



Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

**DISTRICT GOALS: Improve Student Achievement, K-3 Literacy, On-Time Graduation**

**MEETING AGENDA**

**1. WELCOME**

- A. Call to Order
- B. Flag Salute

**2. PUBLIC COMMENTS**

This is a time for citizens to address the Board. The Chair will recognize speaker(s) at the designated time. All speakers shall identify themselves and state their name before speaking. Speakers are asked to provide their name, address and telephone number on the Speaker's Sign-in Sheet. Each speaker may address the Board for three minutes.

**3. AUDIT RESULTS APPROVAL, pg. 4**

**Action: Approval Requested**

**4. BUDGET APPROVAL / HEARING**

**Action: Approval Requested**

**A. Resolution #2023-3** Making Appropriation for the 2023-2024 Budget, pg. 85

**B. Resolution #2023-4** Imposing & Categorizing Tax, pg. 87

**C. Resolution #2023-5** Appropriation Transfer, pg. 89

**5. APPROVAL OF CLASSIFIED CONTRACT**

**Action: Approval Requested**

**6. LONGITUDINAL PERFORMANCE GROWTH TARGETS UPDATE, pg. 92**

**Action: Informational**

**Action: Approval Requested**

**7. CONSENT AGENDA**

A. May 11, 2023 Board Meeting Minutes, pg. 96

B. Policy Updates – First Readings, pg. 100

CODE	TITLE
<b>FIRST READING</b>	<b>REQUIRED</b>
BBB	Board Elections
	<b>INFORMATIONAL ONLY</b>
JECB-AR (1)	Admission of Nonresident Students

C. Hiring:

NAME	POSITION	FTE	START DATE	END DATE
<b>NEW HIRES 2023-24</b>				
William Lewis	Chief Operations Officer	1.0	7/1/2023	
Bryan Anderson	Music Teacher – Hamilton Creek & Lacombe Schools	1.0	8/28/2023	
Corie Casey	Social Emotional Learning Teacher – Pioneer School	1.0	8/28/2023	
Meghan Chrissakis	Science Teacher – Lebanon High School	1.0	8/28/2023	
Brandon DeMarco	Special Education Teacher – Green Acres School	1.0	8/28/2023	
Emma Dooley	Kindergarten Teacher – Hamilton Creek School	1.0	8/28/2023	
Elaina Dowdy	Elective (Art) Teacher – Hamilton Creek School	1.0	8/28/2023	
Niina Lind	KG/1 <sup>st</sup> Grade Teacher – Cascade School	1.0	8/28/2023	
Brooklyn McElroy	8 <sup>th</sup> Grade Teacher – Hamilton Creek School	1.0	8/28/2023	
Mariah Owen	4 <sup>th</sup> Grade Teacher – Hamilton Creek School	1.0	8/28/2023	
Kyle Saulmon	SEL Facilitator-Counselor/Teacher – Seven Oak Middle School	1.0	8/28/2023	

**8. DEPARTMENT REPORTS**

**Action: Approval Requested**

- A. Operations
- B. Human Resources
- C. Finance
  - 1. Financial Report, pg. 106

**9. COMMUNICATION**

**Action: Informational**

- A. Board
- B. Superintendent
  - 1. Jen's Zens

**10. AUDIENCE COMMENTS**

The Lebanon Community School District Board of Directors welcomes you to our regular meeting. It is the Board's goal to hold an effective and efficient meeting to conduct the business of the District. In keeping with this goal, the Board provides a place for Audience Comments on each of its regular agendas. This is a time when you can provide statements or ask questions. The Board allows three minutes for each speaker. The language below discusses the Public Meetings Law and public participation in such meetings.

*"The Public Meetings Law is a public attendance law, not a public participation law. Under the Public Meetings Law, governing body meetings are open to the public except as otherwise*

*provided by law. ORS 192.630 The right of public attendance guaranteed by the Public Meetings Law does not include the right to participate by public testimony or comment.*

*"Other statutes, rules, charters, ordinances, and bylaws outside the Public Meetings Law may require governing bodies to hear public testimony or comment on certain matters. But in the absence of such a requirement, a governing body may conduct a meeting without any public participation. Governing bodies voluntarily may allow limited public participation at their meetings."*

**Oregon Attorney General's Administrative Law Manual and Uniform and Model Rules of Procedure under the Administrative Procedures Act. Hardy Myers, Attorney General, March 27, 2000.**

## **11. ADJOURNMENT**

Upcoming meeting dates:

July 13, 2023 Reorganizational Meeting at 6:00 PM

# *Agenda Item 3*

Audit Results Approval

# BOARD MEMORANDUM



**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** William H. Lewis III, Business Director

**Date:** June 08, 2023                               **Meeting Date:** June 15, 2023

**Re:** Financial Report and Fiscal Updates

## **Financial Report**

The 2022-2023 Financial Board Report included in this packet reflects all revenues and expenditures for 2018-2022 and the budgeted YTD expenditures, plus encumbered amounts for 2022-2023 as of 6/08/23.

