsidy plan using the discount rate of 2.25 percent, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.25 percent) or one percentage point higher (3.25 percent) than the current rate:

RHIS	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	1.25%	2.25%	3.25%
Total OPEB Liability	\$46,016,074	\$42,329,949	\$38,882,872

Sensitivity of the District’s total OPEB liability to changes in the healthcare trend rate

The following presents the District’s total OPEB liability of the health insurance subsidy plan using the healthcare trend rate of 5 percent, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (4 percent) or one percentage point higher (6 percent) than the current rate:

RHIS	1% Decrease	Current Health-care Trend Rate	1% Increase
Healthcare Trend Rate	4%	5%	6%
Total OPEB Liability	\$36,732,224	\$42,329,949	\$49,078,668

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9: 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 is self-insured for costs up to policy deductible limits. See note 1P of the Notes to the Basic Financial Statements. Workers' compensation and unemployment settlements have not exceeded insurance coverage for any of the last three fiscal years. Changes in the balances of claims liabilities for the fiscal years ended June 30, 2020, 2019 and 2018 are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Accrued Claim Losses, July 1	\$ 2,231,044	\$ 1,870,435	\$ 1,931,178
Included Claims, Including an Estimate of Claims Incurred but not Reported (IBNR)	702,623	2,145,705	1,457,472
Claim Payments	<u>(1,053,111)</u>	<u>(1,785,096)</u>	<u>(1,518,215)</u>
Accrued Claim Losses, June 30	<u>\$ 1,880,556</u>	<u>\$ 2,231,044</u>	<u>\$ 1,870,435</u>

The District has had no significant changes in insurance coverage from the previous year.

Note 10: Commitments and Contingencies

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

There is a targeted year end fund balance of (5% to 7%) of annual operating revenues per District policy which the District may not go below without a School Board Resolution.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

As of June 30, 2020, the District was committed to various construction related contracts through the 2018 Bond Capital Projects Fund. The following is a list of material contracts that the District was committed to as of June 30, 2020:

- High Schools Expansion and Renovation: \$169.6 million
- Elementary Schools Expansion and Renovation: \$53.0 million
- Middle Schools Expansion and Renovation: \$17.8 million
- Bond Construction Program Management: \$13.2 million
- Departments Renovations and District-Wide Upgrades: \$0.8 million

The District receives a substantial portion of its operating funding from the State of Oregon. State funding is allocated to individual school districts based on pupil counts and other factors in the State School Fund revenue formula. The COVID-19 pandemic is expected to cause reductions in the District's pupil counts and total State revenues, however the extent is unknown.

**SALEM-KEIZER SCHOOL DISTRICT 24J – NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 11: Tax Abatements

Tax abatements are agreements between government entities and businesses/individuals that temporarily reduce or eliminate property taxes. The District is affected by property tax abatements entered by Marion and Polk Counties. All abatement amounts have been included related to the following as of June 30, 2020.

Exemption Type	Marion County Tax Abatement	Polk County Tax Abatement	Total Tax Abatement
Enterprise Zone - Full Exempt	\$ 125,309	\$ 21,976	\$ 147,285
Enterprise Zone - Partial Exempt	298,336	-	298,336
Charitable Low Income Rental Housing	163,145	-	163,145
Multiple Unit Core Area - Full Exempt	51,939	-	51,939
Multiple Unit Core Area - Partial Exempt	138,275	-	138,275
Historical Property	92,438	-	92,438
Total Tax Abatement	\$ 869,442	\$ 21,976	\$ 891,418

Note 12: Prior Period Adjustment

A restatement of the prior year net position was required to correct an error in which the deferred outflows (change in assumptions) for the Retirement Health Insurance Subsidy of \$8,711,901 were excluded from the financial statements for the year ended June 30, 2019. As a result, net position for fiscal year 2019 increased from a deficit balance of \$107,370,839 to \$98,658,938.

	Governmental Activities	Business-type Activities	Total Primary Government
2019 Net Position, as originally reported	\$ (107,409,160)	\$ 38,321	\$ (107,370,839)
RHIS Increase in Deferred Outflows	8,711,901	-	8,711,901
2019 Net Position, as restated	\$ (98,697,259)	\$ 38,321	\$ (98,658,938)

Note 13: Subsequent Events

In July 2020, the District issued general obligation bonds of \$236,467,346 to renovate and build additional classrooms and common areas, upgrade technology, overhaul HVAC systems and provide additional security and seismic updates. The bonds sold at a premium of \$51,547,470.

In October 2020, the District issued full faith and credit bonds of \$60,392,940 to build a transportation facility and to purchase buses and transportation equipment.

REQUIRED SUPPLEMENTARY INFORMATION

SALEM-KEIZER SCHOOL DISTRICT 24J
YEAR ENDED JUNE 30, 2020

General Fund – accounts for the District’s main operating budget. The fund pays for instruction of students, our schools, and general operations. Most of the General Fund money comes from State sources, such as the State School Fund and the Common School Fund.

Grants Fund – this special revenue fund accounts for funds reserved for resources and expenditures from Federal and State grants.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Actual	Budget		Variance with Final Budget
		Adopted	Final	
Revenues:				
Taxes	\$ 85,146,197	\$ 84,791,000	\$ 84,791,000	\$ 355,197
Fees Charged to Grants and Other Funds	2,187,246	2,040,100	2,040,100	147,146
Local Sources	1,050,774	1,048,900	1,048,900	1,874
Earnings on Investments	2,977,005	2,000,000	2,000,000	977,005
Intermediate Sources	18,031,117	16,180,000	16,180,000	1,851,117
State Sources	362,678,964	364,276,974	364,276,974	(1,598,010)
Federal Sources	138,782	35,000	35,000	103,782
Total Revenues	472,210,085	470,371,974	470,371,974	1,838,111
Expenditures:				
Instruction	301,502,596	322,832,135	322,832,135	21,329,539
Support Services	161,537,521	174,185,811	174,185,811	12,648,290
Enterprise and Community Services	202,821	-	1,000,000	797,179
Facilities Acquisition and Construction	128,300	230,079	230,079	101,779
Debt Service	450,251	451,515	451,515	1,264
Contingency	-	21,202,436	20,202,436	20,202,436
Total Expenditures	463,821,489	518,901,976	518,901,976	55,080,487
Excess (deficiency) of revenues over (under) expenditures	8,388,596	(48,530,002)	(48,530,002)	56,918,598
Other Financing Sources and Uses, Including Transfers:				
Sale of Capital Assets	32,195	-	-	32,195
Transfers In	38,321	100,003	100,003	(61,682)
Transfers Out	(1,570,000)	(1,570,001)	(1,570,001)	1
Total Other Financing Sources and Uses, Including Transfers	(1,499,484)	(1,469,998)	(1,469,998)	(29,486)
Net Change in Fund Balance	6,889,112	(50,000,000)	(50,000,000)	56,889,112
Fund Balance, Beginning of Year	58,847,654	50,000,000	50,000,000	8,847,654
Fund Balance, End of Year	\$ 65,736,766	\$ -	\$ -	\$ 65,736,766

The notes to the required supplemental information are an integral part of this schedule.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Intermediate Sources	\$ 1,289,729	\$ 1,439,084	\$ 1,439,084	\$ (149,355)
State Sources	13,780,268	25,580,000	30,580,000	(16,799,732)
Federal Sources	24,664,700	28,503,852	33,503,852	(8,839,152)
Total Revenues	39,734,697	55,522,936	65,522,936	(25,788,239)
Expenditures:				
Instruction	19,353,458	28,260,571	28,760,571	9,407,113
Support Services	15,100,057	17,512,057	22,312,057	7,212,000
Enterprise and Community Services	2,394,106	850,308	5,550,308	3,156,202
Facilities Acquisition and Construction	2,887,076	8,900,000	8,900,000	6,012,924
Total Expenditures	39,734,697	55,522,936	65,522,936	25,788,239
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

The notes to the required supplemental information are an integral part of this schedule.

SALEM-KEIZER SCHOOL DISTRICT 24J
OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2020

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
LAST TEN FISCAL YEARS*

<u>Date</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2020	2.28%	\$ 394,594,093	\$ 256,548,249	153.81%	80.23%
6/30/2019	2.44%	370,018,658	247,055,968	149.77%	82.07%
6/30/2018	2.33%	313,463,307	238,174,894	131.61%	83.12%
6/30/2017	2.20%	330,485,474	224,660,318	147.10%	80.53%
6/30/2016	2.13%	122,461,820	210,838,659	58.08%	91.88%
6/30/2015	2.49%	(56,372,207)	200,324,048	-28.14%	103.60%
6/30/2014	2.49%	126,913,031	195,456,300	64.93%	92.00%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PERS
LAST TEN FISCAL YEARS*

<u>Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of its Covered Payroll</u>
6/30/2020	\$ 43,164,193	\$ 43,164,193	\$ -	\$ 260,478,351	16.57%
6/30/2019	31,988,846	31,988,846	-	256,548,249	12.47%
6/30/2018	28,087,114	28,087,114	-	247,055,968	13.44%
6/30/2017	17,818,722	17,818,722	-	238,174,894	7.48%
6/30/2016	18,358,399	18,358,399	-	224,660,318	8.17%
6/30/2015	28,183,368	28,183,368	-	210,838,659	13.37%
6/30/2014	26,925,455	26,925,455	-	200,324,048	13.44%

*The requirement of this schedule is to present ten years. Until ten years of information is available, the District will present available data.

The notes to the required supplemental information are an integral part of this schedule.

**SALEM-KEIZER SCHOOL DISTRICT 24J
OTHER POSTEMPLOYMENT BENEFITS - RETIREMENT HEALTHCARE INSURANCE ACCOUNT (RHIA)
YEAR ENDED JUNE 30, 2020**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB
LIABILITY FOR RHIA
LAST TEN FISCAL YEARS***

Year Ended June 30,	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset) (NOL)	Covered Payroll	NOL as a % of Covered Payroll	Plan Fiduciary Net Position as a Percentage Total OPEB Liability
2020	2.35%	\$ (4,534,037)	\$ 256,548,249	-1.8%	69.3%
2019	2.34%	(2,606,873)	247,055,968	-1.1%	80.6%
2018	2.32%	(968,900)	238,174,894	-0.4%	91.8%
2017	2.35%	638,414	224,660,318	0.3%	106.2%

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR RHIA
LAST TEN FISCAL YEARS***

Year Ended June 30,	Required Statutory Contributions	Contributions In Relation to the Required Statutory Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2020	\$ 287,100	\$ 287,100	\$ -	\$ 260,478,351	0.1%
2019	1,162,909	1,162,909	-	256,548,249	0.5%
2018	1,130,778	1,130,778	-	247,055,968	0.5%
2017	1,193,928	1,193,928	-	238,174,894	0.5%

*The requirement of this schedule is to present ten years. Until ten years of information is available, the District will present available data.

The notes to the required supplemental information are an integral part of this schedule.

**SALEM-KEIZER SCHOOL DISTRICT 24J
OTHER POSTEMPLOYMENT BENEFITS - RETIREMENT HEALTHCARE INSURANCE SUBSIDY (RHIS)
YEAR ENDED JUNE 30, 2020**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY -
RHIS
LAST TEN FISCAL YEARS***

Year Ended June 30,	Service Cost	Interest	Change of Benefit Terms	Difference Between Actual and Expected Results	Change of Assumptions or Other Input	Benefit Payments	Net Change in Total OPEB Liability
2020	\$ 2,258,096	\$ 1,471,011	\$ -	\$ 2,801,834	\$ (552,691)	\$ (1,234,313)	\$ 4,743,937
2019	2,181,735	1,343,272	-	-	9,956,458	(1,337,434)	12,144,031
2018	1,590,111	905,326	-	-	-	(800,830)	1,694,607

**SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS -
RHIS
LAST TEN FISCAL YEARS***

Year Ended June 30,	Beginning Total OPEB Liability	Net Change in Total OPEB Liability	Ending Total OPEB Liability	Covered Employee Payroll	Total OPEB Liability as a % of Covered Employee Payroll	Discount Rate
2020	\$ 37,586,012	\$ 4,743,937	\$ 42,329,949	\$ 297,211,787	14.2%	2.25%
2019	25,441,981	12,144,031	37,586,012	268,614,505	14.0%	3.75%
2018	23,747,374	1,694,607	25,441,981	259,530,923	9.8%	3.75%

*The requirement of this schedule is to present ten years. Until ten years of information is available, the District will present available data.

The notes to the required supplemental information are an integral part of this schedule.

Note 1: Budget Basis of Accounting

The schedule of revenues, expenditures, and changes in fund balances – budget and actual has been prepared on the prescribed budget basis of accounting for the District. All District Funds were budgeted on a generally accepted accounting (GAAP) basis except for the Agency Fund which is not required to be budgeted under state law. The most significant budgeted fund is the General Fund.

Normal adjustments were made to budgeted expenses to accommodate operational needs of the District that were within functions required by Oregon Budget Law.

Note 2: Oregon Public Employees Retirement System

See the following notes for additional information regarding Oregon PERS Pension:

- The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
- The amounts for covered payroll in the schedule of the District's Proportionate Share of the Net Pension Liability (NPL) use the prior year's data to match the measurement date used by the pension plan for each fiscal year.
- The June 30, 2015 NPL reflects benefit changes from Senate Bills 822 and 861.
- The June 30, 2016 NPL reflects benefit changes from the Oregon Supreme Court's ruling in *Moro v. State of Oregon*, which overturned portions of Senate Bills 822 and 861.
- The June 30, 2017 NPL reflects assumption changes reducing the inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.5%.
- The June 30, 2019 NPL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.

Note 3: Other Postemployment Benefits – Retirement Health Insurance Account (RHIA)

See the following notes for additional information regarding Oregon PERS RHIA:

- The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
- The amounts for covered payroll in the schedule of the District's Proportionate Share of the Net OPEB Liability use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.

Note 4: Other Postemployment Benefits – Retirement Healthcare Insurance Subsidy (RHIS)

See the following notes for additional information regarding the District's RHIS:

- The amounts presented for each fiscal year were actuarially determined at July 1 of odd years and rolled forward to the measurement date.
- June 30, 2019 total OPEB liability reflects assumption changes in the health care cost assumption, increasing costs for MODA and Kaiser medical plans by approximately 13.6% and 9.8%, respectively.

OTHER SUPPLEMENTAL INFORMATION

SALEM-KEIZER SCHOOL DISTRICT 24J
YEAR ENDED JUNE 30, 2020

GO Debt Service Fund – Accounts for the payment of principal and interest on long-term general obligation bonds. The major sources of revenue are property taxes and earnings from temporary investments.

PERS Pension Debt Service Fund – Accounts for the payment of principal and interest on long-term pension bonds. The major sources of revenue are charges to other funds and earnings from temporary investments.

2018 Bond Capital Projects Fund – Accounts for the capital construction projects funded by the 2018 bond. The major revenue sources are bond issuance, associated bond premium and earnings from temporary investments.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
GO DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Taxes	\$ 50,846,389	\$ 50,334,700	\$ 50,334,700	\$ 511,689
Earnings on Investments	237,124	10,000	10,000	227,124
Total Revenues	<u>51,083,513</u>	<u>50,344,700</u>	<u>50,344,700</u>	<u>738,813</u>
Expenditures:				
Debt Service:				
Principal	39,923,377	39,923,377	39,923,377	-
Interest	20,831,323	20,831,323	20,831,323	-
Total Expenditures	<u>60,754,700</u>	<u>60,754,700</u>	<u>60,754,700</u>	<u>-</u>
Net Change in Fund Balance	(9,671,187)	(10,410,000)	(10,410,000)	738,813
Fund Balance, Beginning of Year	<u>13,241,773</u>	<u>11,910,000</u>	<u>11,910,000</u>	<u>1,331,773</u>
Fund Balance, End of Year	<u>\$ 3,570,586</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,070,586</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
PERS PENSION DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Local Sources	\$ 23,870,942	\$ 24,700,000	\$ 24,700,000	\$ (829,058)
Earnings on Investments	722,725	600,000	600,000	122,725
Total Revenues	<u>24,593,667</u>	<u>25,300,000</u>	<u>25,300,000</u>	<u>(706,333)</u>
Expenditures:				
Debt Service:				
Principal	9,663,666	9,663,666	9,663,666	-
Interest	14,327,671	14,327,671	14,327,671	-
Total Expenditures	<u>23,991,337</u>	<u>23,991,337</u>	<u>23,991,337</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	602,330	1,308,663	1,308,663	(706,333)
Other Financing Sources and Uses, Including Transfers:				
Transfer In	-	1	1	(1)
Transfer Out	-	(1)	(1)	1
Total Other Financing Sources and Uses, Including Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	602,330	1,308,663	1,308,663	(706,333)
Fund Balance, Beginning of Year	<u>24,311,077</u>	<u>24,000,000</u>	<u>24,000,000</u>	<u>311,077</u>
Fund Balance, End of Year	<u>\$ 24,913,407</u>	<u>\$ 25,308,663</u>	<u>\$ 25,308,663</u>	<u>\$ (395,256)</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
2018 BOND CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Local Sources	\$ 37,188	\$ -	\$ -	\$ 37,188
Earnings on Investments	10,863,819	4,000,000	4,000,000	6,863,819
Total Revenues	<u>10,901,007</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>6,901,007</u>
Expenditures:				
Support Services	-	8,500,000	8,500,000	8,500,000
Facilities Acquisition and Construction	152,565,505	426,855,000	426,855,000	274,289,495
Total Expenditures	<u>152,565,505</u>	<u>435,355,000</u>	<u>435,355,000</u>	<u>282,789,495</u>
Excess (deficiency) of revenues over (under) expenditures	(141,664,498)	(431,355,000)	(431,355,000)	289,690,502
Other Financing Sources and Uses, Including Transfers:				
Transfers In	-	1,355,000	1,355,000	1,355,000
Net Change in Fund Balance	(141,664,498)	(430,000,000)	(430,000,000)	288,335,502
Fund Balance, Beginning of Year	<u>424,488,170</u>	<u>430,000,000</u>	<u>430,000,000</u>	<u>(5,511,830)</u>
Fund Balance, End of Year	<u>\$ 282,823,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,823,672</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
YEAR ENDED JUNE 30, 2020

NON MAJOR GOVERNMENTAL FUNDS

The following funds are considered Special Revenue Funds and account for revenues and expenditures for specific educational projects. Included are the following funds:

Fee Based Programs Fund – Accounts for the District’s activity and athletic programs. The major sources of revenue are student participation fees and receipts from event admission charges.

Food Services Fund – Accounts for revenues and expenditures for the food dispensing programs. Principal revenue sources are sales of food and subsidies under the National School Lunch and Breakfast Programs received through the State of Oregon.

Energy Efficiency Fund – This fund reflects the activities of a state energy conservation program that was created to make energy efficient modifications to district facilities in order to reduce overall energy consumption. The principal revenue source is subsidies from Portland General Electric. The District must submit reports to the utility itemizing expenses it has incurred.

Asset Replacement Fund – Principal revenue sources for this fund are the state reimbursement for bus depreciation, a portion of the state school fund that has been assigned by the School Board, the state facilities grant, and the sale of surplus equipment. The fund is designated specifically for purchases and replacement of equipment and technology.

The following funds are considered Capital Projects Funds and account for revenues and expenditures for specific special capital projects and deferred maintenance on capital assets. Included are the following funds:

Special Capital Projects Fund – The principal revenue source for this fund is a portion of the state school fund that has been committed by the School Board for special capital projects.

Preventative & Deferred Maintenance Fund – The principal revenue source for this fund is a budget transfer from the General Fund to support smaller deferred maintenance projects on the buildings and grounds of the District.