**2021-22 Audit Report-** Lebanon's 2021-22 audit report will be presented by Pauly, Rogers, and Co., P.C.

**Resolution #2023-3-** This resolution is to adopt the 2023-24 budget committee approved budget.

**Resolution #2023-4-** This resolution is to impose and categorize tax for the school districts current debt service.

**Resolution #2023-5-** This resolution is to transfer make the appropriate budget transfers needed to resolve projected deficits by June 30 to stay in compliance with Local Budget Law.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**FINANCIAL REPORT**  
**For the Year Ended June 30, 2022**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

BOARD OF DIRECTORS 2021-22

Tom Oliver, Chair	June 30, 2025
Tammy Schilling	June 30, 2023
Mike Martin	June 30, 2025
Richard Borden, Vice-Chair	June 30, 2023
Nicole Piland	June 30, 2025

ADMINISTRATION

Bo Yates, Superintendent  
Will Lewis, Business Director

Board members receive mail at the District address listed below.

Lebanon Community School District No. 9  
485 South 5th Street  
Lebanon, Oregon 97355

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

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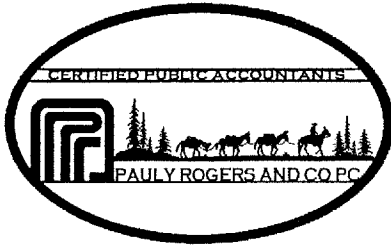


**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

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(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

November 7, 2022

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Lebanon Community School District No. 9  
Linn County, Oregon

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lebanon Community School District No. 9 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lebanon Community School District (the District), as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 7, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

## LEBANON COMMUNITY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Lebanon Community School District, we submit this narrative overview and analysis of the financial activities of the district for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; we encourage readers to consider the information presented here in conjunction with the financial statements and notes to the basic financial statements to enhance their understanding of the districts' financial performance.

### FINANCIAL HIGHLIGHTS

- At June 30, 2022, the District's total governmental fund balances equaled \$12,384,496.
- The General Fund had an ending balance of \$6,108,409.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements that show information for the district as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provides information about the activities of the District and presents a longer-term view of the District's finances. Our fund financial statements are included later in the financial report. The governmental activities statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may provide insight into the District's overall financial health. Fund financial statements report the District's operations in more detail than the government-wide financial statements by providing information about the District's major funds, including the general fund and the debt service fund.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present information on the District's finances in a manner similar to private sector companies. One of the most important questions asked about the District is, "Is the District better off or worse off financially as a result of the year's activities." The Statement of Net Position and Statement of Activities report information on the District as a whole and its activities in a way that helps answer this question. We prepared these statements to include all assets and liabilities using the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference between the two reported as net position. Capital assets and long-term liabilities are shown in the Statement of Net Position. Over time increases or decreases in net position may serve as a useful indication of whether the District's financial position is improving or deteriorating. To assess the overall health of the district you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The Statement of Activities shows revenues, expenses, and the change in net position for the District as a whole. Revenues and expenses attributable to specific functions are segregated from general revenues, to display the extent to which general revenues support each function. This statement presents information showing how the District's net position changed during the most recent fiscal year.

### FUND FINANCIAL STATEMENTS

Governmental funds account for the same functions as reported as governmental activities in the government-wide financial statements. The governmental fund reporting focuses on how money flows in and out of funds and the balances left at year end that are available for spending. They are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can readily be converted to cash. This information is

essential for preparation of and compliance with annual budgets. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the governmental funds statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Statement of Net Position:** Total assets, liabilities and net position as of June 30, 2022 and June 30, 2021 are as follows (details on page 1):

	Statement of Net Position			
	2022	2021	Change	%
<b>Assets</b>				
Current and other assets	\$ 17,166,032	\$ 18,962,241	\$ (1,796,209)	-9.5%
Pension/OPEB Related Deferred Outflows	21,350,213	21,624,632	(274,419)	-1.3%
Capital assets, (net)	33,605,904	33,914,068	(308,164)	-0.9%
	72,122,149	74,500,941	(2,378,792)	-3.2%
<b>Liabilities</b>				
Current Liabilities	4,610,121	7,013,012	(2,402,891)	-34.3%
Pension/OPEB Related Deferred Inflows	24,629,747	2,177,452	22,452,295	1031.1%
Long-term Liabilities	61,974,813	89,613,404	(27,638,591)	-30.8%
	91,214,681	98,803,868	(7,589,187)	-7.7%
<b>Net position</b>				
Net investment in capital assets, net of related debt	2,351,043	(54,397)	2,405,440	-
Net position: restricted	8,270,525	7,141,536	1,128,989	15.8%
Net position: unrestricted	(29,714,100)	(31,390,066)	1,675,966	-5.3%
	\$ (19,092,532)	\$ (24,302,927)	\$ 5,210,395	-21.4%

**Statement of Activities:** The district’s revenues and expenses for fiscal year 2021-2022, as compared to fiscal year 2020-2021 are as follows (details on page 2):

<b>Statement of Activities</b>				
	2022	2021	Change	%
<b>Program revenues</b>				
Charges for services	\$ 7,694	\$ 1,125	\$ 6,569	583.9%
Operating grants and contributions	17,067,540	9,005,055	8,062,485	89.5%
<b>Total program revenues</b>	<b>\$ 17,075,234</b>	<b>\$ 9,006,180</b>	<b>\$ 8,069,054</b>	<b>89.6%</b>
<b>General revenues</b>				
Property taxes	15,639,713	15,181,575	458,138	3.0%
State Revenue Sharing	32,697,200	32,487,296	209,904	0.6%
Miscellaneous	1,990,784	1,135,266	855,518	75.4%
<b>Total general revenues</b>	<b>\$ 50,327,697</b>	<b>\$ 48,804,137</b>	<b>\$ 1,523,560</b>	<b>3.1%</b>
<b>Total revenues</b>	<b>\$ 67,402,931</b>	<b>\$ 57,810,317</b>	<b>\$ 9,592,614</b>	<b>16.6%</b>
<b>Expenses</b>				
Instruction	36,614,837	34,803,711	1,811,126	5.2%
Support services	21,440,981	19,988,155	1,452,826	7.3%
Enterprise and community services	2,234,993	2,144,590	90,403	4.2%
Interest on Long-Term Debt	1,343,475	1,475,300	(131,825)	-8.9%
<b>Total Expenses</b>	<b>\$ 61,634,286</b>	<b>\$ 58,411,756</b>	<b>\$ 3,222,530</b>	<b>5.5%</b>
<b>Transfers</b>				
Gain (Loss) on Disposal of Assets	(558,250)	254,559	(812,809)	-319.3%
<b>Change in net position</b>	<b>5,210,395</b>	<b>(346,880)</b>	<b>6,370,084</b>	<b>-1836.4%</b>
<b>Beginning Net Position</b>	<b>(24,302,927)</b>	<b>(23,956,047)</b>	<b>(346,880)</b>	<b>1.4%</b>
<b>Ending Net Position</b>	<b>\$ (19,092,532)</b>	<b>\$ (24,302,927)</b>	<b>\$ 6,023,204</b>	<b>-24.8%</b>

As stated earlier, net position over time may serve as a useful indicator of a government’s financial position. As of June 30, 2022, the district’s net position changed by \$5,210,395. The primary reason for this is the Net Pension Liability increase is related to the Districts proportional share of the of Oregon PERS systemwide liability in effect at the measurement date in accordance with GASB 68. For purposes of government-wide financial statements, this year to year adjustment amount is allocated to expenditures in each fiscal year. This adjustment is due to changes in total pension liability and changes in total pension asset and the fair value of pension plan net position available to pay pension benefits and does not reflect actual cash expenditures for the audit year.

## FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Unreserved fund balance measures the District's net resources available for appropriation in the next fiscal year. As of June 30, 2022, total fund balance of the governmental funds was \$12,384,496. These amounts are available to use, in accordance with applicable restrictions for district expenditures.