SALEM-KEIZER SCHOOL DISTRICT 24J
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Fee Based Programs Fund	Food Services Fund	Energy Efficiency Fund	Asset Replacement Fund	Special Capital Projects Fund	Preventative & Deferred Maintenance Fund	
ASSETS							
Pooled Cash and Investments	\$ 5,535,521	\$ 4,593,904	\$ 1,167,616	\$ 3,965,280	\$ 2,822,028	\$ 3,371,207	\$ 21,455,556
Receivables	153,925	641,493	-	2,782	-	-	798,200
Total Assets	\$ 5,689,446	\$ 5,235,397	\$ 1,167,616	\$ 3,968,062	\$ 2,822,028	\$ 3,371,207	\$ 22,253,756
LIABILITIES & FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 126,577	\$ 457,412	\$ -	\$ -	\$ 3,986	\$ 559,149	\$ 1,147,124
Accued Payroll	1,164	-	-	-	-	-	1,164
Unearned Revenue	65,712	267,611	-	2,342	-	-	335,665
Total Liabilities	193,453	725,023	-	2,342	3,986	559,149	1,483,953
Fund Balances:							
Restricted	-	-	1,167,616	-	-	-	1,167,616
Committed	5,495,993	4,510,374	-	-	-	-	10,006,367
Assigned	-	-	-	3,965,720	2,818,042	2,812,058	9,595,820
Total Fund Balances	5,495,993	4,510,374	1,167,616	3,965,720	2,818,042	2,812,058	20,769,803
Total Liabilities and Fund Balances	\$ 5,689,446	\$ 5,235,397	\$ 1,167,616	\$ 3,968,062	\$ 2,822,028	\$ 3,371,207	\$ 22,253,756

SALEM-KEIZER SCHOOL DISTRICT 24J
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Fee Based Programs Fund	Food Services Fund	Energy Efficiency Fund	Asset Replacement Fund	Special Capital Projects Fund	Preventative & Deferred Maintenance Fund	
Revenues:							
Local Sources	\$ 5,062,773	\$ 1,417,172	\$ 697,962	\$ 29,278	\$ 3,750	\$ -	\$ 7,210,935
Earnings on Investment	-	120,376	-	133,593	83,678	89,277	426,924
State Sources	-	316,335	-	1,157,622	-	-	1,473,957
Federal Sources	-	14,643,900	-	-	-	-	14,643,900
Total Revenues	5,062,773	16,497,783	697,962	1,320,493	87,428	89,277	23,755,716
Expenditures:							
Instruction	4,579,920	-	-	1,453,700	-	-	6,033,620
Support Services	625,548	436,310	-	239,951	-	-	1,301,809
Enterprise and Community Services	10,730	15,105,529	-	-	-	-	15,116,259
Facilities Acquisition and Construction	-	-	-	-	120,257	1,265,205	1,385,462
Debt Service	-	-	-	709,670	-	-	709,670
Total Expenditures	5,216,198	15,541,839	-	2,403,321	120,257	1,265,205	24,546,820
Excess (deficiency) of revenues over (under) expenditures	(153,425)	955,944	697,962	(1,082,828)	(32,829)	(1,175,928)	(791,104)
Other Financing Sources and Uses, Including Transfers:							
Transfers in	-	-	-	320,000	-	1,250,000	1,570,000
Net Change in Fund Balances	(153,425)	955,944	697,962	(762,828)	(32,829)	74,072	778,896
Fund Balances, Beginning of Year	5,649,418	3,554,430	469,654	4,728,548	2,850,871	2,737,986	19,990,907
Fund Balances, End of Year	\$ 5,495,993	\$ 4,510,374	\$ 1,167,616	\$ 3,965,720	\$ 2,818,042	\$ 2,812,058	\$ 20,769,803

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
FEE BASED PROGRAMS FUND
YEAR ENDED JUNE 30, 2020

	Actual	Budget		Variance with Final Budget
		Adopted	Final	
Revenues:				
Local Sources	\$ 4,603,107	\$ 7,524,300	\$ 7,524,300	\$ (2,921,193)
Tuition	459,666	780,000	780,000	(320,334)
Total Revenues	<u>5,062,773</u>	<u>8,304,300</u>	<u>8,304,300</u>	<u>(3,241,527)</u>
Expenditures:				
Instruction	4,579,920	11,451,242	11,451,242	6,871,322
Support Services	625,548	3,070,784	3,070,784	2,445,236
Enterprise and Community Services	10,730	82,274	82,274	71,544
Total Expenditures	<u>5,216,198</u>	<u>14,604,300</u>	<u>14,604,300</u>	<u>9,388,102</u>
Net Change in Fund Balance	(153,425)	(6,300,000)	(6,300,000)	6,146,575
Fund Balance, Beginning of Year	5,649,418	6,300,000	6,300,000	(650,582)
Fund Balance, End of Year	<u>\$ 5,495,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,495,993</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2020

	Actual	Budget		Variance with Final Budget
		Adopted	Final	
Revenues:				
Cafeteria Sale of Meals	\$ 1,231,893	\$ 1,950,000	\$ 1,950,000	\$ (718,107)
Earnings on Investments	120,376	60,000	60,000	60,376
Cafeteria State Grants	316,335	393,000	393,000	(76,665)
Cafeteria Federal Grants	14,643,900	15,700,000	15,700,000	(1,056,100)
Miscellaneous Revenues	185,279	680,000	680,000	(494,721)
Total Revenues	16,497,783	18,783,000	18,783,000	(2,285,217)
Expenditures:				
Support Services	436,310	552,149	552,149	115,839
Enterprise and Community Services	15,105,529	20,530,851	20,530,851	5,425,322
Total Expenditures	15,541,839	21,083,000	21,083,000	5,541,161
Net Change in Fund Balance	955,944	(2,300,000)	(2,300,000)	3,255,944
Fund Balance, Beginning of Year	3,554,430	2,300,000	2,300,000	1,254,430
Fund Balance, End of Year	\$ 4,510,374	\$ -	\$ -	\$ 4,510,374

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
ENERGY EFFICIENCY FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Miscellaneous Revenues	\$ 697,962	\$ 780,000	\$ 780,000	\$ (82,038)
Excess (deficiency) of revenues over (under) expenditures	697,962	780,000	780,000	(82,038)
Other Financing Sources and Uses, Including Transfers:				
Transfers Out	-	(1,355,000)	(1,355,000)	1,355,000
Net Change in Fund Balance	697,962	(575,000)	(575,000)	1,272,962
Fund Balance, Beginning of Year	469,654	575,000	575,000	(105,346)
Fund Balance, End of Year	\$ 1,167,616	\$ -	\$ -	\$ 1,167,616

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
ASSET REPLACEMENT FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Local Sources	\$ 29,278	\$ 90,000	\$ 90,000	\$ (60,722)
Earnings on Investments	133,593	-	-	133,593
State Sources	1,157,622	800,000	800,000	357,622
Total Revenues	<u>1,320,493</u>	<u>890,000</u>	<u>890,000</u>	<u>430,493</u>
Expenditures:				
Instruction	1,453,700	1,690,600	1,690,600	236,900
Support Services	239,951	1,559,699	1,559,699	1,319,748
Debt Service:				
Principal	627,187	2,030,000	2,030,000	1,402,813
Interest	82,483	283,000	283,000	200,517
Total Expenditures	<u>2,403,321</u>	<u>5,563,299</u>	<u>5,563,299</u>	<u>3,159,978</u>
Excess (deficiency) of revenues over (under) expenditures	(1,082,828)	(4,673,299)	(4,673,299)	3,590,471
Other Financing Sources and Uses, Including Transfers:				
Transfers In	320,000	320,000	320,000	-
Transfers Out	-	(1)	(1)	1
Total Other Financing Sources and Uses, Including Transfers	<u>320,000</u>	<u>319,999</u>	<u>319,999</u>	<u>1</u>
Net Change in Fund Balance	(762,828)	(4,353,300)	(4,353,300)	3,590,472
Fund Balance, Beginning of Year	<u>4,728,548</u>	<u>4,353,300</u>	<u>4,353,300</u>	<u>375,248</u>
Fund Balance, End of Year	<u>\$ 3,965,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,965,720</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
SPECIAL CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2020

	Actual	Budget		Variance with Final Budget
		Adopted	Final	
Revenues:				
Earnings on Investment	\$ 83,678	\$ -	\$ -	\$ 83,678
Miscellaneous	3,750	-	-	3,750
Total Revenues	<u>87,428</u>	<u>-</u>	<u>-</u>	<u>87,428</u>
Expenditures:				
Facilities Acquisition and Construction	120,257	2,860,000	2,860,000	2,739,743
Net Change in Fund Balance	(32,829)	(2,860,000)	(2,860,000)	2,827,171
Fund Balance, Beginning of Year	2,850,871	2,860,000	2,860,000	(9,129)
Fund Balance, End of Year	<u>\$ 2,818,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,818,042</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
PREVENTATIVE & DEFERRED MAINTENANCE FUND
YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>		<u>Variance with Final Budget</u>
		<u>Adopted</u>	<u>Final</u>	
Revenues:				
Earnings on Investment	\$ 89,277	\$ -	\$ -	\$ 89,277
Expenditures:				
Facilities Acquisition and Construction	1,265,205	3,081,236	3,081,236	1,816,031
Excess (deficiency) of revenues over (under) expenditures	(1,175,928)	(3,081,236)	(3,081,236)	1,905,308
Other Financing Sources and Uses, Including Transfers:				
Transfer In	1,250,000	1,250,000	1,250,000	-
Net Change in Fund Balance	74,072	(1,831,236)	(1,831,236)	1,905,308
Fund Balance, Beginning of Year	2,737,986	1,831,236	1,831,236	906,750
Fund Balance, End of Year	<u>\$ 2,812,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,812,058</u>

**SALEM-KEIZER SCHOOL DISTRICT 24J
YEAR ENDED JUNE 30, 2020**

ENTERPRISE FUND

These funds are self-supporting from user charges and fees to other non-governmental entities outside of the primary government. The District has one Enterprise Fund.

External Customers Fund – This fund accounts for activity with external customers related to facility rentals, transportation, reprographics and central stores operations. This fund was closed on June 23, 2020. The District now accounts for these activities in the Auxiliary Services Fund.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
EXTERNAL CUSTOMERS FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Other Financing Sources and Uses, Including Transfers:				
Transfer Out	\$ (38,321)	\$ (100,000)	\$ (100,000)	\$ 61,679
Net Change in Fund Balance	(38,321)	(100,000)	(100,000)	61,679
Fund Balance, Beginning of Year	38,321	100,000	100,000	(61,679)
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

SALEM-KEIZER SCHOOL DISTRICT 24J
YEAR ENDED JUNE 30, 2020

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one District department to other District departments, on a cost reimbursement basis. Included are:

Risk Management Fund – Accounts for the financing of insurance premiums, unemployment claims, worker's compensation and long-term disability claims, and partial funding for probable maximum exposures.

Auxiliary Services Fund – Accounts for the user fees, printing and warehouse costs incurred by the various departments and government agencies.

Charter Schools Services Fund – Accounts for the activities of District sponsored Charter Schools. The cost of these activities is funded through revenues related to Charter School students.

SALEM-KEIZER SCHOOL DISTRICT 24J
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Risk Management Fund	Auxiliary Services Fund	Charter Schools Services Fund	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 19,900,279	\$ 2,042,119	\$ 1,045,102	\$ 22,987,500
Receivables	-	38,121	7,552	45,673
Prepaid Items	-	25,296	-	25,296
Inventories	-	855,948	-	855,948
Net OPEB Asset - RHIA	12,347	14,944	24,982	52,273
Total Current Assets	19,912,626	2,976,428	1,077,636	23,966,690
Capital Assets:				
Equipment	476,693	1,815,334	-	2,292,027
Building Improvements	103,057	553,727	-	656,784
Less Accumulated Depreciation	(149,942)	(1,565,720)	-	(1,715,662)
Total Capital Assets	429,808	803,341	-	1,233,149
TOTAL ASSETS	20,342,434	3,779,769	1,077,636	25,199,839
DEFERRED OUTFLOWS OF RESOURCES:				
OPEB Deferred Outflows - RHIA	782	946	1,582	3,310
OPEB Deferred Outflows - RHIS	27,118	32,820	54,867	114,805
Pension Deferred Outflows - PERS	368,564	446,067	745,720	1,560,351
TOTAL DEFERRED OUTFLOWS	396,464	479,833	802,169	1,678,466
LIABILITIES				
Current Liabilities:				
Accounts Payable	373,525	43,675	1,050,747	1,467,947
Accrued Salaries and Benefits	5,726	-	388	6,114
Accrued Claims Liability	1,880,556	-	-	1,880,556
Accrued Compensated Absences	32,708	56,630	1,519	90,857
Unearned Revenue	-	123	-	123
Total Current Liabilities	2,292,515	100,428	1,052,654	3,445,597
Long-term Liabilities:				
Net Pension Liability - PERS	1,074,573	1,300,539	2,174,195	4,549,307
Total OPEB Liability - RHIS	115,274	139,515	233,236	488,025
Total Long-term Liabilities	1,189,847	1,440,054	2,407,431	5,037,332
TOTAL LIABILITIES	3,482,362	1,540,482	3,460,085	8,482,929
DEFERRED INFLOWS OF RESOURCES:				
OPEB Deferred Inflows - RHIA	2,427	2,937	4,911	10,275
OPEB Deferred Inflows - RHIS	1,338	1,619	2,707	5,664
Pension Deferred Inflows - PERS	107,462	130,060	217,429	454,951
TOTAL DEFERRED INFLOWS	111,227	134,616	225,047	470,890
NET POSITION				
Investment in Capital Assets	429,808	803,341	-	1,233,149
Unrestricted	16,715,501	1,781,163	(1,805,327)	16,691,337
TOTAL NET POSITION	\$ 17,145,309	\$ 2,584,504	\$ (1,805,327)	\$ 17,924,486

SALEM-KEIZER SCHOOL DISTRICT 24J
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Risk Management Fund	Auxiliary Services Fund	Charter Schools Services Fund	Total
Operating Revenues:				
State Sources	\$ -	\$ -	\$ 7,552	\$ 7,552
Charges for Services	7,870,146	4,382,094	4,503,390	16,755,630
Total Operating Revenues	7,870,146	4,382,094	4,510,942	16,763,182
Operating Expenses:				
Salaries	756,578	915,675	1,530,793	3,203,046
Employee Benefits	773,223	665,341	751,219	2,189,783
Purchased Services	1,277,935	861,693	2,010,133	4,149,761
Supplies and Materials	2,815,443	1,603,064	25,732	4,444,239
Depreciation	43,500	48,869	-	92,369
Total Operating Expenses	5,666,679	4,094,642	4,317,877	14,079,198
Operating Income (Loss)	2,203,467	287,452	193,065	2,683,984
Nonoperating Revenues:				
Earnings on Investments	537,280	-	25,912	563,192
Change in Net Position	2,740,747	287,452	218,977	3,247,176
Net Position, July 1, 2019 as restated	14,404,562	2,297,052	(2,024,304)	14,677,310
Net Position, June 30, 2020	<u>\$ 17,145,309</u>	<u>\$ 2,584,504</u>	<u>\$ (1,805,327)</u>	<u>\$ 17,924,486</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Risk Management Fund	Auxiliary Services Fund	Charter Schools Services Fund	Total
Cash Flows from Operating Activities:				
Receipts for Services Provided	\$ 7,870,146	\$ 4,369,176	\$ 4,522,964	\$ 16,762,286
Payments to Employees for Services	(1,334,433)	(1,534,359)	(2,500,197)	(5,368,989)
Payments to Suppliers for Goods and Services	(1,628,045)	(2,721,261)	(1,718,236)	(6,067,542)
Payments for Claims	(2,650,522)	-	-	(2,650,522)
Cash Flows Provided by Operating Activities	<u>2,257,146</u>	<u>113,556</u>	<u>304,531</u>	<u>2,675,233</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(6,165)	(397,758)	-	(403,923)
Cash Flows from Investing Activities:				
Interest Received	537,280	-	25,912	563,192
Increase in Cash and Cash Equivalents	2,788,261	(284,202)	330,443	2,834,502
Cash and Cash Equivalents at Beginning of Year	<u>17,112,018</u>	<u>2,326,321</u>	<u>714,659</u>	<u>20,152,998</u>
Cash and Cash Equivalents at End of Year	<u>\$ 19,900,279</u>	<u>\$ 2,042,119</u>	<u>\$ 1,045,102</u>	<u>\$ 22,987,500</u>
Reconciliation of Operating Income (Loss) to				
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 2,203,467	\$ 287,452	\$ 193,065	\$ 2,683,984
Adjustments to Reconcile Operating Income (Loss)				
to Cash Flows from Operating Activities:				
Depreciation Expense	43,500	48,869	-	92,369
RHIA OPEB Expense Adjustment	(2,298)	(593)	1,953	(938)
Pension Expense Adjustment	164,076	29,412	(178,118)	15,370
RHIS OPEB Expense Adjustment	9,829	(8,856)	(42,685)	(41,712)
Retirement Stipend Expense Adjustment	(45)	(67)	(128)	(240)
Change in Assets and Liabilities:				
Change in Receivables	-	12,378	12,022	24,400
Change in Prepays	-	(25,296)	-	(25,296)
Change in Inventories	-	(179,495)	-	(179,495)
Change in Accounts Payable	165,299	(77,103)	317,629	405,825
Change in Accrued Salaries & Benefits	5,726	-	388	6,114
Change in Unearned Revenue	-	94	-	94
Change in Accrued Claims Liability	(350,488)	-	-	(350,488)
Change in Accrued Compensated Absences	18,080	26,761	405	45,246
Total Adjustments	<u>53,679</u>	<u>(173,896)</u>	<u>111,466</u>	<u>(8,751)</u>
Cash Flows Provided by Operating Activities	<u>\$ 2,257,146</u>	<u>\$ 113,556</u>	<u>\$ 304,531</u>	<u>\$ 2,675,233</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
RISK MANAGEMENT FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
Charges for Services	\$ 7,870,146	\$ 7,539,500	\$ 7,539,500	\$ 330,646
Interest Received	537,280	250,000	250,000	287,280
Total Revenues	<u>8,407,426</u>	<u>7,789,500</u>	<u>7,789,500</u>	<u>617,926</u>
Expenditures:				
Support Services	5,457,782	20,389,499	20,389,499	14,931,717
Excess (deficiency) of revenues over (under) expenditures	2,949,644	(12,599,999)	(12,599,999)	15,549,643
Other Financing Sources and Uses, Including Transfers:				
Transfers Out	-	(1)	(1)	1
Net Change in Fund Balance	2,949,644	(12,600,000)	(12,600,000)	15,549,644
Fund Balance, Beginning of Year	<u>14,658,120</u>	<u>12,600,000</u>	<u>12,600,000</u>	<u>2,058,120</u>
Fund Balance, End of Year	<u>\$ 17,607,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,607,764</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
AUXILIARY SERVICES FUND
YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>		<u>Variance with Final Budget</u>
		<u>Adopted</u>	<u>Final</u>	
Revenues:				
Charges for Services	\$ 4,382,094	\$ 4,790,000	\$ 4,790,000	\$ (407,906)
Expenditures:				
Support Services	4,423,635	8,340,000	8,340,000	3,916,365
Net Change in Fund Balance	(41,541)	(3,550,000)	(3,550,000)	3,508,459
Fund Balance, Beginning of Year	3,020,203	3,550,000	3,550,000	(529,797)
Fund Balance, End of Year	\$ 2,978,662	\$ -	\$ -	\$ 2,978,662

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
CHARTER SCHOOLS SERVICES FUND
YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget
	Actual	Adopted	Final	
Revenues:				
State Sources	\$ 7,552	\$ -	\$ -	\$ 7,552
Charges for Services	4,503,390	4,500,000	4,500,000	3,390
Interest Received	25,912	15,000	15,000	10,912
Total Revenues	4,536,854	4,515,000	4,515,000	21,854
Expenditures:				
Instruction	4,536,854	5,215,000	5,215,000	678,146
Net Change in Fund Balance	-	(700,000)	(700,000)	700,000
Fund Balance, Beginning of Year	-	700,000	700,000	(700,000)
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

SALEM-KEIZER SCHOOL DISTRICT 24J
YEAR ENDED JUNE 30, 2020

FIDUCIARY FUNDS

Fiduciary funds are used to account for the District's scholarship program provided by bequests and donations and for parent teacher group activities. Included are:

Private-Purpose Trust Funds – Accounts for scholarship resources received and held by the District in a fiduciary capacity. Disbursements from this fund are made in accordance with the trust agreements.

Agency Fund – Accounts for parent teacher group activities and departmental activities of the various schools and departments, accounting for sales and other revenue generating activities for support of students and staff not provided by district funds. This fund is purely custodial and does not involve measurement of result of operations. Therefore, the operational activity is not reported in this section.

SALEM-KEIZER SCHOOL DISTRICT 24J
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

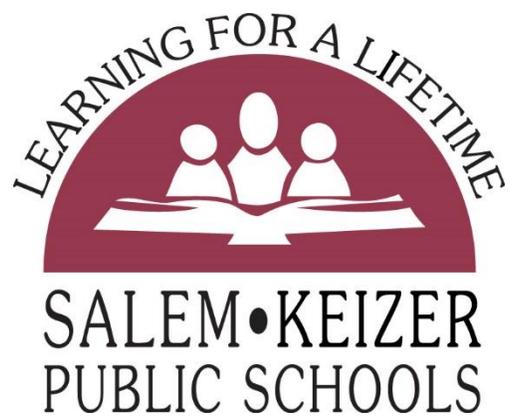
	<u>Loretta Isom Scholarship Fund</u>	<u>Small Memorials Fund</u>	<u>Total Private-Purpose Trust Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,018	\$ 189,556	\$ 194,574
TOTAL ASSETS	<u>5,018</u>	<u>189,556</u>	<u>194,574</u>
NET POSITION			
Net Position Held in Trust for Scholarships	<u>5,018</u>	<u>189,556</u>	<u>194,574</u>
TOTAL NET POSITION	<u>\$ 5,018</u>	<u>\$ 189,556</u>	<u>\$ 194,574</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Loretta Isom Scholarship Fund</u>	<u>Small Memorials Fund</u>	<u>Total Private-Purpose Trust Funds</u>
Additions:			
Contributions	\$ -	\$ 4,400	\$ 4,400
Deductions:			
Scholarships	4,500	6,164	10,664
Dues & Fees	-	236	236
Total Deductions	<u>4,500</u>	<u>6,400</u>	<u>10,900</u>
Change in Net Position	(4,500)	(2,000)	(6,500)
Net Position, Beginning of Year	<u>9,518</u>	<u>191,556</u>	<u>201,074</u>
Net Position, End of Year	<u>\$ 5,018</u>	<u>\$ 189,556</u>	<u>\$ 194,574</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS:				
Cash and Cash Equivalents	\$ 260,279	\$ 107,516	\$ 170,158	\$ 197,637
Total Assets	\$ 260,279	\$ 107,516	\$ 170,158	\$ 197,637
 LIABILITIES:				
Accounts Payable	\$ 10,526	\$ 90,818	\$ 101,091	\$ 253
Due to Outside Groups	249,753	16,698	69,067	197,384
Total Liabilities	\$ 260,279	\$ 107,516	\$ 170,158	\$ 197,637



OTHER FINANCIAL SCHEDULES

SALEM-KEIZER SCHOOL DISTRICT 24J
REVENUE SUMMARY BY ALL FUNDS
YEAR ENDED JUNE 30, 2020

	Fund 100	Fund 200	Fund 300
Local Sources:			
1110 Current Year Taxes	\$ 83,106,821	\$ -	\$ 50,287,819
1112 Prior Year Taxes	1,709,708	-	558,570
1113 Foreclosed Property Taxes	120,668	-	-
1114 Payments in Lieu of Property Taxes	209,000	-	-
1311 Tuition from Individuals	-	433,868	-
1312 Tuition from Other Districts	13,064	25,798	-
1500 Earnings on Investments	2,977,005	253,969	959,849
1600 Food Service	-	1,217,925	-
1700 Extracurricular Activities	-	3,114,600	-
1800 Community Services Activities	-	5,765	-
1910 Rentals	403,225	80,431	-
1920 Contributions from Private Sources	4,479	481,568	-
1940 Services Provided	103,077	-	-
1950 Textbook Sales and Rentals	-	8,698	-
1960 Recovery of Prior Years' Expenditure	119,947	6,383	-
1970 Services Provided Other Funds	-	-	23,870,942
1980 Fees Charged to Grants	1,597,191	-	-
1990 Miscellaneous	997,037	1,832,149	-
Total Local Sources	91,361,222	7,461,154	75,677,180
Intermediate Sources:			
2101 County School Funds	1,003,437	-	-
2102 General ESD Funds	17,027,680	-	-
2200 Restricted Revenue	-	1,289,729	-
Total Intermediate Sources	18,031,117	1,289,729	-
State Sources:			
3101 State School Fund	356,415,909	-	-
3102 State School Fund - School Lunch Match	-	181,445	-
3103 Common School Fund	4,044,246	-	-
3199 Other Unrestricted Grants-in-Aid	2,218,809	-	-
3222 State School Fund (SSF) Transportation Equipment	-	1,157,622	-
3299 Other Restricted Grants-in-Aid	-	13,915,158	-
Total State Sources	362,678,964	15,254,225	-
Federal Sources:			
4200 Unrestricted Federal Revenue	138,409	-	-
4300 Restricted Federal Revenue	-	165,633	-
4500 Restricted Federal Revenue through State	-	37,679,051	-
4801 Federal Forest Fees	373	-	-
4900 Revenue on behalf of District	-	1,463,916	-
Total Federal Sources	138,782	39,308,600	-
Other Sources:			
5200 Interfund Transfers	38,321	320,000	-
5300 Sale of Capital Assets	32,195	-	-
5400 Resources - Beginning Fund Balance	58,847,654	14,402,050	37,552,850
Total Other Sources	58,918,170	14,722,050	37,552,850
Total Revenues	\$ 531,128,255	\$ 78,035,758	\$ 113,230,030