Summary of Ending Fund Balances for 2022 and 2021 are as follows (details on page 5):

	<u>6/30/2022</u>	<u>6/30/2021</u>
General Fund	\$ 6,108,409	\$ 6,205,654
Other Governmental Funds	5,763,388	4,579,543
Debt Service Fund	512,699	211,386
	<u>\$ 12,384,496</u>	<u>\$ 10,996,583</u>

## CAPITAL ASSETS

Capital assets are those items that have an initial, individual cost of \$5,000 or more. Total capital assets were valued as follows on June 30, 2022 and June 30, 2021 (details on page 19):

	<u>6/30/2022</u>	<u>6/30/2021</u>
Land and Land Improvements	\$ 1,416,570	\$1,411,570
Buildings	94,560,558	93,990,404
Equipment	8,922,128	8,292,262
Construction in Progress	-	-
Accumulated Depreciation	(71,293,352)	(69,780,168)
	<u>\$ 33,605,904</u>	<u>\$ 33,914,068</u>

At June 30, 2022 the District had \$33,605,904 invested in a broad range of capital assets, including land, buildings, and equipment.

## DEBT ADMINISTRATION

Please see the Notes to the Basic Financial Statements (details on page 20) for debt maturity details. The district issued refunding bonds in December 2019 for the purpose of refunding its 2011 general obligation bonds in June 2022 at lower interest rates.

The district currently maintains an "A+" long-term rating from Standard & Poor's for general obligation debt due to participation in the Oregon School Bond Guarantee Program and an underlying rating of "A+".

## OTHER LONG TERM OBLIGATIONS

Beginning on page 21 of this document, the District's participation in the Oregon PERS plan is described and associated adjustments to assets and liabilities related to the plan are reported in the government-wide analysis reports on pages 1 through 4 as required by GASB 68. The District's liability for the present value of projected future postemployment benefits is described beginning on page 37 under Required Supplementary Information. An actuarial study of



Postemployment Benefits Other Than Pensions is completed every two years.

REQUESTS FOR INFORMATION

This financial report is designed to provide our stakeholders, investors and creditors with an overview of the District's finances. If you have any questions about this report or need any clarification of information please contact the Business Office at Lebanon Community School District #9, 485 S. 5<sup>th</sup> Street, Lebanon, Oregon 97355.

Respectfully submitted,

William H. Lewis III  
Business Director

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**  
**BASIC FINANCIAL STATEMENTS**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

STATEMENT OF NET POSITION  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>ASSETS:</b>			
Cash and Investments	\$ 7,513,851	\$ 162,306	\$ 7,676,157
Receivables:			
Accounts and Grants	6,137,333	-	6,137,333
Property Taxes	605,158	-	605,158
Inventory	21,360	515,628	536,988
Net OPEB RHIA Asset	562,729	-	562,729
Capital Assets - Nondepreciable	1,416,570	-	1,416,570
Capital Assets - Depreciable, Net of Depreciation	32,189,334	-	32,189,334
Right to Use Asset - Net of Amortization	194,598	-	194,598
<b>Total Assets</b>	<b>48,640,933</b>	<b>677,934</b>	<b>49,318,867</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows Related to Debt Refunding	1,453,069	-	1,453,069
OPEB Related Outflows - RHIA	251,997	-	251,997
Pension Related Outflows - PERS	21,098,216	-	21,098,216
Total Deferred Outflows	22,803,282	-	22,803,282
Total Assets and Related Deferrals	71,444,215	677,934	72,122,149
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	1,331,039	224,745	1,555,784
Interest Payable	53,196	-	53,196
Long-Term Liabilities Due within one year	2,940,000	-	2,940,000
Current Lease Liability	60,374	-	60,374
Other Current Liabilities	767	-	767
Non Current Liabilities:			
Long-Term Liabilities Due in more than one year	28,600,000	-	28,600,000
Bond Premium	1,167,259	-	1,167,259
Compensated Absences	186,823	-	186,823
Long-Term Lease Liability	134,895	-	134,895
Net Pension Liability - PERS	31,472,878	-	31,472,878
OPEB - Stipend	276,000	-	276,000
OPEB - Health Care	136,958	-	136,958
<b>Total Liabilities</b>	<b>66,360,189</b>	<b>224,745</b>	<b>66,584,934</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
OPEB Related Inflows - RHIA	236,747	-	236,747
Pension Related Inflows - PERS	24,393,000	-	24,393,000
Total Deferred Inflows	24,629,747	-	24,629,747
Total Liabilities and Related Deferrals	90,989,936	224,745	91,214,681
<b>NET POSITION:</b>			
Net Investment in Capital Assets	2,351,043	-	2,351,043
Restricted for:			
Deferred Outflows Related to Debt Refunding	1,453,069	-	1,453,069
OPEB - RHIA Asset	562,729	-	562,729
Grants, Food Service & Student Activities	5,742,028	-	5,742,028
Debt Service	512,699	-	512,699
Unrestricted	(30,167,289)	453,189	(29,714,100)
<b>Total Net Position</b>	<b>\$ (19,545,721)</b>	<b>\$ 453,189</b>	<b>\$ (19,092,532)</b>

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

Functions/Programs	Expense	Net (Expense) Revenue and Changes in Net Position				Totals
		Program Revenues		Governmental Activities	Primary Government	
		Charges for Services	Operating Grants and Contributions		Business-Type Activities	
<b>Governmental Activities:</b>						
Instruction	\$ 36,614,837	\$ -	\$ 9,195,564	\$ (27,419,273)	\$ -	\$ (27,419,273)
Support Services	21,440,981	90	5,005,183	(16,435,708)	-	(16,435,708)
Community Services	2,234,993	7,604	2,866,793	639,404	-	639,404
Interest on Long-Term Debt	1,343,475	-	-	(1,343,475)	-	(1,343,475)
<b>Total Governmental Activities</b>	<b>\$ 61,634,286</b>	<b>\$ 7,694</b>	<b>\$ 17,067,540</b>	<b>(44,559,052)</b>	<b>-</b>	<b>(44,559,052)</b>
<b>GENERAL REVENUES:</b>						
Property Taxes, Levied for Operations				11,624,248	-	11,624,248
Property Taxes, Levied for Debt Service				4,015,465	-	4,015,465
State Sources				32,697,200	-	32,697,200
Other Local Sources				1,529,455	-	1,529,455
Other Intermediate Sources				225,782	-	225,782
Investment Earnings				143,872	-	143,872
Debt Subsidy Rebate				91,675	-	91,675
<b>Total General Revenues</b>				<b>50,327,697</b>	<b>-</b>	<b>50,327,697</b>
Transfers				(450,000)	450,000	-
Gain (Loss) on Disposal of Assets				13,750	(572,000)	(558,250)
<b>Changes in Net Position</b>				<b>5,332,395</b>	<b>(122,000)</b>	<b>5,210,395</b>
<b>Net Position - Beginning</b>				<b>(24,878,116)</b>	<b>575,189</b>	<b>(24,302,927)</b>
<b>Net Position - Ending</b>				<b>\$ (19,545,721)</b>	<b>\$ 453,189</b>	<b>\$ (19,092,532)</b>

See accompanying notes to the basic financial statements.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2022**

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	DEBT SERVICE GO BOND FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash and Investments	\$ 6,402,833	\$ 429,237	\$ 440,999	\$ -	\$ 7,273,069
Inventory	-	21,360	-	-	21,360
Due from Other Funds	303,067	-	-	-	303,067
Receivables					
Accounts and Grants	37,231	156,608	-	-	193,839
Property Taxes	446,979	-	158,179	-	605,158
Intergovernmental Accounts	36,667	5,419,010	-	487,817	5,943,494
<b>Total Assets</b>	<b>\$ 7,226,777</b>	<b>\$ 6,026,215</b>	<b>\$ 599,178</b>	<b>\$ 487,817</b>	<b>\$ 14,339,987</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 884,134	\$ 262,155	\$ -	\$ 184,750	\$ 1,331,039
Due To Other Funds	-	-	-	303,067	303,067
Other Current Liabilities	95	672	-	-	767
<b>Total Liabilities</b>	<b>884,229</b>	<b>262,827</b>	<b>-</b>	<b>487,817</b>	<b>1,634,873</b>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	234,139	-	86,479	-	320,618
<b>Total Deferred Inflows of Resources</b>	<b>234,139</b>	<b>-</b>	<b>86,479</b>	<b>-</b>	<b>320,618</b>
Fund Balances (Deficit):					
Non-spendable	-	21,360	-	-	21,360
Restricted for:					
Grants, Food Service & Student Activities	-	5,742,028	-	-	5,742,028
Debt Service	-	-	512,699	-	512,699
Unassigned	6,108,409	-	-	-	6,108,409
<b>Total Fund Balances (Deficit)</b>	<b>6,108,409</b>	<b>5,763,388</b>	<b>512,699</b>	<b>-</b>	<b>12,384,496</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 7,226,777</b>	<b>\$ 6,026,215</b>	<b>\$ 599,178</b>	<b>\$ 487,817</b>	<b>\$ 14,339,987</b>

See accompanying notes to the basic financial statements.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