Fund 400	Fund 500	Fund 600	Fund 700	Total
\$ -	\$ -	\$ -	\$ -	\$ 133,394,640
-	-	-	-	2,268,278
-	-	-	-	120,668
-	-	-	-	209,000
-	-	-	-	433,868
-	-	-	-	38,862
11,036,774	-	563,192	-	15,790,789
-	-	-	-	1,217,925
-	-	-	-	3,114,600
-	-	-	-	5,765
-	-	-	-	483,656
-	-	-	-	486,047
-	-	96,760	-	199,837
-	-	-	-	8,698
-	-	13,948	-	140,278
-	-	10,061,972	-	33,932,914
-	-	-	-	1,597,191
40,938	-	6,582,950	93,380	9,546,454
<u>11,077,712</u>	<u>-</u>	<u>17,318,822</u>	<u>93,380</u>	<u>202,989,470</u>
-	-	-	-	1,003,437
-	-	-	-	17,027,680
-	-	-	-	1,289,729
-	-	-	-	19,320,846
-	-	-	-	356,415,909
-	-	-	-	181,445
-	-	-	-	4,044,246
-	-	-	-	2,218,809
-	-	-	-	1,157,622
-	-	7,552	-	13,922,710
-	-	7,552	-	377,940,741
-	-	-	-	138,409
-	-	-	-	165,633
-	-	-	-	37,679,051
-	-	-	-	373
-	-	-	-	1,463,916
-	-	-	-	39,447,382
1,250,000	-	-	-	1,608,321
-	-	-	-	32,195
430,077,027	38,321	17,678,323	450,827	559,047,052
431,327,027	38,321	17,678,323	450,827	560,687,568
<u>\$ 442,404,739</u>	<u>\$ 38,321</u>	<u>\$ 35,004,697</u>	<u>\$ 544,207</u>	<u>\$ 1,200,386,007</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
GENERAL FUND (100) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020

	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>
Instruction:			
1111 Elementary, K-5	\$ 61,878,406	\$ 40,330,945	\$ 1,013,303
1121 Middle/Junior High Programs	24,128,891	15,236,977	539,647
1122 Middle/Junior High School Extracurricular	554,916	213,301	330,185
1131 High School Programs	31,621,521	19,590,152	645,332
1132 High School Extracurricular	2,301,136	918,628	728,664
1210 Programs for the Talented and Gifted	246,852	123,310	3,645
1220 Restrictive Programs for Students with Disabilities	24,069,705	18,411,303	137,646
1250 Less Restrictive Programs for Students with Disabilities	16,285,460	11,468,445	318,485
1260 Treatment and Habilitation	111,073	59,795	3,756
1280 Alternative Education	3,538,474	2,323,332	6,404,215
1291 English Second Language Programs	7,977,934	5,498,485	10,617
1292 Teen Parent Programs	565,933	363,329	5,362
1294 Youth Corrections Education	30,917	29,138	-
1299 Other Programs	19,723	4,119	23,217
1400 Summer School Programs	188,558	76,527	51,652
Total Instruction	<u>173,519,499</u>	<u>114,647,786</u>	<u>10,215,726</u>
Support Services:			
2110 Attendance and Social Work Services	2,294,077	1,572,931	1,160,058
2120 Guidance Services	6,663,128	4,211,562	3,783
2130 Health Services	1,735,599	1,130,686	144,194
2140 Psychological Services	903,792	509,063	7,762
2150 Speech Pathology and Audiology Services	3,127,171	1,881,869	865,926
2160 Other Student Treatment Services	882,594	541,018	455,048
2190 Service Direction, Student Support Services	974,117	583,280	46,485
2210 Improvement of Instruction Services	2,201,912	1,212,572	143,331
2220 Educational Media Services	2,665,863	2,046,462	92,039
2230 Assessment and Testing	331,759	205,808	26,169
2240 Instructional Staff Development	3,726,891	2,253,268	457,480
2310 Board of Education Services	2,084	853	445,657
2320 Executive Administration Services	1,066,633	608,066	10,967
2410 Office of the Principal Services	19,325,469	12,556,177	506,053
2490 Other Support Services - School Administration	1,469,369	861,612	79,161
2520 Fiscal Services	1,502,894	902,260	126,204
2540 Operation and Maintenance of Plant Services	11,517,153	9,351,723	8,635,658
2550 Student Transportation Services	9,742,078	8,411,364	549,008
2570 Internal Services	848,172	392,723	18,517
2630 Information Services	392,248	237,816	27,890
2640 Staff Services	2,709,883	1,608,521	354,359
2660 Technology Services	5,145,955	3,160,548	1,906,343
2680 Interpretation and Translation	602,491	432,112	168,338
2690 Other Support Services - Central	-	493,248	226,331
2700 Supplemental Retirement Program	238,042	100,375	-
Total Support Services	<u>80,069,373</u>	<u>55,265,916</u>	<u>16,456,762</u>
Enterprise and Community Services			
3100 Food Service	-	-	-
3500 Custody and Care of Children	18,244	6,916	-
Total Facilities Acquisition and Construction	<u>18,244</u>	<u>6,916</u>	<u>-</u>
Facilities Acquisition and Construction:			
4110 Service Area Direction	-	-	-
4120 Site Acquisition and Development Services	-	-	14,197
4150 Building Acquisition, Construction, and Improvement Services	23	11	24,428
Total Facilities Acquisition and Construction	<u>23</u>	<u>11</u>	<u>38,625</u>
Other Uses:			
5100 Debt Service	-	-	-
5200 Transfers of Funds	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 253,607,139</u>	<u>\$ 169,920,628</u>	<u>\$ 26,711,113</u>

	Object 400	Object 500	Object 600	Object 700	Total
\$	781,048	\$ -	\$ 1,528	\$ -	\$ 104,005,230
	540,316	-	58,713	-	40,504,544
	41,705	-	1,075	-	1,141,182
	1,138,819	-	57,799	-	53,053,623
	60,728	6,995	46,119	-	4,062,270
	7,154	-	-	-	380,961
	91,626	-	421	-	42,710,701
	91,827	-	-	-	28,164,217
	21,937	-	-	-	196,561
	88,748	-	12,966	-	12,367,735
	53,596	-	-	-	13,540,632
	5,552	-	291	-	940,467
	-	-	-	-	60,055
	1,173	6,275	-	-	54,507
	3,174	-	-	-	319,911
	<u>2,927,403</u>	<u>13,270</u>	<u>178,912</u>	<u>-</u>	<u>301,502,596</u>
	5,542	5,590	553	-	5,038,751
	1,832	-	129	-	10,880,434
	1,122	-	-	-	3,011,601
	9,009	-	-	-	1,429,626
	18,450	-	-	-	5,893,417
	74,511	-	-	-	1,953,171
	140,805	-	-	-	1,744,686
	253,042	-	6,873	-	3,817,729
	330,623	-	1,407	-	5,136,393
	160,079	-	-	-	723,815
	62,953	-	21,405	-	6,521,997
	1,339	-	23,535	-	473,469
	8,989	-	7,917	-	1,702,571
	385,835	60,539	20,663	-	32,854,736
	37,468	-	2,903	-	2,450,513
	19,016	-	8,489	-	2,558,863
	1,711,986	48,044	69,316	-	31,333,880
	1,371,087	2,169,850	266,965	-	22,510,353
	28,725	-	3,799	-	1,291,935
	27,886	-	2,477	-	688,317
	46,020	-	5,569	-	4,724,352
	2,259,056	-	22,528	-	12,494,431
	41,544	-	-	-	1,244,486
	-	-	-	-	719,578
	-	-	-	-	338,418
	<u>6,996,919</u>	<u>2,284,023</u>	<u>464,528</u>	<u>-</u>	<u>161,537,521</u>
	60	-	175,859	-	175,919
	1,743	-	-	-	26,902
	<u>1,803</u>	<u>-</u>	<u>175,859</u>	<u>-</u>	<u>202,821</u>
	4,375	-	-	-	4,375
	-	2,952	-	-	17,149
	<u>887</u>	<u>81,427</u>	<u>-</u>	<u>-</u>	<u>106,776</u>
	<u>5,262</u>	<u>84,379</u>	<u>-</u>	<u>-</u>	<u>128,300</u>
	-	-	450,251	-	450,251
	-	-	-	1,570,000	1,570,000
	-	-	450,251	1,570,000	2,020,251
\$	<u>9,931,387</u>	<u>\$ 2,381,672</u>	<u>\$ 1,269,550</u>	<u>\$ 1,570,000</u>	<u>\$ 465,391,489</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020

	Object 100	Object 200	Object 300
Instruction:			
1111 Primary, K-5	\$ 97,971	\$ 52,747	\$ 212,135
1113 Elementary Extracurricular	1,300	399	93,751
1121 Middle/Junior High Programs	80,956	47,216	62,126
1122 Middle/Junior High School Extracurricular	46,203	14,218	113,539
1131 High School Programs	1,720,439	1,039,586	33,981
1132 High School Extracurricular	157,670	61,305	429,472
1140 Pre-Kindergarten Programs	2,187,631	1,313,176	134,111
1220 Restrictive Programs for Students with Disabilities	954,632	626,648	10,849
1250 Less Restrictive Programs for Students with Disabilities	439,242	276,213	713
1260 Treatment and Habilitation	457,951	299,386	-
1271 Remediation	176,902	72,025	18,066
1272 Title I	3,871,415	2,416,431	153,183
1280 Alternative Education	162,907	96,140	-
1291 English Second Language Programs	46,982	34,420	34
1292 Teen Parent Program	55,249	36,301	-
1293 Migrant Education	595,872	405,953	59,914
1299 Other Programs	3,430	1,519	1,592
1400 Summer School Programs	99,575	42,882	6,168
Total Instruction	11,156,327	6,836,565	1,329,634
Support Services:			
2110 Attendance and Social Work Services	931,207	668,092	153,755
2120 Guidance Services	204,237	134,868	84,405
2130 Health Services	150,301	90,224	95,238
2140 Psychological Services	106,793	63,559	-
2150 Speech Pathology and Audiology Services	433,610	326,869	-
2160 Other Student Treatment Services	3,317	3,033	-
2190 Service Direction, Student Support Services	768,275	546,926	935
2210 Improvement of Instruction Services	845,783	465,526	100,864
2230 Assessment and Testing	-	-	-
2240 Instructional Staff Development	2,717,422	1,480,470	744,726
2410 Office of the Principal	187,009	113,561	152,429
2490 Other Support Services - School Administration	965,663	593,724	78,401
2520 Fiscal Services	-	-	15,884
2540 Operation and Maintenance of Plant Services	207,619	180,551	90,020
2620 Planning, Research, Development, Evaluation	40,762	16,664	22,381
2640 Staff Services	235,714	149,623	-
2660 Technology Services	71,612	40,670	14,660
2680 Interpretation and Transpation Services	-	-	1,862
Total Support Services	7,869,324	4,874,360	1,555,560
Enterprise and Community Services:			
3100 Food Services	82,448	63,510	11,880,914
3300 Community Services	1,165,375	754,790	170,291
Total Enterprise and Community Services	1,247,823	818,300	12,051,205
Facilities Acquisition and Construction:			
4150 Building Acquisition, Construction, and Improvement	-	-	-
Other Uses:			
5100 Debt Service	-	-	-
Total Expenditures	\$ 20,273,474	\$ 12,529,225	\$ 14,936,399

<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Total</u>
\$ 1,481,510	\$ 10,910	\$ -	\$ 1,855,273
364,736	24,010	4,691	488,887
68,181	67,767	-	326,246
403,222	-	6,232	583,414
694,773	248,732	14,151	3,751,662
1,458,710	168,930	310,260	2,586,347
238,533	7,078	28,670	3,909,199
6,048	-	-	1,598,177
91,636	-	-	807,804
-	-	-	757,337
7,394	-	-	274,387
280,818	-	-	6,721,847
8,623	-	110	267,780
548	-	-	81,984
6,596	-	-	98,146
33,837	-	-	1,095,576
8,650	-	-	15,191
18,976	-	220	167,821
<u>5,172,791</u>	<u>527,427</u>	<u>364,334</u>	<u>25,387,078</u>
128,789	-	3,434	1,885,277
1,496	-	-	425,006
38	-	-	335,801
-	-	-	170,352
-	-	-	760,479
-	-	-	6,350
440	-	-	1,316,576
17,622	16,968	2,990	1,449,753
-	-	765	765
137,455	-	12,679	5,092,752
-	-	-	452,999
24,747	-	2,675	1,665,210
9,596	-	1,601,105	1,626,585
139,272	-	-	617,462
1,428	-	-	81,235
-	-	-	385,337
133	-	990	128,065
-	-	-	1,862
<u>461,016</u>	<u>16,968</u>	<u>1,624,638</u>	<u>16,401,866</u>
1,862,239	742,045	590,087	15,221,243
193,191	-	5,475	2,289,122
<u>2,055,430</u>	<u>742,045</u>	<u>595,562</u>	<u>17,510,365</u>
-	2,887,076	-	2,887,076
-	-	709,670	709,670
<u>\$ 7,689,237</u>	<u>\$ 4,173,516</u>	<u>\$ 3,294,204</u>	<u>\$ 62,896,055</u>



**SALEM-KEIZER SCHOOL DISTRICT 24J
DEBT SERVICE FUNDS (300) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020**

	<u>Object 600</u>	<u>Total</u>
Other Uses:		
5100 Debt Service	<u>\$ 84,746,037</u>	<u>\$ 84,746,037</u>
Total Expenditures	<u>\$ 84,746,037</u>	<u>\$ 84,746,037</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
CAPITAL PROJECTS FUNDS (400) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020

	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>
Facilities Acquisition and Construction:			
4110 Direction	\$ 739,551	\$ 437,359	\$ 4,059,178
4120 Site Acquisition and Development Services	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	66,391
4180 Other Capital Items	-	-	-
Total Facilities Acquisition and Construction	<u>739,551</u>	<u>437,359</u>	<u>4,125,569</u>
 Total Expenditures	 <u>\$ 739,551</u>	 <u>\$ 437,359</u>	 <u>\$ 4,125,569</u>

<u>Object 400</u>	<u>Object 500</u>	<u>Total</u>
\$ 32,602	\$ 25,345	\$ 5,294,035
-	7,627,143	7,627,143
820	138,655,513	138,722,724
-	2,307,066	2,307,066
<u>33,422</u>	<u>148,615,066</u>	<u>153,950,967</u>
<u>\$ 33,422</u>	<u>\$ 148,615,066</u>	<u>\$ 153,950,967</u>



**SALEM-KEIZER SCHOOL DISTRICT 24J
ENTERPRISE FUND (500) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020**

	<u>Object 700</u>	<u>Total</u>
Other Financing Uses:		
5200 Transfer of Funds	\$ 38,321	\$ 38,321
Total Expenditures and Transfers	<u>\$ 38,321</u>	<u>\$ 38,321</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
INTERNAL SERVICE FUNDS (600) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2020

	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>
Instruction:			
1280 Alternative Education	\$ 1,530,793	\$ 970,197	\$ 2,010,133
Support Services:			
2520 Fiscal Services	729,555	579,767	1,272,236
2540 Operation and Maintenance of Plant	27,023	21,894	5,699
2570 Other Internal Services	915,675	645,445	861,693
Total Support Services	<u>1,672,253</u>	<u>1,247,106</u>	<u>2,139,628</u>
 Total Expenditures	 <u>\$ 3,203,046</u>	 <u>\$ 2,217,303</u>	 <u>\$ 4,149,761</u>

<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Total</u>
\$ 16,482	\$ -	\$ 9,249	\$ 4,536,854
510,303	6,165	2,300,034	5,398,060
5,106	-	-	59,722
<u>1,602,614</u>	<u>397,758</u>	<u>450</u>	<u>4,423,635</u>
<u>2,118,023</u>	<u>403,923</u>	<u>2,300,484</u>	<u>9,881,417</u>
<u>\$ 2,134,505</u>	<u>\$ 403,923</u>	<u>\$ 2,309,733</u>	<u>\$ 14,418,271</u>



**SALEM-KEIZER SCHOOL DISTRICT 24J
 FIDUCIARY FUNDS (700) EXPENDITURE SUMMARY
 YEAR ENDED JUNE 30, 2020**

	<u>Object 300</u>	<u>Object 400</u>	<u>Object 600</u>	<u>Total</u>
Enterprise and Community Services:				
3300 Community Services	\$ 4,625	\$ 147,387	\$ 236	\$ 152,248
Total Expenditures	<u>\$ 4,625</u>	<u>\$ 147,387</u>	<u>\$ 236</u>	<u>\$ 152,248</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF GENERAL OBLIGATION BOND AND INTEREST TRANSACTIONS
YEAR ENDED JUNE 30, 2020

Issue Date	Principal					
	Original Amount	Outstanding July 1, 2019	Issued	Matured	Redeemed	Outstanding June 30, 2020
March 16, 2009	\$ 178,715,189	\$ 108,286,716	\$ -	\$ 2,458,377	\$ 2,458,377	\$ 105,828,339
December 16, 2009	31,760,000	31,760,000	-	31,760,000	31,760,000	-
June 30, 2011	31,620,000	1,750,000	-	1,750,000	1,750,000	-
July 25, 2018	383,230,000	377,795,000	-	3,955,000	3,955,000	373,840,000
	<u>\$ 625,325,189</u>	<u>\$ 519,591,716</u>	<u>\$ -</u>	<u>\$ 39,923,377</u>	<u>\$ 39,923,377</u>	<u>\$ 479,668,339</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF LIMITED TAX PENSION BOND AND INTEREST TRANSACTIONS
YEAR ENDED JUNE 30, 2020

Issue Date	Principal					
	Original Amount	Outstanding July 1, 2019	Issued	Matured	Redeemed	Outstanding June 30, 2020
October 31, 2002	\$ 106,974,763	\$ 80,203,666	\$ -	\$ 2,438,666	\$ 2,438,666	\$ 77,765,000
February 19, 2004	88,815,000	67,660,000	-	4,915,000	4,915,000	62,745,000
June 30, 2011	7,820,000	7,820,000	-	-	-	7,820,000
January 29, 2015	50,145,000	40,980,000	-	2,310,000	2,310,000	38,670,000
	<u>\$ 253,754,763</u>	<u>\$ 196,663,666</u>	<u>\$ -</u>	<u>\$ 9,663,666</u>	<u>\$ 9,663,666</u>	<u>\$ 187,000,000</u>

Interest		
Interest Coupon Rates	Matured	Redeemed
4.0%-5.84%	\$ 1,691,623	\$ 1,691,623
1.25%	397,000	397,000
2.0%-5.0%	82,500	82,500
4.0%-5.0%	18,660,200	18,660,200
	<u>\$ 20,831,323</u>	<u>\$ 20,831,323</u>

Interest		
Interest Coupon Rates	Matured	Redeemed
5.48%-6.10%	\$ 8,915,349	\$ 8,915,349
5.12%-5.53%	3,723,229	3,723,229
4.12%	321,792	321,792
0.52%-3.82%	1,367,301	1,367,301
	<u>\$ 14,327,671</u>	<u>\$ 14,327,671</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENT OF GENERAL
OBLIGATION BONDS
YEAR ENDED JUNE 30, 2020

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 24,787,987	\$ 28,904,013	\$ 53,692,000
2022	18,591,866	29,511,635	48,103,501
2023	19,376,477	30,302,773	49,679,250
2024	20,104,354	31,061,396	51,165,750
2025	20,887,666	31,812,834	52,700,500
2026	21,770,136	32,513,615	54,283,751
2027	22,739,676	33,171,575	55,911,251
2028	23,908,105	33,680,395	57,588,500
2029	25,128,963	34,187,037	59,316,000
2030	26,463,109	34,635,389	61,098,498
2031	19,475,000	12,645,500	32,120,500
2032	21,415,000	11,671,750	33,086,750
2033	23,475,000	10,601,000	34,076,000
2034	25,675,000	9,427,250	35,102,250
2035	28,010,000	8,143,500	36,153,500
2036	30,345,000	6,893,000	37,238,000
2037	32,980,000	5,375,750	38,355,750
2038	35,780,000	3,726,750	39,506,750
2039	38,755,000	1,937,750	40,692,750
Total Future Payments	<u>\$ 479,668,339</u>	<u>\$ 390,202,912</u>	<u>\$ 869,871,251</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENT OF LIMITED TAX
PENSION OBLIGATION BONDS
YEAR ENDED JUNE 30, 2020

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 15,795,000	\$ 9,403,582	\$ 25,198,582
2022	17,450,000	8,719,822	26,169,822
2023	19,455,000	7,832,091	27,287,091
2024	21,620,000	6,828,154	28,448,154
2025	23,960,000	5,696,627	29,656,627
2026	26,480,000	4,434,650	30,914,650
2027	29,205,000	3,030,190	32,235,190
2028	15,155,000	1,472,653	16,627,653
2029	2,990,000	682,658	3,672,658
2030	3,105,000	568,500	3,673,500
2031	3,225,000	449,951	3,674,951
2032	3,350,000	326,821	3,676,821
2033	3,475,000	198,918	3,673,918
2034	1,735,000	66,242	1,801,242
Total Future Payments	<u>\$ 187,000,000</u>	<u>\$ 49,710,859</u>	<u>\$ 236,710,859</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
SUPPLEMENTAL INFORMATION, 2019-2020
(REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION)