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

<b>TOTAL FUND BALANCES-GOVERNMENTAL FUNDS</b>		<b>\$ 12,384,496</b>
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	\$104,899,256	
Accumulated Depreciation	<u>(71,293,352)</u>	33,605,904
Deferred outflows of resources for debt refunding charges are not reported in the governmental funds		1,453,069
The Net Pension Asset is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
Net Pension Liability - PERS	(31,472,878)	
OPEB Liability - Stipend	(276,000)	
OPEB Liability - Health Insurance	(136,958)	
OPEB Asset - RHIA	<u>562,729</u>	(31,323,107)
Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.		
Net Pension Related Deferrals		
Deferred Inflows - PERS	(24,393,000)	
Deferred Inflows - RHIA	(236,747)	
Deferred Outflows - RHIA	251,997	
Deferred Outflows - PERS	<u>21,098,216</u>	(3,279,534)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Long term Liabilities:		
Bond Interest Payable	(53,196)	
Bond Premium	(1,167,259)	
Compensated Absences	(186,823)	
General Obligation Bonds Payable	<u>(31,540,000)</u>	(32,947,278)
The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		240,782
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		
Unavailable Revenue Related To Property Taxes.		320,618
Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.		
Right-to-use asset, Net		194,598
Long-term liabilities applicable to the right to use assets are not due and payable in the current period and accordingly are not reported as fund liabilities, both current and long-term, are reported in the statements of Net Position		
Lease Payable		(195,269)
<b>TOTAL NET POSITION</b>		<b><u>\$ (19,545,721)</u></b>

See accompanying notes to the basic financial statements.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2022**

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local Sources	\$ 12,592,123	\$ 1,345,213	\$ 4,075,376	\$ -	\$ 18,012,712
Intermediate Sources	198,785	26,997	-	-	225,782
State Sources	33,558,497	5,302,745	-	1,964,360	40,825,602
Federal Sources	237,132	8,249,303	-	-	8,486,435
<b>Total Revenues</b>	<b>46,586,537</b>	<b>14,924,258</b>	<b>4,075,376</b>	<b>1,964,360</b>	<b>67,550,531</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	27,185,006	8,973,530	-	-	36,158,536
Support Services	17,222,904	3,867,942	-	-	21,090,846
Community Services	5,625	2,201,515	-	-	2,207,140
Facilities Acquisition	-	231,423	-	1,964,360	2,195,783
Debt Service	-	-	4,165,738	-	4,165,738
<b>Total Expenditures</b>	<b>44,413,535</b>	<b>15,274,410</b>	<b>4,165,738</b>	<b>1,964,360</b>	<b>65,818,043</b>
Revenues Over (Under) Expenditures	2,173,002	(350,152)	(90,362)	-	1,732,488
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Proceeds	-	-	91,675	-	91,675
Transfer In	-	1,820,997	300,000	-	2,120,997
Transfer Out	(2,270,997)	(300,000)	-	-	(2,570,997)
Sale of Capital Assets	750	13,000	-	-	13,750
<b>Total Other Financing Sources (Uses)</b>	<b>(2,270,247)</b>	<b>1,533,997</b>	<b>391,675</b>	<b>-</b>	<b>(344,575)</b>
Net Change in Fund Balance	(97,245)	1,183,845	301,313	-	1,387,913
<b>Beginning Fund Balance</b>	<b>6,205,654</b>	<b>4,579,543</b>	<b>211,386</b>	<b>-</b>	<b>10,996,583</b>
<b>Ending Fund Balance</b>	<b>\$ 6,108,409</b>	<b>\$ 5,763,388</b>	<b>\$ 512,699</b>	<b>\$ -</b>	<b>\$ 12,384,496</b>

See accompanying notes to the basic financial statements.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

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

<b>TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>1,387,913</b>
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Expenditures for capital assets, Net	\$ 1,205,020	
Less current year depreciation, Net	<u>(1,513,184)</u>	(308,164)
<p>The PERS Pension Expense represents the changes in Net Pension Liability from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		1,573,850
<p>Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities, these liabilities are recognized as an expenditure when earned.</p>		
		769
<p>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 proceeds exceeded repayments.</p>		
Bonds Payments	2,750,000	
Premium Amortization	<u>145,908</u>	2,895,908
<p>Change in net OPEB liability</p>		
Health Insurance Subsidy	49,892	
Stipend	120,000	
RHIA	<u>44,851</u>	214,743
<p>Governmental funds expend the costs of debt refunding. These costs are reported as deferred outflows of resources that are amortized in the Statement of Activities.</p>		
		(181,634)
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		3,790
<p>Internal service funds are used by management to charge the costs of insurance activities to individual funds. This activity is consolidated with the governmental activities in the Statement of Activities.</p>		
		(11,044)
<p>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.</p>		
Change in General Fund	(179,774)	
Change in Debt Service Fund	<u>(63,291)</u>	(243,065)
<p>Payment on Lease Liability for right to use assets decreases liabilities in the Statement of Net Position.</p>		
Payment on Lease Liability		72,263
<p>Amortization Expense for right to use assets increases the expenses on the Statement of Activities.</p>		
Amortization Expense		(72,934)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>5,332,395</u></b>

See accompanying notes to the basic financial statements.



LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

STATEMENT OF NET POSITION - PROPRIETARY FUND  
 June 30, 2022

<u>PROPRIETARY FUNDS</u>		
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 162,306	\$ 240,782
Work in Process	515,628	-
TOTAL ASSETS	677,934	240,782
LIABILITIES		
Current Liabilities:		
Accounts Payable	224,745	-
TOTAL LIABILITIES	224,745	-
NET POSITION		
Unrestricted	453,189	240,782
TOTAL NET POSITION	\$ 453,189	\$ 240,782

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
For the year ended June 30, 2022

	<u>PROPRIETARY FUNDS</u>	
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
OPERATING REVENUES		
Miscellaneous revenue	\$ -	\$ -
TOTAL OPERATING REVENUES	-	-
OPERATING EXPENSES		
Support services	-	11,044
TOTAL OPERATING EXPENSES	-	11,044
OPERATING INCOME	-	(11,044)
NONOPERATING REVENUES (EXPENSES)		
Transfers In	450,000	-
Gain on Sale of Fixed Assets	(572,000)	-
CHANGE IN NET POSITION	(122,000)	(11,044)
NET POSITION - BEGINNING	575,189	251,826
NET POSITION - ENDING	\$ 453,189	\$ 240,782

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the year ended June 30, 2022

<u>PROPRIETARY FUNDS</u>		
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for goods and services	279,071	(11,044)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	279,071	(11,044)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Gain on Sale of Fixed Assets	(572,000)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers	450,000	-
NET CASH USED BY FINANCING ACTIVITIES	(122,000)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	157,071	(11,044)
CASH AND CASH EQUIVALENTS, BEGINNING	5,235	251,826
CASH AND CASH EQUIVALENTS, ENDING	\$ 162,306	\$ 240,782
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ -	\$ (11,044)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Decrease (increase) in Work in process inventory	56,372	-
Increase (decrease) in Accounts Payable	222,699	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 279,071	\$ (11,044)

See accompanying notes to the basic financial statements

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of American (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

**A. The Financial Reporting Entity**

Lebanon Community School District (the District) is a municipal corporation governed by an elected Board of Directors. The District was organized under provision of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. As required by accounting principles generally accepted in the United States of America, these basic financial statements present Lebanon Community School District No. 9 (the primary government) and any component units. There are various governmental agencies and special service districts that provide services within the boundaries of the District; however, the District is not financially accountable for any of these entities, and, therefore, none of them are considered component units or included in these basic financial statements, except as noted below.

**B. Government-wide and Fund Financial Statements**

The Statement of Net Position and Statement of Activities display information as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities. The accounts are organized and operated on the basis of funds. A fund is an independent self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENTAL FUND TYPES**

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period which is 60 days. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and compensated absences, claims and judgments, and pension and OPEB expenses which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Financial operations are accounted for in the following major funds:

**General Fund**

The General Fund is the primary operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

**Special Revenue Fund**

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted for specific purposes. The primary source of revenue is federal grants. The primary uses of revenue are for salaries and employment benefits, education program enhancement, and equipment purchases.

**Debt Service – GO Bonds Fund**

The Debt Service Fund accounts for the repayment of the District's long-term debt. The primary source of revenue is property taxes. The primary use of revenue is payment of principal and interest due on long-term debt.

**Capital Projects Fund**

This fund provides the capital construction expenditures related to the bond. The principal revenue source is bond proceeds.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In addition, the District reports the following proprietary funds:

**Enterprise Fund**

The Enterprise Fund is used to account for funds used to construct and sell homes through the vocational education program. The primary source of revenue is sales of finished goods.