A. Energy Bill for Heating - All Funds

Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325, 326 & 327
Function 2540	\$ 5,916,543
Function 2550	\$ -

B. Replacement of Equipment - General Fund

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

Exclude these functions:

\$	-
----	---

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

STATISTICAL SECTION

SALEM-KEIZER SCHOOL DISTRICT 24J
STATISTICAL SECTION
OVERVIEW

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources, state school fund and property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**SALEM-KEIZER SCHOOL DISTRICT 24J
STATISTICAL SECTION
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SALEM-KEIZER SCHOOL DISTRICT 24J
CONDENSED STATEMENT OF NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS ENDED JUNE 30

	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES				
ASSETS:				
Current and Other Assets	\$ 494,124,909	\$ 609,264,092	\$ 150,258,866	\$ 143,080,056
Net Capital Assets	617,445,293	478,549,171	451,356,649	434,278,494
Prepaid Pension Contributions	-	-	-	-
Pension Assets	-	-	-	-
Net OPEB Asset - RHIA	4,534,037	2,606,873	968,900	-
TOTAL ASSETS	1,116,104,239	1,090,420,136	602,584,415	577,358,550
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Deferred Outflow - PERS	135,340,489	162,541,689	138,738,558	202,049,375
OPEB Deferred Outflows - RHIA	287,100	1,162,909	1,130,778	1,156,047
OPEB Deferred Outflows - RHIS	9,957,864	8,711,901	-	-
Deferred Amount on Bond Refunding	18,000	36,000	571,117	1,128,720
TOTAL DEFERRED OUTFLOWS	145,603,453	172,452,499	140,440,453	204,334,142
LIABILITIES:				
Other Liabilities	172,393,918	138,461,336	119,638,031	108,901,550
Long-term Debt Outstanding	732,424,065	786,869,702	373,916,867	409,111,237
Total OPEB Liability - RHIS	42,329,949	37,586,012	25,441,981	23,747,374
Net Pension Liability - PERS	394,594,093	370,018,658	313,463,307	330,280,248
Total Pension Liability - Stipend Benefits	-	16,442	305,933	1,204,740
Net OPEB Liability - RHIA	-	-	-	638,414
TOTAL LIABILITIES	1,341,742,025	1,332,952,150	832,766,119	873,883,563
DEFERRED INFLOWS OF RESOURCES:				
Pension Deferred Inflow - PERS	39,461,209	27,893,900	9,580,033	6,909,596
OPEB Deferred Inflows - RHIA	891,224	723,844	454,544	-
OPEB Deferred Inflows - RHIS	491,281	-	-	-
Deferred Amount on Bond Refunding	-	-	-	-
TOTAL DEFERRED INFLOWS	40,843,714	28,617,744	10,034,577	6,909,596
NET POSITION:				
Net Investment in Capital Assets	354,844,900	312,831,305	284,229,566	245,110,046
Restricted	1,167,616	469,654	129,021	2,507,364
Unrestricted	(476,890,563)	(411,998,218)	(384,134,415)	(346,717,877)
TOTAL NET POSITION	\$ (120,878,047)	\$ (98,697,259)	\$ (99,775,828)	\$ (99,100,467)
BUSINESS TYPE ACTIVITIES				
ASSETS:				
Current and Other Assets	\$ -	\$ 38,321	\$ 194,319	\$ 525,894
Pension Assets	-	-	-	-
TOTAL ASSETS	-	38,321	194,319	525,894
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Deferred Outflow - PERS	-	-	-	125,548
LIABILITIES:				
Other Liabilities	-	-	55,998	9,055
Net Pension Liability - PERS	-	-	-	205,226
TOTAL LIABILITIES	-	-	55,998	214,281
DEFERRED INFLOWS OF RESOURCES:				
Pension Deferred Inflows - PERS	-	-	-	4,294
NET POSITION:				
Unrestricted	-	38,321	138,321	432,867
TOTAL NET POSITION	\$ -	\$ 38,321	\$ 138,321	\$ 432,867

Source: Salem-Keizer Public Schools
GASB 68 and GASB 65 were implemented in FY 2015 and FY 2014, respectively.
FY 2017 was restated for GASB 75 implementation and FY 2019 was restated for prior period adjustment.

2016	2015	2014	2013	2012	2011
\$ 158,919,641	\$ 174,587,436	\$ 167,122,010	\$ 182,598,792	\$ 224,270,903	\$ 272,198,477
431,323,086	416,135,610	406,135,755	402,081,426	387,486,377	334,983,076
-	-	183,232,781	187,132,689	190,547,194	193,310,944
-	56,333,378	-	-	-	-
-	-	-	-	-	-
590,242,727	647,056,424	756,490,546	771,812,907	802,304,474	800,492,497
69,109,541	79,382,440	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,686,323	2,243,926	2,801,529	3,359,132	162,000	180,000
70,795,864	81,626,366	2,801,529	3,359,132	162,000	180,000
132,742,800	123,195,104	82,205,188	92,690,300	159,926,204	141,998,639
441,939,451	474,986,624	488,389,939	518,923,136	489,943,303	516,615,100
-	-	-	-	-	-
122,378,153	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
697,060,404	598,181,728	570,595,127	611,613,436	649,869,507	658,613,739
31,727,285	108,700,599	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	99,458	203,242	307,026
31,727,285	108,700,599	-	99,458	203,242	307,026
221,821,653	194,496,722	172,893,673	153,807,226	141,578,857	131,279,359
6,904,637	6,877,725	9,841,417	2,471,931	2,746,751	4,960,401
(296,475,388)	(179,573,984)	5,961,858	7,179,988	8,068,117	5,511,972
\$ (67,749,098)	\$ 21,800,463	\$ 188,696,948	\$ 163,459,145	\$ 152,393,725	\$ 141,751,732
\$ 333,869	\$ 258,570	\$ 251,499	\$ -	\$ -	\$ -
-	38,829	-	-	-	-
333,869	297,399	251,499	-	-	-
47,249	18,859	-	-	-	-
8,441	7,940	780	-	-	-
83,667	-	-	-	-	-
92,108	7,940	780	-	-	-
21,692	74,925	-	-	-	-
267,318	233,393	250,719	-	-	-
\$ 267,318	\$ 233,393	\$ 250,719	\$ -	\$ -	\$ -

SALEM-KEIZER SCHOOL DISTRICT 24J
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS ENDED JUNE 30
 (ACCRUAL BASIS OF ACCOUNTING)

	2020	2019	2018	2017
Expenses				
Governmental Activities				
Instructional Programs	\$ 368,583,635	\$ 355,262,280	\$ 335,870,638	\$ 313,305,655
Support Services:				
Student Transportation Services	22,324,258	20,917,985	20,020,014	17,897,990
Other Support Services	184,097,364	171,153,523	168,006,337	161,487,750
Community Services	2,848,675	2,279,807	602,857	541,402
Food Services	14,379,549	16,387,924	16,858,814	16,428,499
Facilities Services	7,332,653	6,898,483	6,753,676	7,233,788
Interest and Fees on Long-Term Debt	38,439,497	38,440,258	23,818,015	24,129,832
Total Governmental Activities Expenses	638,005,631	611,340,260	571,930,351	541,024,916
Business-type Activities				
Community Services	-	-	842,723	454,563
Total Primary Government Expenses	\$ 638,005,631	\$ 611,340,260	\$ 572,773,074	\$ 541,479,479
Program Revenues				
Governmental Activities				
Charges for Services:				
Instructional Programs	\$ 9,217,812	\$ 10,310,704	\$ 11,566,298	\$ 9,608,492
Other Support Services	14,438,165	14,722,712	12,334,403	11,756,109
Community Services	5,765	7,450	6,225	5,898
Food Services	1,537,548	2,123,827	1,893,936	1,491,208
Facilities Services	-	-	-	-
Operating Grants and Contributions	52,279,934	59,556,267	56,428,169	51,486,135
Capital Grants and Contributions	4,742,854	3,449,971	2,302,378	2,215,097
Total Governmental Activities Program Revenues	82,222,078	90,170,931	84,531,409	76,562,939
Business-type Activities				
Rentals	-	-	439,260	388,714
Charges for Services	-	-	108,917	231,398
Total Business-type Activities Program Revenues	-	-	548,177	620,112
Total Primary Government Net (Expenses)	\$ 555,783,553	\$ 521,169,329	\$ 487,693,488	\$ 464,296,428
General Revenues				
Governmental Activities				
Property Taxes Levied for Gen Purposes	\$ 84,920,119	\$ 82,622,898	\$ 81,236,264	\$ 76,773,738
Property Taxes Levied for Debt Service	51,092,658	52,226,988	27,772,256	22,397,658
Intermediate Sources	17,027,680	17,897,299	15,973,995	15,048,073
State School Fund - General Support	356,550,799	344,069,980	339,031,332	309,535,499
State School Fund - Unrestricted Grants	2,218,809	1,683,189	4,025,402	2,338,323
Common School Fund	4,044,246	4,472,941	2,093,749	5,009,361
Federal Sources - General Support	138,783	127,616	21,724	32,024
Unrestricted State and Local Sources	1,341,310	530,183	12,269,171	956,168
Gain on Sale of Capital Asset	32,195	234,328	10,306	22,763
Earnings on Investments	11,825,284	13,517,879	3,295,569	1,431,159
Net Increase in the Fair Value of Investments	3,965,505	4,279,592	20,862	175,346
Transfers	38,321	100,000	-	-
Miscellaneous	407,056	485,005	972,951	398,691
Total Governmental Activities General Revenues	533,602,765	522,247,898	486,723,581	434,118,803
Business-type Activities				
Transfers	(38,321)	(100,000)	-	-
Total Primary Government General Revenues	\$ 533,564,444	\$ 522,147,898	\$ 486,723,581	\$ 434,118,803
CHANGE IN NET POSITION				
Governmental Activities	\$ (22,180,788)	\$ 1,078,569	\$ (675,361)	\$ (30,343,174)
Business-type Activities	(38,321)	(100,000)	(294,546)	165,549
Total Primary Government	\$ (22,219,109)	\$ 978,569	\$ (969,907)	\$ (30,177,625)

Source: Salem-Keizer Public Schools
 GASB 68 and GASB 65 were implemented in FY 2015 and FY 2014, respectively.
 FY 2017 was restated for GASB 75 implementation and FY 2019 was restated for prior period adjustment.

2016	2015	2014	2013	2012	2011
\$ 347,430,098	\$ 214,216,158	\$ 252,926,140	\$ 234,466,357	\$ 239,143,184	\$ 237,641,282
19,138,280	12,787,985	16,577,771	14,403,373	13,680,448	12,690,201
177,865,936	119,119,707	132,946,384	126,653,501	123,481,541	118,992,999
1,827,365	520,377	506,316	606,348	658,948	303,112
13,691,167	14,919,866	13,905,716	13,369,351	13,443,979	13,702,863
14,983,797	-	7,348,527	11,294,252	14,032,028	10,993,481
24,605,017	24,167,352	28,007,778	28,767,980	29,684,942	29,401,903
599,541,660	385,731,445	452,218,632	429,561,162	434,125,070	423,725,841
447,807	355,360	238,658	-	-	-
\$ 599,989,467	\$ 386,086,805	\$ 452,457,290	\$ 429,561,162	\$ 434,125,070	\$ 423,725,841
\$ 9,824,531	\$ 9,000,662	\$ 8,216,193	\$ 9,124,176	\$ 8,771,284	\$ 10,743,476
11,002,719	8,773,438	9,709,131	9,118,348	10,391,950	8,079,202
1,985	144,636	247,641	248,610	255,818	331,768
1,414,001	1,540,266	1,573,325	1,694,011	2,130,092	2,503,864
4,378	-	-	-	-	-
49,340,622	71,871,907	70,413,215	62,088,322	70,060,510	39,861,240
2,757,207	1,807,810	1,316,550	3,596,746	5,670,653	1,489,051
74,345,443	93,138,719	91,476,055	85,870,213	97,280,307	63,008,601
367,528	310,824	339,950	-	-	-
114,204	97,608	149,427	-	-	-
481,732	408,432	489,377	-	-	-
\$ 525,162,292	\$ 292,539,654	\$ 360,491,858	\$ 343,690,949	\$ 336,844,763	\$ 360,717,240
\$ 71,975,251	\$ 68,784,828	\$ 66,459,654	\$ 64,534,344	\$ 63,806,206	\$ 62,075,210
33,676,046	30,432,693	32,677,947	31,983,475	27,564,920	25,104,617
14,481,720	13,766,319	12,571,832	13,081,146	10,998,712	11,022,507
302,486,193	289,804,828	262,566,142	234,837,668	225,426,426	216,524,217
4,594,624	2,300,856	2,748,385	1,277,087	2,434,920	1,456,880
4,796,275	3,905,074	3,644,939	3,815,555	3,416,747	3,332,569
251,928	162,004	209,801	212,007	344,012	13,894,534
11,252	879,048	820,584	1,205,329	11,382,607	117,868
196,908	2,492	878,681	-	-	-
1,627,285	1,371,023	395,640	632,285	694,038	1,524,189
-	-	-	-	-	-
-	-	-	-	-	-
540,979	2,668,228	3,006,775	3,177,473	1,418,168	14,887,881
434,638,461	414,077,393	385,980,380	354,756,369	347,486,756	349,940,472
-	-	-	-	-	-
\$ 434,638,461	\$ 414,077,393	\$ 385,980,380	\$ 354,756,369	\$ 347,486,756	\$ 349,940,472
\$ (90,557,756)	\$ 121,484,667	\$ 25,237,803	\$ 11,065,420	\$ 10,641,993	\$ (10,776,768)
33,925	53,072	250,719	-	-	-
\$ (90,523,831)	\$ 121,537,739	\$ 25,488,522	\$ 11,065,420	\$ 10,641,993	\$ (10,776,768)



**SALEM-KEIZER SCHOOL DISTRICT 24J
PRIMARY GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS ENDED JUNE 30**

Year Ended June 30	Program Revenues						
	Total	Charges for Services	Operating Contributions	Capital Grants and Contributions	Property Taxes- General Purpose	Property Taxes- Debt Service	Intermediate Sources
2020	\$ 615,786,522	\$ 25,199,290	\$ 52,279,934	\$ 4,742,854	\$ 84,920,119	\$ 51,092,658	\$ 17,027,680
2019	612,318,829	27,164,693	59,556,267	3,449,971	82,622,898	52,226,988	17,897,299
2018	571,803,167	26,349,039	56,428,169	2,302,378	81,236,264	27,772,256	15,973,995
2017	511,301,854	23,481,819	51,486,135	2,215,097	76,773,738	22,397,658	15,048,073
2016	509,465,636	22,729,346	49,340,622	2,757,207	71,975,251	33,676,046	14,481,720
2015	507,624,544	19,867,434	71,871,907	1,807,810	68,784,828	30,432,693	13,766,319
2014	477,945,812	20,235,667	70,413,215	1,316,550	66,459,654	32,677,947	12,571,832
2013	440,626,582	20,185,145	62,088,322	3,596,746	64,534,344	31,983,475	13,081,146
2012	444,767,063	21,549,144	70,060,510	5,670,653	63,806,206	27,564,920	10,998,712
2011	412,949,073	21,658,310	39,861,240	1,489,051	62,075,210	25,104,617	11,022,507

Source: Salem-Keizer Public Schools

General Revenues

State School Fund General Support	State School Fund Unrestricted Other	Common School Fund	Federal Sources General	Unrestricted State and Local Sources	Earnings on Investments	Miscellaneous Revenue
\$ 356,550,799	\$ 2,218,809	\$ 4,044,246	\$ 138,783	\$ 1,341,310	\$ 11,825,284	\$ 4,404,756
344,069,980	1,683,189	4,472,941	127,616	530,183	13,517,879	4,998,925
339,031,332	4,025,402	2,093,749	21,724	12,269,171	3,295,569	1,004,119
309,535,499	2,338,323	5,009,361	32,024	956,168	1,431,159	596,800
302,486,193	4,594,624	4,796,275	251,928	11,252	1,500,772	864,400
289,804,828	2,300,856	3,905,074	162,004	879,048	1,371,023	2,670,720
262,566,142	2,748,385	3,644,939	209,801	820,584	395,640	3,885,456
234,837,668	1,277,087	3,815,555	212,007	1,205,329	632,285	3,177,473
225,426,426	2,434,920	3,416,747	344,012	11,382,607	694,038	1,418,168
216,524,217	1,456,880	3,332,569	13,894,534	117,868	1,524,189	14,887,881

SALEM-KEIZER SCHOOL DISTRICT 24J
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES (USES), AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS ENDED JUNE 30
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2020	2019	2018	2017	2016
Revenues					
Property and Other Taxes	\$ 135,992,586	\$ 137,317,534	\$ 106,700,437	\$ 99,590,868	\$ 105,944,729
Local Sources	34,357,085	37,941,291	49,366,151	36,453,124	33,707,616
Earnings on Investments	15,227,597	17,186,321	2,876,012	1,686,027	1,627,285
Intermediate Sources	19,320,846	18,467,155	17,848,658	16,667,069	15,219,988
State Sources	377,933,189	368,027,812	355,335,685	325,324,703	319,424,073
Federal Sources	39,447,382	42,178,777	44,682,347	40,096,109	40,688,340
Total Revenues	622,278,685	621,118,890	576,809,290	519,817,900	516,612,031
Expenditures					
Current					
Instruction	326,889,674	322,815,594	311,562,536	292,036,745	277,974,651
Support Services	177,939,387	175,060,464	169,597,479	163,446,602	166,835,483
Enterprise and Community Services	2,607,657	2,118,659	784,831	631,867	428,024
Food Services	15,105,529	16,522,470	21,213,013	17,270,612	16,763,087
Facilities Acquisition & Construction	156,966,343	38,856,551	20,740,692	10,651,985	20,999,372
Debt Service					
Principal	50,626,123	31,603,289	34,483,217	32,119,374	38,815,965
Interest	35,279,835	33,299,318	16,134,886	17,087,512	16,596,307
Other	-	-	-	-	-
Total Expenditures ¹	765,414,548	620,276,345	574,516,654	533,244,697	538,412,889
Excess (deficiency) of Revenues over (under) Expenditures	(143,135,863)	842,545	2,292,636	(13,426,797)	(21,800,858)
Other Financing Sources and Uses, Including Transfers					
Issuance of Debt - Capital Leases	-	-	-	-	6,479,944
Sale of or Compensation for Loss of Assets	32,195	234,328	10,306	19,279	196,908
Transfers In	1,608,321	9,262,802	8,709,306	6,520,000	3,620,000
Transfers Out	(1,570,000)	(9,762,802)	(8,709,306)	(6,520,000)	(3,620,000)
Sale of Pension Bonds	-	-	-	-	-
Lump Sum Payment on Pension UAL	-	-	-	-	-
Sale of General Obligation Bonds	-	383,230,000	-	-	-
Premium on Issuance of Bonds	-	64,964,296	-	-	-
Issuance of Debt - Refunding Bonds	-	-	-	-	-
Payments to Escrow Agent	-	-	-	-	-
Total Other Financing Sources and Uses, Including Transfers	70,516	447,928,624	10,306	19,279	6,676,852
Net Change in Fund Balances	\$ (143,065,347)	\$ 448,771,169	\$ 2,302,942	\$ (13,407,518)	\$ (15,124,006)
Expenditures for Capital Outlay - (included in Total Expenditures)	\$ 152,567,643	\$ 39,996,724	\$ 27,587,990	\$ 13,762,101	\$ 25,445,316
Debt Services as a Percentage of					
Noncapital Expenditures	14.02%	11.18%	9.25%	9.47%	10.80%

¹ Categories differ from Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Source: Salem-Keizer Public Schools

	2015	2014	2013	2012	2011
\$	99,920,726	\$ 98,650,144	\$ 96,662,195	\$ 91,747,023	\$ 86,998,059
	31,979,185	34,807,130	28,146,721	33,472,607	25,554,784
	1,371,023	395,640	632,285	694,038	1,524,189
	14,451,999	12,960,454	13,446,652	11,684,471	11,365,254
	304,165,887	274,477,511	246,214,456	248,020,072	226,955,925
	43,999,955	42,026,000	43,755,037	46,207,662	60,325,000
	495,888,775	463,316,879	428,857,346	431,825,873	412,723,211
	257,270,832	245,099,913	229,648,913	231,883,701	231,908,326
	146,604,642	140,985,333	132,944,012	129,910,977	135,106,697
	447,621	446,675	606,348	658,948	468,567
	14,959,648	14,328,054	13,743,761	13,742,687	13,589,650
	21,252,657	16,598,607	26,973,526	65,754,712	78,335,595
	34,672,523	31,024,619	28,769,313	25,744,469	22,120,357
	16,342,547	16,588,025	18,080,195	19,661,375	19,230,288
	-	-	298,514	-	-
	491,550,470	465,071,226	451,064,582	487,356,869	500,759,480
	4,338,305	(1,754,347)	(22,207,236)	(55,530,996)	(88,036,269)
	139,221	-	-	-	-
	10,550	1,149,635	-	-	37,111
	2,820,000	2,726,427	361,887	320,000	13,511,497
	(2,820,000)	(2,726,427)	(320,000)	(320,000)	(11,911,497)
	50,145,000	-	-	-	-
	(49,780,852)	-	-	-	-
	-	-	-	-	35,383,732
	-	-	-	-	-
	-	-	46,260,000	7,820,000	-
	-	-	(45,960,703)	(7,640,000)	-
	513,919	1,149,635	341,184	180,000	37,020,843
\$	4,852,224	\$ (604,712)	\$ (21,866,052)	\$ (55,350,996)	\$ (51,015,426)
\$	19,651,593	\$ 14,089,555	\$ 23,783,727	\$ 60,143,820	\$ 74,792,648
	10.81%	10.56%	10.96%	10.63%	9.71%

SALEM-KEIZER SCHOOL DISTRICT 24J
REVENUES AND OTHER FINANCING SOURCES BY SOURCE (NON-GAAP BASIS)
GENERAL FUND¹
LAST TEN FISCAL YEARS ENDED JUNE 30

Revenues:	2020	2019	2018	2017	2016
Local Sources:					
District Property Taxes: ²					
Current Year	\$ 83,106,821	\$ 79,772,315	\$ 76,948,277	\$ 73,976,368	\$ 69,706,580
Prior Year	2,039,376	4,801,412	2,542,614	2,735,895	2,377,830
Tuition	13,064	43,151	96,822	106,954	93,861
Earnings on Investments	2,977,005	3,596,052	1,759,585	1,605,184	1,627,032
Recovery of Prior Year Expenditures	119,947	113,742	565,670	34,202	38,197
Administrative Support Reimbursement	1,597,191	1,949,223	1,290,442	1,246,468	1,227,140
Miscellaneous Local Sources	1,507,818	1,511,513	1,139,624	1,095,250	1,226,963
Associated Student Activities	-	-	-	76,706	78,334
Total Local Sources	91,361,222	91,787,408	84,343,034	80,877,027	76,375,937
Intermediate Sources:					
County School Fund	1,003,438	865,412	280,509	372,655	129,216
Speech Therapy Program	-	-	6,710,675	6,323,768	6,245,966
General ESD Funds	17,027,679	16,166,475	-	-	-
Other Restricted	-	-	795,505	743,690	353,354
Structured Learning Program	-	-	3,830,564	3,609,713	3,565,399
Behavioral Services Program	-	-	4,637,251	4,369,902	4,317,001
Total Intermediate Sources	18,031,117	17,031,887	16,254,504	15,419,728	14,610,936
State Sources - Unrestricted:					
State School Fund - Current Year	336,356,110	324,625,839	318,640,769	292,101,453	282,801,584
State School Fund - High Cost Disability	2,218,809	1,683,189	4,025,402	2,228,763	4,594,625
Common School Fund	4,044,246	4,472,941	4,187,498	5,009,361	4,796,275
State Sources - Restricted:					
State School Fund - Restricted	-	-	-	-	-
State School Fund - PERS Debt	20,059,799	19,178,525	18,296,814	17,434,046	16,584,608
Total State Sources	362,678,964	349,960,494	345,150,483	316,773,623	308,777,092
Federal Sources:					
Federal Forest Fees	373	385	392	32,024	251,928
State Fiscal Stabilization Fund	-	-	-	-	-
Foster Care Transportation Reimbursement	138,409	127,231	21,333	-	-
Total Federal Sources	138,782	127,616	21,725	32,024	251,928
Total Revenues	472,210,085	458,907,405	445,769,746	413,102,402	400,015,893
Other Financing Sources and Uses, Including Transfers:					
Gain/Loss on Sale of Capital Asset	32,195	227,447	356	3,485	-
Transfers In	38,321	2,283,983	-	-	-
Total Other Financing Sources and Uses, Including Transfers	70,516	2,511,430	356	3,485	-
Total Revenues and Other Financing Sources	\$ 472,280,601	\$ 461,418,835	\$ 445,770,102	\$ 413,105,887	\$ 400,015,893

¹ The General Fund accounts for most general operating revenues of the District.

² Revenues are recognized when measurable and available.

Source: Salem-Keizer Public Schools

	2015	2014	2013	2012	2011
\$	65,820,452	\$ 63,288,942	\$ 61,624,530	\$ 60,726,090	\$ 59,294,800
	3,461,842	2,740,523	3,031,421	3,221,511	2,724,730
	58,994	46,103	57,347	58,916	111,825
	1,370,891	389,899	552,899	418,520	609,778
	7,025	15,489	54,428	96,290	188,874
	1,403,484	972,267	1,100,346	1,486,861	1,439,224
	1,025,882	1,257,988	1,215,142	844,696	728,421
	73,902	73,278	77,831	66,819	73,232
	<u>73,222,472</u>	<u>68,784,489</u>	<u>67,713,944</u>	<u>66,919,703</u>	<u>65,170,884</u>
	143,293	62,956	128,824	470,216	117,868
	5,937,413	5,330,457	5,298,733	4,743,970	4,372,760
	-	-	-	-	-
	335,898	515,445	1,096,512	268,838	640,708
	3,389,268	3,042,383	3,024,277	2,707,642	2,807,830
	4,103,740	3,683,547	3,661,624	3,278,262	3,201,209
	<u>13,909,612</u>	<u>12,634,788</u>	<u>13,209,970</u>	<u>11,468,928</u>	<u>11,140,375</u>
	262,827,735	247,614,798	220,649,096	211,773,035	203,652,785
	2,300,856	2,748,385	1,227,087	2,434,920	1,456,880
	3,905,074	3,644,939	3,815,555	3,416,747	3,332,569
	-	-	-	9,257,604	997,273
	15,752,093	14,951,344	14,209,729	13,653,391	12,871,432
	<u>284,785,758</u>	<u>268,959,466</u>	<u>239,901,467</u>	<u>240,535,697</u>	<u>222,310,939</u>
	162,004	209,801	212,007	221,564	436,510
	-	-	-	122,448	12,857,969
	-	-	-	-	-
	<u>162,004</u>	<u>209,801</u>	<u>212,007</u>	<u>344,012</u>	<u>13,294,479</u>
	372,079,846	350,588,544	321,037,388	319,268,340	311,916,677
	-	-	-	-	-
	-	2,406,427	-	-	13,308,291
	-	2,406,427	-	-	13,308,291
\$	<u>372,079,846</u>	<u>\$ 352,994,971</u>	<u>\$ 321,037,388</u>	<u>\$ 319,268,340</u>	<u>\$ 325,224,968</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
EXPENDITURES AND OTHER FINANCING (USES) BY PROGRAM (NON-GAAP BASIS)
GENERAL FUND¹
LAST TEN FISCAL YEARS ENDED JUNE 30

	2020	2019	2018	2017	2016
Instruction:					
Regular Programs:					
Elementary, K-5	\$ 104,005,230	\$ 99,892,723	\$ 94,539,475	\$ 90,356,161	\$ 92,339,967
Middle/Junior High Programs	40,504,544	38,979,121	37,023,004	34,892,798	34,114,745
Middle/Junior High Extracurricular	1,141,182	1,165,832	1,254,125	1,002,962	895,904
High School Programs	53,053,623	51,841,653	50,136,941	49,373,366	46,407,457
High School Extracurricular	4,062,270	4,080,935	3,740,552	3,414,923	3,349,886
Special Programs:					
Talented and Gifted	380,961	415,740	415,535	397,661	419,122
Disabilities - Restrictive Programs	42,710,701	40,321,787	43,094,335	37,604,457	34,894,661
Disabilities - Less Restrictive Programs	28,164,217	28,794,324	22,870,745	24,344,777	21,610,390
Treatment and Habilitation	196,561	5,679	181,453	168,851	188,838
Alternative Education	12,367,735	11,410,219	11,253,209	10,742,748	10,797,860
English as a Second Language	13,540,632	13,624,924	13,902,781	15,172,301	9,800,089
Teen Parent Programs	940,467	1,021,986	914,067	1,010,938	1,000,464
Youth Corrections Education	60,055	60,564	58,659	49,590	55,266
Other Programs	54,507	65,011	206,027	177,107	175,917
Summer School Programs	319,911	400,506	430,552	189,572	127,711
Total Instruction	301,502,596	292,081,004	280,021,460	268,898,212	256,178,277
Support Services:					
Students:					
Attendance and Social Work	5,038,750	4,941,345	10,172,783	9,118,571	7,287,194
Guidance Services	10,880,434	10,160,190	9,814,509	9,220,031	8,878,500
Health Services	3,011,601	2,686,421	2,062,215	1,992,420	1,830,347
Psychological Services	1,429,626	1,346,481	1,360,922	1,348,112	1,432,469
Speech Pathology and Audiology Services	5,893,417	5,241,010	5,253,344	4,886,707	4,662,708
Other Student Treatment Services	1,953,171	1,411,046	1,471,952	1,468,001	1,263,041
Service Direction, Student Support Services	1,744,686	845,944	1,729,441	1,167,574	1,218,501
Instructional Staff:					
Improvement of Instruction Services	3,817,729	2,292,198	3,080,485	2,129,232	2,217,805
Educational Media Services	5,136,393	5,135,111	4,885,546	4,729,470	4,519,792
Assessment and Testing	723,815	622,792	716,488	675,333	813,950
Instructional Staff Development	6,521,997	5,914,344	4,965,008	5,005,324	4,691,827
General Administration:					
Board of Education Services	473,469	705,906	473,201	533,300	386,531
Executive Administration Services	1,702,571	1,690,562	1,549,492	1,472,800	1,457,344
School Administration:					
Office of the Principal Services	32,854,736	31,310,818	30,666,359	29,323,267	28,011,658
School Administration	2,450,513	2,127,357	2,027,478	2,258,480	2,143,372
Business:					
Fiscal Services	2,558,863	2,392,174	2,331,375	2,005,188	1,949,164
Operation and Maintenance of Plant Services	31,333,880	31,260,919	29,778,197	28,618,744	27,122,428
Student Transportation Services	22,510,353	21,391,380	18,538,387	15,836,975	15,009,885
Internal Services - Mail and Delivery	1,291,935	1,335,347	1,256,747	1,174,773	1,136,709
Central Activities:					
Information Services	688,317	631,584	445,190	463,043	434,569
Staff Services	4,724,352	4,337,089	4,199,992	4,331,864	3,983,037
Technology Services	12,494,431	13,859,894	13,444,573	12,043,084	11,627,804
Interpretation and Translation Services	1,244,486	927,000	-	-	-
Other Support Services	719,578	773,659	765,553	771,437	747,995
Supplemental Retirement Program	338,418	639,942	954,532	988,492	1,355,572
Total Support Services	161,537,521	153,980,513	151,943,769	141,562,222	134,182,202
Enterprise and Community Services:					
Food Services	175,919	-	-	-	-
Custody and Care of Children Services	26,902	-	-	-	-
Total Enterprise and Community Services	202,821	-	-	-	-
Facilities Services:					
Service Area Direction	4,375	-	94,648	213,847	172,539
Site Acquisition and Development	17,149	12,995	-	-	3,564
Building Acquisition, Construction and Improvement Services	106,776	191,714	109,600	163,345	184,689
Total Facilities Services	128,300	204,709	204,248	377,192	360,792
Other Uses:					
Debt Service	450,251	562,988	621,308	641,020	660,448
Transfers of Funds	1,570,000	7,220,000	6,053,983	6,520,000	3,620,000
Total Other Uses	2,020,251	7,782,988	6,675,291	7,161,020	4,280,448
Total Expenditures and Other Uses	\$ 465,391,489	\$ 454,049,214	\$ 438,844,768	\$ 417,998,646	\$ 395,001,719

¹ The General Fund accounts for most general operating expenses of the District.

Source: Salem-Keizer Public Schools

	2015	2014	2013	2012	2011
\$	80,612,097	\$ 75,111,985	\$ 69,364,794	\$ 68,598,714	\$ 70,050,289
	31,947,034	31,429,841	29,803,093	31,763,621	31,778,914
	594,228	571,889	541,631	513,207	867,752
	43,418,222	41,287,672	37,828,501	38,018,258	40,263,023
	3,246,299	3,154,713	2,972,713	3,021,748	2,977,931
	525,676	522,245	472,296	445,699	497,044
	34,163,306	31,275,565	28,182,596	26,784,005	24,685,630
	19,249,433	19,568,144	18,448,438	18,356,606	15,870,274
	156,594	109,490	37,998	16,933	19,559
	9,834,268	9,584,945	8,934,775	9,005,992	9,073,452
	9,464,684	9,408,899	8,862,194	8,753,925	8,719,415
	845,005	752,654	675,656	705,153	658,238
	56,544	55,130	53,312	65,830	58,765
	197,336	184,581	179,169	182,789	164,380
	8,456	5,313	-	-	52,273
	<u>234,319,182</u>	<u>223,023,066</u>	<u>206,357,166</u>	<u>206,232,480</u>	<u>205,736,939</u>
	6,530,940	6,227,370	5,275,393	4,569,319	4,974,185
	8,278,641	7,311,132	6,709,565	6,869,053	7,791,522
	1,743,242	1,756,638	1,631,479	1,707,248	1,919,337
	1,293,570	1,252,799	1,161,735	1,078,531	867,114
	4,561,873	4,556,193	3,994,489	4,280,515	3,295,423
	1,177,905	1,011,848	1,010,372	1,040,977	900,964
	1,112,423	1,092,809	1,011,881	1,252,816	957,870
	1,857,015	1,789,626	1,493,646	1,302,558	1,460,562
	4,406,020	4,240,252	3,966,400	3,890,237	6,913,409
	716,566	1,087,096	821,400	834,515	802,835
	678,758	794,333	550,468	457,348	418,918
	621,719	496,181	563,632	456,625	725,332
	1,481,135	1,413,006	1,385,777	1,328,297	1,276,421
	26,925,650	26,118,565	24,612,932	24,769,389	24,780,359
	1,834,555	1,726,773	1,560,924	1,608,069	1,621,144
	1,965,216	3,126,623	2,724,714	2,977,592	2,968,863
	24,860,193	24,849,580	23,864,273	22,921,713	24,113,548
	14,384,637	15,021,195	14,029,655	13,680,190	12,690,541
	1,237,801	1,165,488	904,159	661,892	653,485
	423,414	401,680	380,498	354,963	334,265
	3,338,769	3,254,118	3,068,405	2,834,155	2,911,549
	10,825,182	11,443,743	10,578,304	9,449,232	9,231,036
	-	-	-	-	-
	436,072	408,816	401,820	359,598	519,955
	1,692,275	2,047,299	2,227,181	2,317,747	2,367,089
	<u>122,383,571</u>	<u>122,593,163</u>	<u>113,929,102</u>	<u>111,002,579</u>	<u>114,495,726</u>
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	190,700	192,264	195,129	180,344	266,936
	108,463	-	-	9,615	-
	197,661	326,862	65,255	150,953	121,647
	496,824	519,126	260,384	340,912	388,583
	758,111	778,212	767,148	790,301	648,801
	2,820,000	320,000	320,000	320,000	187,300
	3,578,111	1,098,212	1,087,148	1,110,301	836,101
\$	<u>360,777,688</u>	<u>347,233,567</u>	<u>321,633,800</u>	<u>318,686,272</u>	<u>321,457,349</u>

SALEM-KEIZER SCHOOL DISTRICT 24J
PROPERTY TAX LEVIES - MARION AND POLK COUNTIES
LAST TEN FISCAL YEARS ENDED JUNE 30

General Fund

	2020	2019	2018	2017
Levy Extended by Assessors- Current Year	\$ 87,097,319	\$ 83,970,190	\$ 80,594,996	\$ 77,722,509
Reduction to Taxes Receivable				
Current Year Collections and Adjustments ¹	(85,285,001)	(82,003,177)	(78,718,341)	(74,965,504)
Current Year Collections- Percent of Levy	97.92%	97.66%	97.67%	96.45%
Beginning Taxes Receivable - Prior Year	3,906,082	5,813,338	4,025,017	4,003,908
Reduction to Taxes Receivable ¹				
1 st Year Prior	(1,136,797)	(1,141,936)	(794,050)	(1,448,937)
2 nd Year Prior	(355,998)	(476,528)	(287,755)	(442,449)
3 rd Year Prior	(369,078)	(490,856)	(4,931)	(501,312)
4 th Year Prior	(159,740)	(434,224)	154,670	(234,538)
5 th year (and Earlier) Prior	(74,109)	(1,330,725)	843,732	(108,660)
Total Prior Years	(2,095,722)	(3,874,269)	(88,334)	(2,735,896)
Total General Fund Taxes Receivable, End of Year	\$ 3,622,678	\$ 3,906,082	\$ 5,813,338	\$ 4,025,017

GO Debt Service Fund

	2020	2019	2018	2017
Levy Extended by Assessors	\$ 52,735,132	\$ 54,434,888	\$ 28,500,000	\$ 23,824,757
Reduction to Taxes Receivable				
Current Year Collections and Adjustments ¹	(51,700,546)	(54,058,311)	(28,080,046)	(23,830,060)
Current Year Collections- Percent of Levy	98.04%	99.31%	98.53%	100.02%
Beginning Taxes Receivable - Prior Year	1,443,522	1,819,676	1,246,886	1,883,633
Reduction to Taxes Receivable ¹				
1 st Year Prior	(553,600)	(248,616)	(245,963)	(365,811)
2 nd Year Prior	(79,473)	(91,685)	(89,134)	(130,377)
3 rd Year Prior	(73,788)	(153,410)	(77,444)	(86,164)
4 th Year Prior	(51,867)	(124,249)	(27,171)	(40,862)
5 th year (and Earlier) Prior	(11,127)	(134,771)	592,548	(8,231)
Total Prior Years	(769,855)	(752,731)	152,836	(631,444)
Total Debt Service Fund Taxes Receivable, End of Year	\$ 1,708,253	\$ 1,443,522	\$ 1,819,676	\$ 1,246,886

Year Ended June 30,	General Fund		
	Levy	Collections ⁽¹⁾	% of Levy
2020	\$ 87,097,319	\$ 85,285,001	97.92%
2019	83,970,190	83,139,974	99.01%
2018	80,594,996	80,216,275	99.53%
2017	77,722,509	76,605,160	98.56%
2016	73,657,149	74,234,618	100.78%
5 Years Prior	332,988,212	332,292,341	99.79%
Totals	\$ 736,030,375	\$ 731,773,369	99.42%

¹ Amounts include interest on deficiencies, discounts allowed for early payment, adjustments and collections made by County Assessors.

Sources: Marion and Polk County Tax Assessors

	2016	2015	2014	2013	2012	2011
\$	73,657,149	\$ 69,923,900	\$ 67,505,383	\$ 66,095,090	\$ 65,341,037	\$ 64,122,802
	(71,847,330)	(67,476,101)	(64,577,404)	(63,750,081)	(62,909,509)	(61,442,797)
	97.54%	96.05%	95.66%	96.45%	96.28%	95.82%
	4,372,754	4,863,518	4,763,759	5,042,664	5,085,239	4,652,515
	(1,102,184)	(1,819,018)	(1,260,340)	(1,265,561)	(1,401,765)	(1,308,940)
	(429,881)	(527,046)	(617,133)	(556,388)	(482,160)	(488,232)
	(366,937)	(395,561)	(617,653)	(540,546)	(426,630)	(295,107)
	(155,740)	(158,458)	(245,862)	(217,553)	(140,556)	(128,291)
	(123,923)	(38,480)	(87,232)	(43,866)	(22,992)	(26,711)
	(2,178,665)	(2,938,563)	(2,828,220)	(2,623,914)	(2,474,103)	(2,247,281)
\$	4,003,908	\$ 4,372,754	\$ 4,863,518	\$ 4,763,759	\$ 5,042,664	\$ 5,085,239

	2016	2015	2014	2013	2012	2011
\$	34,662,188	\$ 31,415,085	\$ 33,248,920	\$ 32,554,298	\$ 28,403,726	\$ 25,935,542
	(33,810,508)	(30,315,353)	(30,588,774)	(31,399,293)	(27,346,741)	(24,851,570)
	97.54%	96.05%	92.00%	96.45%	96.28%	95.82%
	2,147,826	2,395,460	1,000,217	845,931	987,371	812,353
	(680,672)	(815,400)	(622,437)	(482,703)	(528,321)	(529,428)
	(202,297)	(236,790)	(271,373)	(200,113)	(325,243)	(197,473)
	(172,676)	(177,714)	(235,030)	(219,291)	(235,705)	(119,360)
	(48,079)	(71,192)	(86,618)	(89,842)	(84,691)	(51,889)
	(12,149)	(46,270)	(49,445)	(8,770)	(24,465)	(10,804)
	(1,115,873)	(1,347,366)	(1,264,903)	(1,000,719)	(1,198,425)	(908,954)
\$	1,883,633	\$ 2,147,826	\$ 2,395,460	\$ 1,000,217	\$ 845,931	\$ 987,371

		GO Debt Service Fund		
Year Ended June 30,	Levy	Collections ⁽¹⁾	% of Levy	
2020	\$ 52,735,132	\$ 51,700,546	98.04%	
2019	54,434,888	54,611,911	100.33%	
2018	28,500,000	28,408,135	99.68%	
2017	23,824,757	24,241,496	101.75%	
2016	34,662,188	34,470,730	99.45%	
5 Years Prior	151,557,571	149,732,794	98.80%	
Totals	\$ 345,714,536	\$ 343,165,612	99.26%	

SALEM-KEIZER SCHOOL DISTRICT 24J
PROPERTY TAX LEVIES AND COLLECTIONS - GENERAL FUND
LAST TEN FISCAL YEARS ENDED JUNE 30

Fiscal Year	Net Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ²	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 87,097,319	\$ 85,285,001	97.92%	\$ -	\$ 85,285,001	97.92%
2019	83,970,190	82,003,177	97.66%	1,136,797	83,139,974	99.01%
2018	80,594,996	78,718,341	97.67%	1,497,934	80,216,275	99.53%
2017	77,722,509	74,965,504	96.45%	1,639,656	76,605,160	98.56%
2016	73,657,149	71,847,330	97.54%	2,387,288	74,234,618	100.78%
2015	69,923,900	67,476,101	96.50%	1,983,788	69,459,889	99.34%
2014	67,505,383	64,577,404	95.66%	2,828,220	67,172,945	99.51%
2013	66,095,090	63,750,081	96.45%	2,623,914	66,138,942	100.07%
2012	65,341,037	62,909,509	96.28%	2,474,103	65,343,504	100.00%
2011	64,122,802	61,442,797	95.82%	2,247,281	64,177,061	100.08%

SALEM-KEIZER SCHOOL DISTRICT 24J
PROPERTY TAX LEVIES AND COLLECTIONS - DEBT SERVICE FUND
LAST TEN FISCAL YEARS ENDED JUNE 30

Fiscal Year	Net Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ²	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 52,735,132	\$ 51,700,546	98.04%	\$ -	\$ 51,700,546	98.04%
2019	54,434,888	54,058,311	99.31%	553,600	54,611,911	100.33%
2018	28,500,000	28,080,046	98.53%	328,089	28,408,135	99.68%
2017	23,824,757	23,830,060	100.02%	411,436	24,241,496	101.75%
2016	34,662,188	33,810,508	97.54%	660,222	34,470,730	99.45%
2015	31,415,085	30,315,353	96.50%	1,012,742	31,328,095	99.72%
2014	33,248,920	30,588,774	92.00%	1,264,903	31,719,806	95.40%
2013	32,554,298	31,399,293	96.45%	1,000,719	32,472,058	99.75%
2012	28,403,726	27,346,741	96.28%	1,198,425	28,326,610	99.73%
2011	25,935,542	24,851,570	95.82%	908,954	25,886,226	99.81%

¹ The net levy is the actual imposed tax.

² Amounts include interest on deficiencies, discounts allowed for early payment, adjustments and collections made by County Assessors.

Sources: Marion and Polk County Tax Collection Departments

SALEM-KEIZER SCHOOL DISTRICT 24J
COMPARISON OF GENERAL FUND BUDGET TO TAX LEVY
LAST TEN FISCAL YEARS ENDED JUNE 30

Fiscal Year	General Fund Budgeted Expenditures and Transfers ¹	General Fund Tax Levy	Percentage of Levy to Budget
2020	\$ 520,471,977	\$ 87,097,319	16.73%
2019	491,870,874	83,970,190	17.07%
2018	479,480,091	80,594,996	16.81%
2017	463,675,386	77,722,509	16.76%
2016	433,168,002	73,657,149	17.00%
2015	397,916,237	69,923,900	17.57%
2014	367,970,768	67,505,383	18.35%
2013	343,423,734	66,095,090	19.25%
2012	340,970,127	65,341,037	19.16%
2011	348,349,001	64,122,802	18.41%

¹ This is the final adopted budget.
Source: Salem-Keizer Public Schools



SALEM-KEIZER SCHOOL DISTRICT 24J
ASSESSED VALUE AND REAL MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Assessed Value				Real Market Value			Assessed Value as a Percentage of RMV
	Real Property	Personal Property	Total Taxable Value	Total Direct Rate*	Real Property	Personal Property	Total Real Market Value	
2020	\$ 19,707,512	\$ 451,026	\$ 20,158,538	\$ 7.149	\$ 35,150,255	\$ 462,591	\$ 35,612,846	56.60%
2019	18,886,777	460,719	19,347,496	7.365	32,375,310	471,428	32,846,738	58.90%
2018	18,086,120	452,012	18,538,132	6.082	29,632,045	462,332	30,094,377	61.60%
2017	17,462,078	426,265	17,888,342	5.611	27,159,147	436,745	27,595,893	64.82%
2016	16,756,024	408,278	17,164,302	6.525	25,487,977	418,723	25,906,700	66.25%
2015	16,101,708	397,150	16,498,858	6.401	24,198,682	407,455	24,606,137	67.05%
2014	15,463,060	393,078	15,856,137	6.669	22,970,353	403,302	23,373,655	67.84%
2013	15,140,515	400,045	15,540,560	6.687	22,726,147	409,587	23,135,734	67.17%
2012	15,025,235	394,424	15,419,659	6.438	23,431,589	403,517	23,835,106	64.69%
2011	14,690,322	404,019	15,094,340	6.301	24,447,702	412,003	24,859,705	60.72%

Note that Real Property includes all property except Business Personal Property.

* Per \$1,000 of assessed value.

Source: Marion/Polk County Department of Assessment and Taxation.

**SALEM-KEIZER SCHOOL DISTRICT 24J
PROPERTY TAX RATES PER \$1,000 OF ASSESSED VALUATION -
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS ENDED JUNE 30**

Fiscal Year	District Direct Rates			Other Educational Entities		Counties	
	General Purpose	Debt Service	Total	Willamette Education Service District	Chemeketa Community College	Polk County	Marion County
2020	\$ 4.521	\$ 2.628	\$ 7.149	\$ 0.30	\$ 0.89	\$ 2.14	\$ 3.08
2019	4.521	2.844	7.365	0.30	0.90	2.05	3.08
2018	4.521	1.561	6.082	0.30	0.90	2.03	3.08
2017	4.521	1.090	5.611	0.28	0.87	2.54	3.08
2016	4.521	2.004	6.525	0.30	0.92	2.54	3.08
2015	4.521	1.880	6.401	0.30	0.89	2.26	3.08
2014	4.521	2.148	6.669	0.30	0.86	2.26	3.08
2013	4.521	2.166	6.687	0.30	0.90	2.25	3.08
2012	4.521	1.917	6.438	0.30	0.88	2.26	3.08
2011	4.521	1.780	6.301	0.30	0.79	2.25	3.08

¹The District crosses boundaries of two counties, two cities and several other districts. Overlapping rates are presented for individually significant taxing districts. Other types of entities are aggregated to provide general information. Not all individual properties are subject to all rates within each county. Applicable tax rates vary depending on property location.

²Per \$1,000 of taxable assessed value.

The District's permanent property tax rate is set by state law. Increases for General Purposes may only be done through local option levies approved by the voters of the District. Rates for debt service are set based on each year's requirements.

The District Direct General-Purpose Rates exclude Urban Renewal adjustments.
Source: Marion and Polk County Assessors

Overlapping Rates¹

Cities									
City of Salem	City of Keizer	Regional Library District	Salem Mass Transit	Urban Renewal Districts	Fire Protection Districts	Maximum Tax Rates²		Marion County	Polk County
\$ 6.99	\$ 2.08	\$ 0.08	\$ 0.76	\$ 0.03 - 0.31	\$ 0.53 - 2.90	\$ 19.54	\$ 18.68		
7.10	2.08	0.08	0.76	0.02 - 0.34	0.53 - 2.91	19.87	18.92		
6.98	2.08	0.08	0.76	0.02 - 0.33	0.54 - 2.92	18.47	17.56		
6.53	2.08	0.08	0.76	0.23 - 0.32	0.54 - 2.52	18.12	17.66		
6.54	2.08	0.08	0.76	0.51 - 1.18	0.54 - 2.52	18.80	18.34		
6.82	2.08	0.08	0.76	0.51 - 1.18	0.54 - 2.52	18.74	18.05		
6.49	2.08	0.08	0.76	0.51 - 1.18	0.54 - 2.53	18.91	18.22		
6.82	2.08	0.08	0.76	1.19	0.54 - 2.55	19.00	18.30		
6.81	2.08	0.08	0.76	1.12	0.54 - 2.35	18.73	18.04		
6.79	2.08	0.08	0.76	1.16	0.54 - 2.42	18.50	17.80		

SALEM-KEIZER SCHOOL DISTRICT 24J
 PRINCIPAL TAXPAYERS - CURRENT AND NINE YEARS PRIOR

Marion County Top 10 Taxpayers	Business/Service	2019-20 Assessed Value	Percent of Principal Taxpayers	2019-20 Taxes Assessed	Percent of Total District Assessed Value	2010-11 Assessed Value	Percent Of Principal Taxpayers	2010-11 Taxes Assessed	Percent of Total District Assessed Value
Portland General Electric Co	Utility	\$ 351,099,741	31.85%	\$ 5,330,336	1.32%	\$ 236,486,420	27.19%	\$ 3,521,291	1.20%
Northwest Natural Gas Co	Utility	156,704,000	14.22%	2,627,102	0.59%	119,965,100	13.79%	1,931,002	0.61%
CenturyLink (formerly Qwest)	Telecommunications	108,340,590	9.83%	1,869,250	0.41%	69,675,580	8.01%	1,182,953	0.35%
Winco Foods LLC	Retail	99,089,355	8.99%	1,812,110	0.37%	88,260,913	10.15%	1,594,216	0.45%
Comcast Corporation	Telecommunications	80,510,000	7.30%	1,437,057	0.30%	99,458,400	11.44%	1,687,159	0.51%
Woodburn Premium Outlets LLC	Retail	68,224,445	6.19%	1,358,345	0.26%	-	0.00%	-	0.00%
BIT Investment Ninety-Seven LLC	Investments	59,128,080	5.36%	1,155,221	0.22%	-	0.00%	-	0.00%
Donahue Schriber Realty Group	Realty	68,958,720	6.26%	1,126,081	0.26%	53,197,870	6.12%	820,420	0.27%
State Accident Insurance Fund	Insurance	54,707,680	4.96%	1,062,426	0.21%	-	0.00%	-	0.00%
Lancaster Development Company LLC	Retail	55,509,300	5.04%	1,059,393	0.21%	58,442,260	6.72%	1,081,375	0.30%
Craig Realty Group Woodburn LLC	Realty	-	0.00%	-	0.00%	47,178,080	5.42%	911,806	0.24%
Wal-Mart Real Estate Business TR	Realty	-	0.00%	-	0.00%	43,696,220	5.02%	817,331	0.22%
Norpac Foods Inc	Manufacturer	-	0.00%	-	0.00%	53,345,097	6.13%	756,524	0.27%
Subtotal Top 10 Taxpayers		1,102,271,911		\$ 18,837,321	4.16%	869,705,940		\$ 14,304,077	4.43%
All Other Taxpayers		25,400,702,260			95.84%	18,757,926,260			95.57%
Total Taxpayers		\$26,502,974,171			100.00%	\$19,627,632,200			100.00%

Polk County Top 10 Taxpayers	Business/Service	2019-20 Assessed Value	Percent of Principal Taxpayers	2019-20 Taxes Assessed	Percent of Total District Assessed Value	2010-11 Assessed Value	Percent Of Principal Taxpayers	2010-11 Taxes Assessed	Percent of Total District Assessed Value
Northwest Natural Gas Co	Utility	\$ 75,207,000	28.92%	\$ 990,871	1.17%	\$ 41,937,100	21.80%	\$ 611,416	0.91%
Portland General Electric Co	Utility	36,733,640	14.12%	383,121	0.57%	18,280,540	9.50%	189,864	0.40%
Riverplace Apartment Homes Co	Multi-Unit Residential	17,444,690	6.71%	323,480	0.27%	-	0.00%	-	0.00%
Meduri Farms Inc	Agriculture	26,661,100	10.25%	309,074	0.41%	-	0.00%	-	0.00%
Capital Manor	Multi-Unit Residential	17,194,510	6.61%	303,227	0.27%	13,178,190	6.85%	212,652	0.28%
Willamette Park Villas LLC	Multi-Unit Residential	14,247,590	5.48%	265,890	0.22%	-	0.00%	-	0.00%
Orchard Ridge Apartments LLC	Multi-Unit Residential	13,993,480	5.38%	261,376	0.22%	-	0.00%	-	0.00%
Weyerhaeuser Company	Manufacturer	20,928,153	8.05%	259,493	0.32%	29,683,587	15.43%	392,862	0.64%
CenturyLink (formerly Qwest)	Telecommunications	17,361,000	6.68%	246,235	0.27%	13,316,400	6.92%	204,050	0.29%
Pacificcorp (PP&L)	Utility	20,299,000	7.81%	245,345	0.32%	15,419,000	8.01%	186,093	0.33%
Meriwether NW OR Land & Timber LLC	Agriculture	-	0.00%	-	0.00%	26,664,299	13.86%	296,164	0.58%
Comcast Corporation	Telecommunications	-	0.00%	-	0.00%	13,995,700	7.27%	238,860	0.30%
Wyant Family Trust	Investments	-	0.00%	-	0.00%	10,754,714	5.59%	189,316	0.23%
Legacy Oaks LLC	Multi-Unit Residential	-	0.00%	-	0.00%	9,158,790	4.76%	173,367	0.20%
Subtotal Top 10 Taxpayers		260,070,163		\$ 3,588,112	4.04%	192,388,320		\$ 2,694,644	4.16%
All Other Taxpayers		6,179,393,292			95.96%	4,433,150,551			95.84%
Total Taxpayers		\$ 6,439,463,455			100.00%	\$ 4,625,538,871			100.00%

Sources: Marion & Polk County Tax Assessors

SALEM-KEIZER SCHOOL DISTRICT 24J
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ENDED JUNE 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Real Market Value of Taxable Property within School District No. 24J Marion and Polk County, Oregon	\$ 35,764,957,416	\$ 32,846,738,166	\$ 30,094,377,093	\$ 27,595,892,818	\$ 25,906,699,941
Bonded Debt Limit ¹	\$ 2,843,314,115	\$ 2,611,315,684	\$ 2,392,502,979	\$ 2,193,873,479	\$ 2,059,582,645
General Obligation Bonds	479,668,339	519,591,716	157,722,569	182,276,957	205,070,187
Amount Available for Retirement of Bonds	(3,137,826)	(12,827,475)	(575,596)	(62,229)	(3,153,885)
Net General Obligation Bonds Outstanding	476,530,513	506,764,241	157,146,973	182,214,728	201,916,302
Debt Margin at End of Fiscal Year	\$ 2,366,783,602	\$ 2,104,551,443	\$ 2,235,356,006	\$ 2,011,658,751	\$ 1,857,666,343
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.76%	19.41%	6.57%	8.31%	9.80%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Real Market Value of Taxable Property within School District No. 24J Marion and Polk County, Oregon	\$ 24,606,137,122	\$ 23,373,654,758	\$ 23,135,831,748	\$ 23,835,105,862	\$ 24,859,704,706
Bonded Debt Limit ¹	\$ 1,956,187,901	\$ 1,858,205,553	\$ 1,839,298,624	\$ 1,894,890,916	\$ 1,976,346,524
General Obligation Bonds	234,840,187	262,930,187	288,500,187	308,810,187	329,905,187
Amount Available for Retirement of Bonds	(2,705,660)	(4,231,709)	(2,471,931)	(1,174,338)	(3,153,486)
Net General Obligation Bonds Outstanding	232,134,527	258,698,478	286,028,256	307,635,849	326,751,701
Debt Margin at End of Fiscal Year	\$ 1,724,053,374	\$ 1,599,507,075	\$ 1,553,270,368	\$ 1,587,255,067	\$ 1,649,594,823
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.87%	13.92%	15.55%	16.24%	16.53%

¹ ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by Real Market Value 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 (.0055) of the true cash value. Kindergarten through eighth grade, 9 * .0055 = .0495 or 4.95%.
- (B) For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the true cash value. Ninth through twelfth grade, 4 * .0075 = .03 or 3.0%.

Total allowable percent for the District is (A) + (B): (7.95%)

Sources: Marion and Polk Counties

**SALEM-KEIZER SCHOOL DISTRICT 24J
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS ENDED JUNE 30**

General Bonded Debt						
Fiscal Year	General Obligation Bonds	Premium on General Obligation Bonds	Less amount Available for Repayment ⁷	Net General Obligation Bonds Outstanding	Percentage of Actual Real Market Value of Property ¹	Per Student ²
2020	\$ 479,668,339	\$ 61,858,536	\$ 3,137,826	\$ 538,389,049	1.51%	\$ 13,081
2019	519,591,716	65,678,031	12,827,475	572,442,272	1.74%	13,876
2018	157,722,569	4,351,907	575,596	161,498,880	0.54%	3,899
2017	182,276,957	5,063,059	325,783	187,014,233	0.68%	4,542
2016	205,070,187	5,774,210	3,153,885	207,690,512	0.80%	5,091
2015	234,840,187	6,485,363	2,705,660	238,619,890	0.67%	5,939
2014	262,930,187	7,196,515	4,231,709	265,894,993	1.14%	6,652
2013	288,500,187	7,907,667	2,471,931	293,935,923	1.27%	7,411
2012	308,810,187	8,618,820	1,174,338	316,254,669	1.33%	7,984
2011	329,905,187	9,329,972	3,153,486	336,081,673	1.35%	8,524

Other Governmental Activities			Total District Debt			
Fiscal Year	Limited Tax Pension Obligation Bonds ⁶	Capital Leases	Total District ³	Per Student ²	Per Capita ⁴	Percent of Personal Income ⁵
2020	\$ 187,000,000	\$ 3,897,190	\$ 732,424,065	\$ 17,795	\$ 2,106	4.89%
2019	196,663,666	4,936,289	786,869,702	19,073	2,268	5.52%
2018	205,611,864	6,230,527	373,916,867	9,028	1,096	2.87%
2017	213,904,646	7,866,575	409,111,237	9,935	1,216	3.27%
2016	221,501,154	9,596,356	441,941,907	10,832	1,336	3.64%
2015	228,399,924	5,261,148	474,986,622	11,821	1,440	4.04%
2014	183,232,781	6,676,595	460,036,078	11,509	1,411	3.99%
2013	187,132,689	8,181,613	491,722,156	12,397	1,519	4.28%
2012	190,547,194	9,831,496	517,807,697	13,072	1,618	4.60%
2011	193,310,944	11,537,215	544,083,318	13,800	1,706	5.04%

¹ See Assessed Value and Real Market Value Schedule.

² See School Building, Student Enrollment and Average Daily Membership information for student enrollment.

³ Includes general bonded debt, unamortized premiums on bond issues and other governmental activities debt.

⁴ Per capita are District ADM estimates.

⁵ See Schedule of Demographic and Economic Statistics for personal income.

⁶ Pension Obligation Bond debt is serviced by charges to other funds, not by property taxes levied for servicing general bonded debt.

⁷ Amount available for repayment for General Obligation Bonds is outstanding cash in GO Debt Service Fund at end of fiscal year.

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020

Overlapping District	2019-20 Real Market Valuation	Percent Overlapping ¹	Overlapping	
			Gross Direct Debt ²	Gross Overlapping Debt
Aumsville RFPD	\$ 827,482,423	0.19%	\$ 1,386,000	\$ 2,586
Chemeketa Community College	62,644,071,142	52.27%	92,524,210	48,363,145
City of Keizer	6,860,659,715	100.00%	14,004,000	14,003,832
City of Salem	19,777,233,260	100.00%	157,030,000	157,023,562
Dayton RFPD	857,769,282	5.96%	630,000	37,577
Jefferson RFPD (Marion/Linn Counties)	1,573,825,570	0.58%	120,000	695
Keizer RFPD	6,428,850,554	99.99%	5,600,000	5,599,311
Marion County	43,296,649,584	66.87%	54,987,275	36,770,705
Marion County RFPD 1	5,343,438,311	86.53%	2,320,000	2,007,538
Polk County	9,528,804,555	39.79%	15,135,000	6,022,201
Polk Cty RFPD 1	2,200,671,011	0.41%	1,475,000	6,056
Silverton RFPD	2,516,519,488	0.00%	3,432,508	14
SW Polk Fire District	1,018,554,100	0.24%	4,890,000	11,638
Willamette ESD	68,893,758,515	47.53%	19,489,455	9,263,143
Totals: Total Gross and Direct Overlapping Debt			\$ 373,023,448	\$ 279,112,003

School District 24J Direct Debt ³ :	\$ 732,424,065	Ratio of Net Property-Tax Backed Debt to Real Market Value is:	2.07%
Gross Overlapping Direct Debt:	<u>279,112,003</u>	Per Capita District Direct Debt	\$ 2,106
		Per Capita Total Direct Debt	\$ 2,908
Total Debt of District 24J and Overlapping Issuers:	<u>\$ 1,011,536,068</u>	Ratio of Total Net Property-Tax Backed Debt to Real Market Value is:	2.59%

¹ The percentage of overlapping debt applicable is derived by using the taxable assessed property values. Applicable percentages are arrived at by the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

² Gross Direct Debt includes all limited and unlimited tax supported debt, excluding pension obligations and self-supporting utility debt.

³ Direct Debt includes all outstanding long-term debt instruments including bonds, notes, loans and capital leases. Source: Oregon State Treasury, Debt Management Information System

SALEM-KEIZER SCHOOL DISTRICT 24J
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION BONDED DEBT TO
TOTAL BUDGETED GENERAL FUND EXPENDITURES AND TRANSFERS
LAST TEN FISCAL YEARS ENDED JUNE 30

Fiscal Year	Principal	Interest and Other	Total Debt Service	Total General Fund Budgeted Expenditures and Transfers¹	Ratio of Annual Debt Service to Budgeted General Fund Expenditures and Transfers
2020	\$ 39,923,377	\$ 20,831,323	\$ 60,754,700	\$ 520,471,977	11.67%
2019	21,360,853	19,076,456	40,437,309	491,870,874	8.22%
2018	24,554,388	2,141,985	26,696,373	479,480,091	5.57%
2017	22,793,230	3,334,034	26,127,264	463,675,386	5.63%
2016	29,770,000	3,222,981	32,992,981	433,168,002	7.62%
2015	28,090,000	4,074,613	32,164,613	397,916,237	8.08%
2014	25,570,000	5,170,406	30,740,406	367,970,768	8.35%
2013	23,705,000	6,878,796	30,583,796	343,423,734	8.91%
2012	21,095,000	8,683,570	29,778,570	340,970,127	8.73%
2011	20,140,096	8,499,081	28,639,177	348,349,001	8.22%

¹ This is the final adopted budget.

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO TRUE CASH VALUE AND
NET GENERAL BONDED DEBT PER CAPITA AND PER STUDENT
LAST TEN FISCAL YEARS ENDED JUNE 30

Fiscal Year	Marion County Population US Census¹	Average Daily Membership K-12	Real Market Value	Net General Bonded Debt²	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt per Capita	Net General Bonded Debt per Student
2020	347,818 *	41,158	\$ 35,764,957,416	\$ 538,389,049	1.51%	\$ 1,548	\$ 13,081
2019	346,868	41,255	32,846,738,166	572,442,272	1.74%	1,650	13,876
2018	341,286	41,416	30,094,377,093	161,498,880	0.54%	473	3,899
2017	336,316	41,178	27,595,892,818	187,014,233	0.68%	556	4,542
2016	330,700	40,799	25,906,699,941	207,690,512	0.80%	628	4,949
2015	329,770	40,181	35,764,957,416	238,619,890	0.67%	724	5,777
2014	326,150	39,974	23,373,654,758	265,894,993	1.14%	815	6,472
2013	323,614	39,664	23,135,831,748	293,935,923	1.27%	908	7,211
2012	319,985	39,611	23,835,105,862	316,254,669	1.33%	988	7,766
2011	318,872	39,427	24,859,704,706	336,081,673	1.35%	1,054	8,288

*This is the most current estimate taken from Marion County-Oregon Demographics. Both counties include other school districts.

¹ The District covers Marion and Polk Counties, Marion County having the largest population. Both counties have other school districts. This number is provided as a reference only. Polk County information was not available for all years.

² Computed as gross bonded debt less amount available for retirement of debt in GO Debt Service Fund.

Source: Salem-Keizer Public Schools

**SALEM-KEIZER SCHOOL DISTRICT 24J
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Marion County

Fiscal Year	Population	Personal Income in Thousands of \$	Per Capita Personal Income	Unemployment Rate
2020	347,818 *	\$ 14,970,782	\$ 43,042	7.7%
2019	346,868	14,253,847	41,093	4.2%
2018	341,286	13,026,204	38,168	4.1%
2017	336,316	12,301,699	37,199	4.9%
2016	330,700	12,823,294	36,682	4.8%
2015	329,770	11,614,203	35,614	6.1%
2014	326,150	11,614,203	35,360	7.2%
2013	323,614	11,484,654	35,489	9.5%
2012	319,985	11,249,451	35,156	9.9%
2011	318,872	10,790,917	33,841	10.8%

*This is the most current estimate taken from Marion County-Oregon Demographics. Both counties include other school districts.

Notes: This schedule is provided as a reference only. The District is in both Marion and Polk Counties. Both Counties include other school districts. Marion County has the greater population and student base. Polk County information was not available for all years.

Sources: Oregon Employment Department – WorkSource Oregon, Marion County – Oregon Demographics, U.S. Department of Commerce, Bureau of Economic Analysis, U.S. Census Bureau

**SALEM-KEIZER SCHOOL DISTRICT 24J
MAJOR AREA EMPLOYERS
CURRENT AND NINE YEARS PRIOR**

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Salem (MSA) Labor Force¹</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Salem (MSA) Labor Force²</u>
State of Oregon	20,100	1	24.73%	21,700	1	28.10%
Salem Health/Salem Hospital ³	5,200	2	6.40%	4,000	3	5.18%
Salem-Keizer School District ³	4,759	3	5.86%	5,034	2	6.52%
Federal Government	1,800	4	2.21%	1,600	4	2.07%
Marion County ³	1,757	5	2.16%	1,492	5	1.93%
City of Salem ³	1,305	6	1.61%	1,354	7	1.75%
Chemeketa Community College ³	960	7	1.18%	1,400	6	1.81%
Amazon Fulfillment Center	800	8	0.98%	-		0.00%
State Accident Insurance Fund (SAIF)	796	9	0.98%	814	10	1.05%
Wal-Mart	761	10	0.94%	900	9	1.17%
Norpac Foods Incorporated ³	-		0.00%	1,097	8	1.42%
Total	38,238		47.05%	39,391		51.00%

Sources: Oregon Employment Department (www.qualityinfo.org)
Salem Health (www.salemhealth.org)
Salem-Keizer Public Schools (www.salkeiz.k12.or.us)
Marion County (www.co.marion.or.us)
City of Salem, Human Resources
SAIF Corporation (www.saif.com)
Chemeketa Community College (www.chemeketa.edu)
U.S. Department of Labor, Bureau of Labor Statistics (www.bls.gov)

Notes: 1. U.S. Department of Labor, Bureau of Labor, Salem, OR (MSA) - The average labor force for fiscal year 2019-20 was 81,269.
2. U.S. Department of Labor, Bureau of Labor, Salem, OR (MSA) - The average labor force for fiscal year 2011 was 77,233.
3. Includes full and part-time positions.

SALEM-KEIZER SCHOOL DISTRICT 24J
SALEM METROPOLITAN AREA EMPLOYMENT- LARGEST TO SMALLEST¹
CURRENT AND NINE YEARS PRIOR

<u>Employment</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>% of Total</u>	<u>Employees</u>	<u>% of Total</u>
Trade, Transportation & Utilities	32,774	18.5%	22,200	15.7%
Educational and Health Services	29,325	16.6%	22,000	15.5%
State Government	20,466	11.6%	21,700	15.3%
Local Government	19,734	11.1%	20,100	14.2%
Leisure and Hospitality	15,277	8.6%	11,700	8.3%
Professional and Business Services	15,057	8.5%	11,200	7.9%
Manufacturing	11,778	6.7%	10,600	7.5%
Construction	13,205	7.5%	5,700	4.0%
Natural Resources and Mining	9,091	5.1%	1,000	0.7%
Financial Activities	5,992	3.4%	6,900	4.9%
Other Services	1,496	0.8%	5,500	3.9%
Federal Government	1,486	0.8%	1,600	1.1%
Information	1,362	0.8%	1,300	0.9%
Total Salem Metropolitan Area Non-Farm Payroll Employment	<u>177,043</u>	<u>100.0%</u>	<u>141,500</u>	<u>100.0%</u>
Salem-Keizer SD 24J ²	5,657	3.2%	6,144	4.3%
Governmental Employees	41,685	23.5%	43,400	30.7%
Private Sector Employees	<u>135,358</u>	<u>76.5%</u>	<u>98,100</u>	<u>69.3%</u>
	<u>177,043</u>	<u>100.0%</u>	<u>141,500</u>	<u>100.0%</u>

¹ Employment and Wages by Industry, www.qualityinfo.org

² Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
SALEM METROPOLITAN AREA - AVERAGE ANNUAL EMPLOYMENT¹
LAST TEN CALENDAR YEARS

	<u>2020*</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Manufacturing:										
Other Durable Goods	6,100	6,300	6,800	6,300	6,000	5,800	5,200	4,900	4,900	4,800
Food Products	3,800	4,600	5,100	4,800	4,400	5,600	3,900	4,600	4,600	4,900
Other Nondurable Goods	<u>2,900</u>	<u>2,300</u>	<u>2,500</u>	<u>2,500</u>	<u>2,300</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>1,900</u>
Total Manufacturing	12,800	13,200	14,400	13,600	12,700	13,400	11,100	11,500	11,500	11,600
Natural Resources & Mining	500	700	1,400	1,200	1,200	5,900	1,200	1,200	1,200	1,100
Contract Construction	12,900	12,600	11,500	9,400	9,000	8,500	6,900	6,800	6,200	6,300
Transp., Comm., Utilities	6,400	6,300	5,300	4,400	4,200	3,900	3,800	3,800	3,700	3,500
Trade, Information	23,800	24,600	26,700	24,100	21,800	22,400	21,500	21,300	21,100	20,800
Finance, Ins., Real Estate	6,800	7,400	7,200	7,100	6,800	7,200	7,000	7,000	7,000	7,200
Service & Miscellaneous	54,300	67,500	62,500	61,800	61,600	55,300	54,100	53,000	50,900	49,900
Government:										
Federal	1,500	1,600	1,300	1,400	1,400	1,300	1,300	1,400	1,500	1,500
Indian Tribal	1,500	1,500	1,500	1,600	1,600	1,600	1,600	1,700	1,800	1,800
State	20,400	20,000	19,700	20,800	21,600	21,900	21,800	20,900	20,600	21,200
Local	<u>14,400</u>	<u>19,500</u>	<u>18,600</u>	<u>20,600</u>	<u>20,800</u>	<u>16,600</u>	<u>16,800</u>	<u>15,800</u>	<u>15,900</u>	<u>16,400</u>
Total Excluding Agriculture	<u>155,300</u>	<u>174,900</u>	<u>170,100</u>	<u>166,000</u>	<u>162,700</u>	<u>158,000</u>	<u>147,100</u>	<u>144,400</u>	<u>141,400</u>	<u>141,300</u>

*This is the most current estimate for Salem Metropolitan Area.

¹ Annual Average Employment is Not Seasonally Adjusted.

Source: Employment by wages and industry, www.qualityinfo.org

**SALEM-KEIZER SCHOOL DISTRICT 24J
POPULATION ETHNICITY AND OTHER RELATED DATA
YEAR ENDED JUNE 30, 2020**

	<u>Marion County</u>	<u>Polk County</u>
White	88.6%	89.9%
Spanish Heritage*	27.2%	14.5%
American Indian and Alaskan Native	2.6%	2.5%
Asian or Pacific Islander	3.5%	2.6%
African American	1.6%	1.1%
Housing Units	128,622	32,957
Homeownership Rate	59.5%	65.4%
Persons per Household	2.8	2.7
Percentage of Persons under 18	24.3%	22.3%
Median Household Income	\$ 56,097	\$ 58,344
Population per Square Mile	266.7	101.8

* People who identify themselves as Hispanic or Latino (Spanish Heritage) may be of any racial group. Therefore, percentages may not equal 100%.

Source: U.S. Census Bureau People Quick Facts 2018

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHOOL BUILDING, STUDENT ENROLLMENT, AND AVERAGE DAILY MEMBERSHIP (ADM) INFORMATION
LAST TEN FISCAL YEARS

	Square Feet	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
ELEMENTARY SCHOOLS											
Auburn (1955)	47,461										
ADM		596	680	677	677	650	630	667	642	631	647
Enrollment		593	603	688	689	654	652	668	652	639	653
Battle Creek (2012)	78,678										
ADM		590	635	613	586	559	525	529	460	-	-
Enrollment		583	594	641	581	542	527	531	459	-	-
Bethel (1925)	6,603										
ADM		-	-	-	-	-	-	-	-	-	61
Enrollment		-	-	-	-	-	-	-	-	-	64
Brush College (1909)	51,780										
ADM		318	281	272	277	253	210	339	373	410	420
Enrollment		313	313	271	289	254	200	333	369	410	421
Bush (2005)	46,290										
ADM		283	311	324	310	320	309	323	313	282	269
Enrollment		284	279	312	313	316	312	317	312	278	276
Candalaria (1955)	34,970										
ADM		354	336	339	344	353	355	339	340	342	329
Enrollment		355	352	340	341	354	352	343	338	352	329
Chapman Hill (1985)	59,528										
ADM		383	389	411	404	385	368	425	453	418	530
Enrollment		382	378	382	407	381	362	419	452	415	539
Chavez (2012)	78,174										
ADM		620	581	568	583	591	556	701	649	-	-
Enrollment		624	621	574	585	592	563	705	643	-	-
Clear Lake (1994)	49,289										
ADM		383	402	390	430	433	470	497	481	433	461
Enrollment		383	382	400	428	437	474	495	483	428	465
Cummings (1953)	41,287										
ADM		444	417	434	436	427	414	414	394	427	454
Enrollment		450	443	424	443	431	399	416	390	429	462
Eagle Charter, State Sponsored (2011)	-										
ADM		143	139	141	140	141	143	138	125	126	-
Enrollment		142	144	143	139	140	144	120	124	-	-
Englewood (1910)	55,240										
ADM		365	352	378	382	360	376	382	362	347	395
Enrollment		360	359	357	369	359	380	390	356	353	393
Eyre (1976)	47,200										
ADM		600	541	542	571	602	590	573	543	568	559
Enrollment		605	594	541	569	612	601	583	546	572	566
Forest Ridge/Optimum Learning Environment (OLE) Charter (2002)	47,554										
Forest Ridge ADM		281	239	239	248	231	241	233	247	243	236
Forest Ridge Enrollment		283	280	235	244	224	239	239	244	248	241
OLE ADM		130	130	128	130	130	130	130	132	134	124
OLE Enrollment		129	131	129	130	129	129	130	132	134	125
Four Corners (1949)	50,867										
ADM		474	490	505	531	530	510	521	523	501	506
Enrollment		474	468	517	531	532	522	517	523	510	513
Fruitland (1935)	4,896										
ADM		-	-	-	-	-	-	-	-	-	65
Enrollment		-	-	-	-	-	-	-	-	-	69
Grant (1955)²	47,003										
ADM		372	409	421	444	428	456	434	405	378	355
Enrollment		374	379	417	446	427	447	443	410	393	349

Source: Salem-Keizer Public Schools

Continued on next page.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHOOL BUILDING, STUDENT ENROLLMENT, AND AVERAGE DAILY MEMBERSHIP (ADM) INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS

	Square Feet	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Gubser (1976)	63,965										
ADM		535	552	595	550	524	486	470	474	474	490
Enrollment		520	526	554	546	528	477	464	477	473	491
Hallman (2001)	44,951										
ADM		401	412	422	389	415	454	429	452	453	464
Enrollment		402	394	412	397	435	456	433	461	468	466
Hammond (2001)	47,554										
ADM		524	487	514	506	532	522	504	507	529	517
Enrollment		523	521	492	504	522	518	502	514	527	521
Harritt (2003)	47,554										
ADM		490	509	503	512	524	501	301	296	295	550
Enrollment		484	481	517	515	514	498	301	289	293	557
Hayesville (1963)	55,458										
ADM		368	440	444	426	439	436	421	405	404	452
Enrollment		360	369	445	422	448	457	431	412	411	454
Hazel Green (1955)	-										
ADM		-	-	-	-	-	-	-	-	104	105
Enrollment		-	-	-	-	-	-	-	-	103	103
Highland (1910)	46,128										
ADM		373	375	426	411	406	398	386	358	328	349
Enrollment		364	370	381	413	413	402	388	366	340	356
Hoover (1951)	46,128										
ADM		411	428	444	471	499	500	531	528	546	552
Enrollment		413	422	425	475	502	506	538	523	558	562
Kalapuya (2011)	72,095										
ADM		568	572	600	597	603	619	662	641	597	-
Enrollment		576	552	575	592	590	615	655	638	591	-
Keizer (1985)	67,210										
ADM		628	717	737	682	654	641	624	590	624	535
Enrollment		618	609	712	685	656	657	617	604	642	534
Kennedy (1964)	42,457										
ADM		397	412	441	449	459	455	465	457	428	427
Enrollment		399	398	419	444	458	458	465	456	427	427
Lake Labish (1958)	9,298										
ADM		-	-	-	-	-	-	-	-	-	91
Enrollment		-	-	-	-	-	-	-	-	-	86
Lamb (2001)	47,554										
ADM		407	465	491	486	493	464	503	481	493	475
Enrollment		406	422	469	497	491	473	509	482	503	478
Lee (2002)	47,554										
ADM		309	296	304	311	309	318	305	319	397	497
Enrollment		313	309	302	310	303	318	303	328	398	495
Liberty (1908)	52,273										
ADM		454	374	386	388	372	388	376	370	375	366
Enrollment		452	448	375	386	372	378	372	368	368	363
McKinley (1915)	40,140										
ADM		339	331	321	352	335	339	317	316	313	316
Enrollment		339	341	334	357	329	334	317	318	326	324
Middle Grove (1947) - SOLD	-										
ADM		-	-	-	-	-	-	-	-	298	278
Enrollment		-	-	-	-	-	-	-	-	301	286
Miller (2000)	52,752										
ADM		389	417	411	433	417	430	420	428	500	382
Enrollment		385	391	419	436	424	426	437	439	507	388

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHOOL BUILDING, STUDENT ENROLLMENT, AND AVERAGE DAILY MEMBERSHIP (ADM) INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS

	Square Feet	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Morningside (1953)	50,996										
ADM		343	365	375	382	384	379	373	355	372	357
Enrollment		348	340	373	386	386	386	378	358	374	357
Myers (1973)	46,746										
ADM		464	550	536	532	504	480	427	425	419	582
Enrollment		459	471	544	538	514	478	427	422	422	579
Pringle (1985)	58,637										
ADM		576	667	603	557	563	528	506	473	627	528
Enrollment		575	576	672	542	572	526	518	477	634	539
Richmond (1911)	49,734										
ADM		297	313	344	386	363	396	380	350	341	346
Enrollment		299	304	314	387	361	397	382	354	349	346
Rosedale (1952)	21,860										
ADM		-	-	-	-	-	-	-	-	150	168
Enrollment		-	-	-	-	-	-	-	-	151	164
Salem Heights (1938)	43,783										
ADM		315	320	331	317	301	291	274	264	275	282
Enrollment		315	315	323	323	296	288	279	273	276	288
Schirle (1976)	50,958										
ADM		425	500	471	417	442	453	463	455	492	511
Enrollment		428	423	508	419	442	445	464	462	490	510
Scott (1976)	49,888										
ADM		542	547	601	638	617	621	530	539	627	629
Enrollment		546	534	557	642	641	624	543	542	614	632
Sumpter (1979)	48,352										
ADM		551	537	545	554	534	496	494	498	536	548
Enrollment		540	544	538	547	523	501	496	502	537	548
Swegle (1923)	47,610										
ADM		608	533	521	542	576	561	471	469	583	580
Enrollment		603	603	541	553	583	553	481	585	587	573
Valley Inquiry Charter (1955)	13,569										
ADM		166	166	165	167	163	165	166	163	160	148
Enrollment		165	167	168	156	165	168	163	162	146	148
Washington (1948)	65,156										
ADM		400	389	414	412	423	431	438	404	415	390
Enrollment		400	398	382	417	415	444	410	429	406	412
Weddle (2001)	50,080										
ADM		409	432	437	442	451	459	464	446	394	430
Enrollment		412	413	430	445	455	469	449	402	447	440
Wright (1963)	54,004										
ADM		402	411	399	412	421	424	462	457	446	432
Enrollment		397	396	411	418	420	428	448	443	433	448
Yoshikai (1994)	49,289										
ADM		513	555	569	590	554	542	498	496	486	505
Enrollment		504	512	554	591	538	535	505	487	512	502
Elementary Portables (various)	83,496										
ELEMENTARY TOTALS:											
Square Feet	2,314,049										
ADM		18,940	19,404	19,732	19,804	19,670	19,460	19,305	18,856	18,720	18,693
Enrollment		18,879	18,869	19,517	19,847	19,680	19,518	19,324	19,006	18,775	18,842

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHOOL BUILDING, STUDENT ENROLLMENT, AND AVERAGE DAILY MEMBERSHIP (ADM) INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS

	Square Feet	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
MIDDLE SCHOOLS											
Claggett Creek (2001)	114,696										
ADM		995	981	955	940	919	917	890	932	933	916
Enrollment		992	1,006	993	954	926	926	948	944	940	927
Crossler (1995)	111,930										
ADM		932	852	833	764	725	692	701	751	816	786
Enrollment		934	947	865	763	733	692	772	831	804	711
Houck (1995)	117,048										
ADM		1,052	1,024	1,036	995	950	953	949	950	941	907
Enrollment		1,046	1,074	1,054	1,014	957	974	957	960	937	966
Howard Street Charter (1926)	-										
ADM		181	174	165	160	156	157	161	161	161	154
Enrollment		182	182	177	161	156	161	163	162	152	156
Jane Goodall Environmental Charter (2000)	-										
ADM		97	97	97	97	97	97	98	98	98	90
Enrollment		98	98	97	98	99	97	99	98	90	90
Judson (1957)	121,584										
ADM		977	984	959	966	941	914	908	953	962	966
Enrollment		980	995	992	978	958	932	956	981	979	976
Leslie (1997)	113,600										
ADM		771	764	784	766	774	756	759	764	810	891
Enrollment		772	778	785	772	790	767	773	818	891	894
Parrish (1923)	113,302										
ADM		726	703	693	691	682	649	661	675	696	733
Enrollment		734	738	710	714	691	670	695	705	747	697
Stephens (1994)	118,272										
ADM		1,111	1,110	1,094	1,091	1,046	1,037	991	919	952	1,010
Enrollment		1,110	1,143	1,130	1,106	1,063	1,053	927	1,005	1,028	961
Straub (2011)	136,813										
ADM		660	660	612	618	600	589	722	723	756	-
Enrollment		670	660	664	621	607	587	731	750	-	-
Waldo (1957)	120,528										
ADM		1,212	1,035	1,027	974	979	922	917	902	797	789
Enrollment		1,205	1,214	1,042	980	995	929	910	821	791	760
Walker (1960)	114,160										
ADM		710	679	677	640	637	619	505	521	529	1,092
Enrollment		710	724	679	644	638	613	530	534	1,114	1,091
Whiteaker (1968)	114,452										
ADM		774	790	779	776	744	731	742	772	823	879
Enrollment		774	782	806	771	741	733	776	827	884	896
Middle School Portables (various)	25,021										
MIDDLE SCHOOL TOTALS:											
Square Feet	1,321,406										
ADM		10,198	9,853	9,711	9,478	9,250	9,033	9,004	9,121	9,275	9,213
Enrollment		10,207	10,341	9,994	9,576	9,354	9,134	9,237	9,436	9,357	9,125

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHOOL BUILDING, STUDENT ENROLLMENT, AND AVERAGE DAILY MEMBERSHIP (ADM) INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS

	Square Feet	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
HIGH SCHOOLS											
McKay (1978)	247,176										
ADM		2,235	2,311	2,318	2,342	2,227	2,130	1,980	1,877	1,745	1,752
Enrollment		2,267	2,328	2,436	2,455	2,334	2,228	1,968	1,824	1,855	1,855
McNary (1964)	243,760										
ADM		1,951	1,948	1,938	1,936	1,956	1,952	2,006	1,956	1,947	1,972
Enrollment		2,002	2,091	2,070	2,051	2,046	2,062	2,037	2,053	2,130	2,095
North (1936)	308,314										
ADM		1,800	1,750	1,689	1,737	1,747	1,744	1,760	1,759	1,789	1,856
Enrollment		1,789	1,889	1,853	1,815	1,867	1,855	1,889	1,923	2,039	1,905
South (1954)	277,375										
ADM		1,969	1,839	1,825	1,805	1,821	1,811	1,885	1,882	1,937	1,862
Enrollment		2,009	2,059	1,936	1,884	1,881	1,902	1,951	2,029	1,975	1,949
Sprague (1972)	269,584										
ADM		1,596	1,647	1,673	1,654	1,644	1,634	1,571	1,652	1,664	1,628
Enrollment		1,625	1,701	1,736	1,751	1,706	1,695	1,730	1,756	1,728	1,755
West (2002)	265,000										
ADM		1,648	1,655	1,736	1,709	1,734	1,676	1,627	1,666	1,676	1,631
Enrollment		1,698	1,745	1,748	1,799	1,773	1,730	1,738	1,728	1,754	1,687
High School Portables (various)	57,033										
Total Alternative Education Programs/Locations: Riverfront Learning Center (1989) and Roberts (2005)	42,696										
ADM		821	848	794	712	750	741	836	895	858	820
Enrollment		740	649	401	916	823	975	1,096	987	950	1,106
HIGH SCHOOL AND ALTERNATIVE EDUCATION TOTALS:											
Square Feet	1,710,938										
ADM		12,020	11,998	11,973	11,896	11,879	11,688	11,665	11,687	11,616	11,521
Enrollment		12,130	12,462	12,180	12,671	12,430	12,447	12,409	12,300	12,431	12,352
DISTRICT FACILITIES											
Baker (1951)	6,487										
Centennial (1897)	13,244										
Central Kitchen/Nutrition Center (1994)	25,400										
Central Services (1974)	71,230										
Paulus Complex (1953)	21,230										
Lancaster Professional Center (1975)	35,265										
Reprographics (1991)	26,550										
Support Services (1955)	22,580										
Technology Data Center (1975)	11,664										
Transportation (1964)	12,640										
District Portables (various)	7,696										
Other District Facilities (various)	6,487										
DISTRICT FACILITIES TOTALS:	260,473										
GRAND TOTALS:											
Square Feet	5,606,866										
ADM		41,158	41,255	41,416	41,178	40,799	40,181	39,974	39,664	39,611	39,427
Enrollment		41,216	41,672	41,691	42,094	41,464	41,099	40,970	40,742	40,563	40,319

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
AVERAGE DAILY MEMBERSHIP (ADM)
Last Ten Fiscal Years Ended June 30

School Name	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elementary Schools										
Auburn	596	680	677	677	650	630	667	642	631	647
Battle Creek	590	635	613	586	559	525	529	460	-	-
Bethel	-	-	-	-	-	-	-	-	-	61
Brush College	318	281	272	277	253	210	339	373	410	420
Bush	283	311	324	310	320	309	323	313	282	269
Candalaria	354	336	339	344	353	355	339	340	342	329
Chapman Hill	383	389	411	404	385	368	425	453	418	530
Chavez	620	581	568	583	591	556	701	649	-	-
Clear Lake	383	402	390	430	433	470	497	481	433	461
Cummings	444	417	434	436	427	414	414	394	427	454
Eagle Charter, State Sponsored	143	139	141	140	141	143	138	125	126	-
Englewood	365	352	378	382	360	376	382	362	347	395
Eyre	600	541	542	571	602	590	573	543	568	559
Forest Ridge	281	239	239	248	231	241	233	247	243	236
Four Corners	474	490	505	531	530	510	521	523	501	506
Fruitland	-	-	-	-	-	-	-	-	-	65
Grant	372	409	421	444	428	456	434	405	378	355
Gubser	535	552	595	550	524	486	470	474	474	490
Hallman	401	412	422	389	415	454	429	452	453	464
Hammond	524	487	514	506	532	522	504	507	529	517
Harritt	490	509	503	512	524	501	301	296	295	550
Hayesville	368	440	444	426	439	436	421	405	404	452
Hazel Green	-	-	-	-	-	-	-	-	104	105
Highland	373	375	426	411	406	398	386	358	328	349
Hoover	411	428	444	471	499	500	531	528	546	552
Kalapuya	568	572	600	597	603	619	662	641	597	-
Keizer	628	717	737	682	654	641	624	590	624	535
Kennedy	397	412	441	449	459	455	465	457	428	427
Lake Labish	-	-	-	-	-	-	-	-	-	91
Lamb	407	465	491	486	493	464	503	481	493	475
Lee	309	296	304	311	309	318	305	319	397	497
Liberty	454	374	386	388	372	388	376	370	375	366
McKinley	339	331	321	352	335	339	317	316	313	316
Middle Grove	-	-	-	-	-	-	-	-	298	278
Miller	389	417	411	433	417	430	420	428	500	382
Morningside	343	365	375	382	384	379	373	355	372	357
Myers	464	550	536	532	504	480	427	425	419	582
Optimum Learning										
Environments Charter	130	130	128	130	130	130	130	132	134	124
Pringle	576	667	603	557	563	528	506	473	627	528
Richmond	297	313	344	386	363	396	380	350	341	346
Rosedale	-	-	-	-	-	-	-	-	150	168
Salem Heights	315	320	331	317	301	291	274	264	275	282
Schirle	425	500	471	417	442	453	463	455	492	511
Scott	542	547	601	638	617	621	530	539	627	629
Sumpter	551	537	545	554	534	496	494	498	536	548
Swegle	608	533	521	542	576	561	471	469	583	580
Valley Inquiry Charter	166	166	165	167	163	165	166	163	160	148
Washington	400	389	414	412	423	431	438	404	415	390
Weddle	409	432	437	442	451	459	464	446	394	430
Wright	402	411	399	412	421	424	462	457	446	432
Yoshikai	513	555	569	590	554	542	498	496	486	505
Total Elementary Schools	18,940	19,404	19,732	19,804	19,670	19,460	19,305	18,856	18,720	18,693

Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
AVERAGE DAILY MEMBERSHIP (ADM) (CONTINUED)
LAST TEN FISCAL YEARS ENDED JUNE 30

School Name	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Middle School										
Claggett Creek	995	981	955	940	919	917	890	932	933	916
Crossler	932	852	833	764	725	692	701	751	816	786
Houck	1,052	1,024	1,036	995	950	953	949	950	941	907
Howard Street Charter	181	174	165	160	156	157	161	161	161	154
Jane Goodall										
Environmental Charter	97	97	97	97	97	97	98	98	98	90
Judson	977	984	959	966	941	914	908	953	962	966
Leslie	771	764	784	766	774	756	759	764	810	891
Parrish	726	703	693	691	682	649	661	675	696	733
Stephens	1,111	1,110	1,094	1,091	1,046	1,037	991	919	952	1,010
Straub	660	660	612	618	600	589	722	723	756	-
Waldo	1,212	1,035	1,027	974	979	922	917	902	797	789
Walker	710	679	677	640	637	619	505	521	529	1,092
Whiteaker	774	790	779	776	744	731	742	772	823	879
Total Junior High/ Middle Schools	10,198	9,853	9,711	9,478	9,250	9,033	9,004	9,121	9,275	9,213
High Schools										
McKay	2,235	2,311	2,318	2,342	2,227	2,130	1,980	1,877	1,745	1,752
McNary	1,951	1,948	1,938	1,936	1,956	1,952	2,006	1,956	1,947	1,972
North	1,800	1,750	1,689	1,737	1,747	1,744	1,760	1,759	1,789	1,856
South	1,969	1,839	1,825	1,805	1,821	1,811	1,885	1,882	1,937	1,862
Sprague	1,596	1,647	1,673	1,654	1,644	1,634	1,571	1,652	1,664	1,628
West Salem	1,648	1,655	1,736	1,709	1,734	1,676	1,627	1,666	1,676	1,631
Alternative Education	634	661	619	538	580	505	676	723	668	611
Total High Schools	11,833	11,811	11,798	11,721	11,709	11,452	11,505	11,515	11,426	11,312
Other Special Programs	187	187	175	175	170	236	160	172	190	209
Total Average Daily Membership	41,158	41,255	41,416	41,178	40,799	40,181	39,974	39,664	39,611	39,427
Percentage increase from previous year	-0.24%	-0.39%	0.58%	0.93%	1.54%	0.52%	0.78%	0.13%	0.47%	0.07%

Source: Salem-Keizer Public Schools

**SALEM-KEIZER SCHOOL DISTRICT 24J
LICENSED, CLASSIFIED AND ADMINISTRATIVE FULL-TIME EMPLOYEES STAFF LEVELS
LAST TEN FISCAL YEARS ENDED JUNE 30**

Fiscal Year	Licensed	Classified	Administrative	Total FTE	General Fund		Percent of Total
					Total General Fund	All Other Funds	
2020	2,471	2,382	168	5,021	4,635	386	92.31%
2019	2,465	2,398	162	5,025	4,772	253	94.97%
2018	2,506	2,473	167	5,146	4,640	506	90.17%
2017	2,442	2,294	167	4,903	4,552	351	92.84%
2016	2,317	2,147	181	4,645	4,255	390	91.60%
2015	2,161	2,025	157	4,343	3,936	407	90.63%
2014	1,998	1,935	136	4,069	3,691	378	90.71%
2013	2,094	1,987	150	4,231	3,779	452	89.32%
2012	1,913	1,951	151	4,015	3,575	440	89.04%
2011	2,417	1,844	160	4,421	3,963	458	89.64%

Source: District Payroll Records

Note: FTE does not include non-district employees of District sponsored public charter schools.

Collective Bargaining Unit	Membership	Termination Date of Current Contract	Status of Negotiations
Salem-Keizer Education Association (SKEA)	2,250	June 30, 2021	Settled
Association of Salem-Keizer Education Support Professionals (ASK ESP)	1,819	June 30, 2023	Settled

Source: Salem-Keizer Public Schools

**SALEM-KEIZER SCHOOL DISTRICT 24J
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS ENDED JUNE 30**

Fiscal Year	Minimum Salary¹	Maximum Salary¹	Average Salary¹	Marion County Average Salary²	Polk County Average Salary²	Statewide Average Salary²
2020	\$ 41,204	\$ 81,099	\$ 66,923	\$ 65,440	\$ 65,107	\$ 66,825
2019	40,297	79,314	63,389	63,775	61,562	64,589
2018	39,507	77,759	61,075	62,532	59,672	63,061
2017	38,732	76,234	60,055	61,190	57,366	61,862
2016	38,066	74,923	58,073	60,353	53,500	60,407
2015	37,320	73,454	58,245	59,420	54,202	59,477
2014	36,588	72,014	57,838	58,907	53,084	58,595
2013	36,083	71,020	57,027	56,379	53,029	57,590
2012	34,719	68,335	54,785	55,545	53,876	56,940
2011	34,719	68,335	55,687	54,637	52,462	56,504

Sources:

¹ Salem-Keizer Public Schools. The minimum, maximum, and average salary amounts do not include differentials, additional workdays, or fringe benefits such as retirement.

² Oregon Department of Education, Office of Analysis and Reporting.

**SALEM-KEIZER SCHOOL DISTRICT 24J
OPERATING STATISTICS
LAST TEN FISCAL YEARS ENDED JUNE 30**

Fiscal Year	Average Daily Membership	Governmental Fund Expenditures	Cost per Pupil	% Change	Governmental Fund Expenditures Less Debt Service-General		% Change	Teaching Staff	Pupil-Teacher Ratio
					Obligation Bonds	Cost per Pupil			
2020	41,158	\$ 765,414,548	\$ 18,597	23.7%	\$ 704,659,848	\$ 17,121	21.8%	2,471	16.7
2019	41,255	620,276,345	15,035	8.4%	579,839,036	14,055	6.3%	2,465	16.7
2018	41,416	574,516,654	13,872	11.3%	547,820,281	13,227	7.4%	2,480	16.7
2017	41,178	533,244,697	12,466	-0.1%	507,117,433	12,315	-0.6%	2,502	16.5
2016	40,799	538,412,889	12,477	2.0%	505,419,908	12,388	8.4%	2,317	17.6
2015	40,181	491,550,470	12,233	5.1%	459,385,857	11,433	5.2%	2,161	18.6
2014	39,974	465,071,226	11,634	2.3%	434,330,820	10,865	2.5%	1,998	20.0
2013	39,664	451,064,582	11,372	-7.6%	420,480,786	10,601	-8.2%	2,094	18.9
2012	39,611	487,356,869	12,304	-3.1%	457,578,299	11,552	-3.5%	1,913	20.7
2011	39,427	500,759,480	12,701	10.8%	472,120,303	11,975	11.4%	2,417	16.3

Note: The teaching staff includes all licensed staff - teachers, counselors, and librarians.
Source: Salem-Keizer Public Schools

SALEM-KEIZER SCHOOL DISTRICT 24J
MISCELLANEOUS STATISTICAL DATA
LAST TEN FISCAL YEARS ENDED JUNE 30

NUMBER OF SCHOOL BUILDINGS:

High Schools	8
Middle Schools	11
Elementary Schools	42

SUPPORT FACILITIES:

Baker
 Centennial
 William Paulus Administration Center
 Central Services Center
 Lancaster Professional Center
 Technology Center
 Central Kitchen/Nutrition Center
 Reprographics Building
 Support Services Center
 Transportation Center

NUMBER OF TYPE A MEALS SERVED:

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Paid lunches	706,723	820,885	845,791	820,643	813,221	704,861	816,839	844,229	968,158	1,108,465
Free lunches	1,838,964	2,917,497	3,039,073	3,073,840	3,138,828	2,948,233	2,613,510	2,540,132	2,566,100	2,493,062
Reduced lunches	101,986	165,814	167,238	163,344	162,010	174,689	277,296	274,058	297,095	319,478
	<u>2,647,673</u>	<u>3,904,196</u>	<u>4,052,102</u>	<u>4,057,827</u>	<u>4,114,059</u>	<u>3,827,783</u>	<u>3,707,645</u>	<u>3,658,419</u>	<u>3,831,353</u>	<u>3,921,005</u>
Paid breakfast	213,315	220,046	219,033	197,325	191,819	161,505	231,040	214,897	250,572	268,760
Free breakfast	726,747	1,175,751	1,202,873	1,151,793	1,171,952	1,127,288	1,037,571	977,764	1,053,192	969,294
Reduced breakfast	30,432	51,911	52,418	50,282	51,943	58,341	98,980	93,044	106,691	124,814
	<u>970,494</u>	<u>1,447,708</u>	<u>1,474,324</u>	<u>1,399,400</u>	<u>1,415,714</u>	<u>1,347,134</u>	<u>1,367,591</u>	<u>1,285,705</u>	<u>1,410,455</u>	<u>1,362,868</u>

In 2020, the District also served more than 1.14 million free meals through the Summer Food Program from March 16, 2020 - June 30, 2020 due to COVID-19.

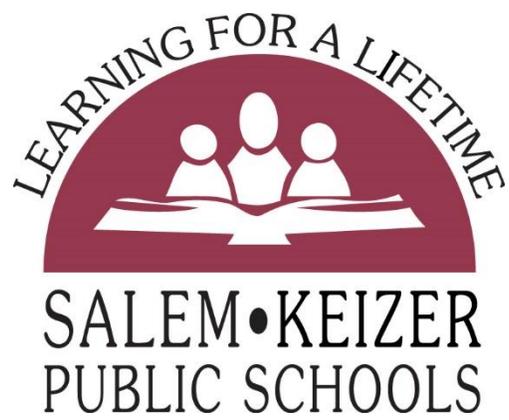
Percentage of students eligible for free or reduced meals	68%	57%	57%	58%	61%	58%	61%	59%	59%	58%
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GRADUATION STATISTICS:

High Schools	2,487	2,320	2,350	2,172	2,065	2,101	2,095	2,165	2,147	2,180
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Note: Graduates for the current year are estimates. Finalized numbers are available from ODE the following spring.

Source: Salem-Keizer Public Schools



COMPLIANCE SECTION



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

School Board
Salem-Keizer School District 24J
Salem, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Salem-Keizer School District 24J (the District) as of and for the year ended June 30, 2020, 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 15, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS
December 15, 2020



GROVE, MUELLER & SWANK, P.C.

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

School Board
Salem-Keizer School District 24J
Salem, Oregon

Report on Compliance for Each Major Federal Program

We have audited Salem-Keizer School District 24J (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Salem-Keizer School District 24J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal

program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


CERTIFIED PUBLIC ACCOUNTANTS
December 15, 2020

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Revenues and Expenditures 2019-20
U.S. Department of Education Direct Programs			
Indian Education Grants to Local Educational Agencies			
Indian Education	84.060	S060A181098	\$ 165,633
Subtotal Indian Education Grants to Local Educational Agencies			<u>165,633</u>
Total U.S. Department of Education Direct Programs			<u>165,633</u>
Passed-Through Oregon Department of Education			
Title I Grants to Local Educational Agencies			
Title ID 18-19	84.010	50320	44,233
Title ID 19-20	84.010	53911	69,698
Title IA 18-19	84.010	50478	6,086,703
Title IA 19-20	84.010	53362	6,201,239
ESSA D&SI - PPD District Engagement Phase I	84.010	51439	24,395
ESSA D&SI - PPD District Engagement Phase II	84.010	51458	40,692
ESSA D&SI - PPD District Engagement Phase III	84.010	51478	430,772
ESSA Partnerships 19-20	84.010	54424	175,265
Subtotal Title I Grants to Local Educational Agencies			<u>13,072,997</u>
Migrant Education State Grant Program			
Title I C Regular	84.011	49219	312,114
Title I C Preschool	84.011	49238	11,649
Title I C Summer	84.011	52527	173,803
Title I C Regular	84.011	53729	1,099,947
Title I C Preschool	84.011	53744	113,963
Stride Academy Payment 2019	84.011	54454	25,888
Title I C Summer	84.011	57322	46,853
Subtotal Migrant Education State Grant Program			<u>1,784,217</u>
Title I Neglected/Delinquent Children and Youth			
LTCT Title ID	84.013	12302	10,213
Subtotal Title I Neglected/Delinquent Children and Youth			<u>10,213</u>
School Improvement Grants			
ARRA - Title IA - SIG - Richmond	84.377	46859	139,694
Title IA - SIG - Richmond	84.377	46887	80,150
Subtotal School Improvement Grants			<u>219,844</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Revenues and Expenditures 2019-20
Supporting Effective Instruction State Grants			
Title IIA 17-18	84.367	45903	\$ 71,335
Title IIA 18-19	84.367	49401	273,641
Title IIA	84.367	53624	<u>1,630,104</u>
Subtotal Supporting Effective Instruction State Grants			<u>1,975,080</u>
English Language Acquisition State Grants			
Title III 18-19	84.365	50283	166,959
Title III 19-20	84.365	53456	<u>718,766</u>
Subtotal English Language Acquisition State Grants			<u>885,725</u>
Student Support and Academic Enrichment Program			
Title IV-A	84.424	50817	350,663
Title IV-A	84.424	54614	<u>255,205</u>
Subtotal Student Support and Academic Enrichment Program			<u>605,868</u>
Special Education Cluster (IDEA)			
SPR & I 18-19	84.027	49610	30,591
IDEA 18-19, 611 Part B	84.027	49951	3,143
IDEA Part B, Section 611 2019-20	84.027	53880	4,824,914
IDEA - Enhancement 18-19	84.027	51363	4,245
Extended Assessment 19-20	84.027	54737	1,422
LTCT IDEA 19-21	84.027	12302	<u>5,100</u>
Subtotal Special Education Cluster (IDEA)			<u>4,869,415</u>
Career and Technical Education - Basic Grants to States			
Perkins 18-19	84.048	48913	80,439
Perkins 19-20	84.048	52504	<u>197,686</u>
Subtotal Career and Technical Education - Basic Grants to States			<u>278,125</u>
Education for Homeless Children and Youth			
McKinney Homeless	84.196	46129	10,750
McKinney Homeless	84.196	54911	<u>53,866</u>
Subtotal Education for Homeless Children and Youth			<u>64,616</u>
Total U.S. Department of Education Passed-Through Oregon Department of Education			<u>23,766,100</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Revenues and Expenditures 2019-20
Passed through Oregon Department of Human Services			
Youth Transition Program 19-21	84.126	160746	\$ 422,583
Youth Transition Program - Summer Work Experience	84.126	161025	35,214
Subtotal Rehabilitation Services - Vocational Rehabilitation Grants to States			<u>457,797</u>
Total U.S. Department of Education			<u>24,389,530</u>
U.S. Department of Health & Human Services			
Passed through Oregon Department of Education			
Child Care and Development Fund Cluster			
OPK Emergency Child Care 2020	93.575	57042	119,859
Subtotal Child Care and Development Fund Cluster			<u>119,859</u>
Foster Care Title IV-E			
Foster Care Transportation Reimbursement	93.658	47529	44,957
Foster Care Transportation Reimbursement	93.658	57250	93,452
Subtotal Foster Care Title IV-E			<u>138,409</u>
Total U.S. Department of Health & Human Services Passed-Through Oregon Department of Education			<u>258,268</u>
Passed through Oregon Department of Human Services			
Title V State Sexual Risk Avoidance Education Program			
My Future, My Choice	93.235	157114	30,000
Subtotal Title V State Sexual Risk Avoidance Education Program			<u>30,000</u>
Total U.S. Department of Health & Human Services			<u>288,268</u>
U.S. Department of Agriculture			
Passed Through Oregon Department of Education			
Child Nutrition Cluster			
National School Breakfast Program	10.553	N/A	1,719,490
National School Lunch Program	10.555	N/A	7,042,287
Commodity Value - NSLP	10.555	N/A	1,454,320
Summer Food Svc Program/Children	10.559	N/A	3,822,952
Subtotal Child Nutrition Cluster			<u>14,039,049</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Revenues and Expenditures 2019-20
Child and Adult Care Food Program			
Child and Adult Care Food Program	10.558	N/A	\$ 604,851
Subtotal Child and Adult Care Food Program			<u>604,851</u>
Fresh Fruit and Vegetable Program			
Fresh Fruit and Vegetable Program - Auburn	10.582	50624	4,094
Fresh Fruit and Vegetable Program - Four Corners	10.582	50625	3,395
Fresh Fruit and Vegetable Program - Highland	10.582	50626	3,011
Fresh Fruit and Vegetable Program - Hayesville	10.582	50627	3,166
Fresh Fruit and Vegetable Program - Hoover	10.582	50628	3,197
Fresh Fruit and Vegetable Program - Richmond	10.582	50629	2,933
Fresh Fruit and Vegetable Program - Richmond	10.582	54833	12,671
Fresh Fruit and Vegetable Program - Auburn	10.582	54969	18,438
Fresh Fruit and Vegetable Program - Four Corners	10.582	54970	13,868
Fresh Fruit and Vegetable Program - Hayesville	10.582	54971	12,096
Fresh Fruit and Vegetable Program - Highland	10.582	54972	12,825
Fresh Fruit and Vegetable Program - Hoover	10.582	54973	14,180
Fresh Fruit and Vegetable Program - Kennedy	10.582	54974	11,841
Subtotal Fresh Fruit and Vegetable Program			<u>115,715</u>
Total U.S. Department of Agriculture Passed-Through Oregon State Department of Education			<u>14,759,615</u>
Passed through Marion County			
Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	10.665	N/A	373
Subtotal Forest Service Schools and Roads Cluster			<u>373</u>
		Total U.S. Department of Agriculture	<u>14,759,988</u>
U.S. General Services Administration			
Passed through Oregon Department of Administrative Services			
Donation of Federal Surplus Personal Property			
Donated Surplus Property	39.003	N/A	9,596
Subtotal Donation of Federal Surplus Personal Property			<u>9,596</u>
		Total U.S. General Services Administration	<u>9,596</u>
		Total Federal Programs	<u>\$ 39,447,382</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**SALEM-KEIZER SCHOOL DISTRICT 24J– NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has a negotiated indirect cost rate with Oregon Department of Education. The District is therefore not allowed to use the ten percent de minimis indirect cost rate as otherwise allowed under the Uniform Guidance.

Federal Financial Assistance

Pursuant to 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.

Major Programs

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2020.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.011	Migrant Education State Grant Program
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:	\$1,183,421
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Auditee qualified as low-risk auditee?	Yes
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FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SALEM-KEIZER SCHOOL DISTRICT 24J
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
Salem-Keizer School District 24J
Salem, 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 Salem-Keizer School District 24J, (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020.

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 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **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.

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.

Restriction on Use

This report is intended solely for the information and use of the school board and management of the 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 parties.

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

By: 
Larry E. Grant, A Shareholder
December 15, 2020