**Internal Service Fund**

The Insurance Fund is used to account for funds allocated for unemployment benefits. The primary source of revenue is transfers from the General Fund. The primary use of revenue is for unemployment benefits.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated.

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

Governmental funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included in their balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

The government-wide basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund basic financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and OPEB expenses are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes associated with the current fiscal period, are considered to be susceptible to accrual, if received in cash by the District or a County collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position**

**Cash and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of ninety days or less from the date of acquisition. At June 30, 2022, short-term investments consist of the local government investment pool. Investments are stated at cost, which approximates market. The local government investment pool operates in accordance with appropriate state laws and regulations.

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the States of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and saving accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

**Property Taxes**

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due of November 15, February 15, and May 15. Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year-end are recognized as revenue, while the remaining are recorded as deferred inflows of resources because they are not deemed available to finance operations if the current period.

**Grants**

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide basic financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to expenditures as incurred and are not capitalized. Capital outlays that significantly extend the useful life of capital assets are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.



**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Land and constructions in process are not depreciated. Other capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	100
Building Improvements	15-50
Vehicle Equipment	4-10
Film, Equipment and Video	5-10
Office Equipment	5
Computer Equipment	5

**Compensated Absences**

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 47, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**Long Term Obligations**

In the government-wide basic 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 bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund basic financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022, there were deferred outflows representing PERS pension related deferrals, OPEB-RHIA related deferrals, and deferred outflows related to debt refunding in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. Unavailable revenue, is reported in the governmental funds balance sheet for property taxes. At June 30, 2022, there were deferred revenues related to property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2022, there also were deferred inflows representing PERS pension related deferrals, and OPEB-RHIA related deferrals in the Statement of Net Position.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Retirement Plans**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position**

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other amounts that are not included in the other categories previously mentioned.

**Fund Balance**

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions is followed. The objective of this statement is to enhance the usefulness of the fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable represents amounts that are not in a spendable form. This non-spendable fund balance represents inventories and prepaid items.
- Restricted represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balance as Assigned is granted to the Superintendent and Business Manager.
- Unassigned is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There are no committed or assigned fund balances at June 30, 2022.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law.

Expenditure budgets are appropriated at the following levels for each fund:

**LEVEL OF CONTROL**

- Instruction
- Support Services
- Community Services
- Facilities Acquisition and Construction
- Interfund Transactions
- Debt Service
- Operating Contingency

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the budgetary basic financial statements reflect the final budget. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022, except for the General Fund, where Support Services and Community Services were over-expended by \$334,249 and \$5,625 respectively, and the Vocational Homes Enterprise Fund, where Facilities Acquisition was over-expended by \$515,628.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary (modified accrual) basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exceptions that capital outlay expenditures are expensed when purchased, depreciation is not calculated, property taxes are recorded as revenue when received instead of when levied, OPEB, pension, and compensated absences expenses are recorded when paid instead of when incurred, inventories of supplies are expensed when purchased, pension costs are not recorded until paid, and principal payments and proceeds on long term debt are recorded as revenues when received and expenditures when paid.

**4. CASH AND INVESTMENTS**

Cash management policies are governed by state statutes. Statutes authorize investing in banker's acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments or amounts Due to Other Funds.

In addition, cash is separately held by some of the funds.

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	\$ (2,255,507)
Enterprise Fund Deposits	162,306
Investments	<u>9,769,358</u>
Total Cash and investments	<u>\$ 7,676,157</u>

**DEPOSITS**

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the treasury. The total bank balance per the bank statements as of June 30, 2022 was \$1,500,901 of which \$250,000 is covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

**Credit Risk – Deposits**

In the case of deposits, there is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. All deposits were either FDIC insured or collateralized.

**INVESTMENTS**

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**4. CASH AND INVESTMENTS (CONTINUED)**

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The District booked a fair market value loss of \$99,647, for the difference between the pool fair market value and the book value.

The audited financial reports of the Oregon Short Term Fund can be found here:  
[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)  
 If the link has expired please contact the Oregon Short Term Fund directly.

At year-end, investment balances were as follows:

<u>Investment Type</u>	<u>Investment Maturities (In Months)</u>			
	<u>Fair Value</u>	<u>Less Than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Local Government Investment Pool	\$ 9,769,358	\$ 9,769,358	\$ -	\$ -
Total	<u>\$ 9,769,358</u>	<u>\$ 9,769,358</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk- Investments**

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date greater than three months.

**Credit Risk – Investments**

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

**Concentration of Credit Risk**

At June 30, 2022, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of the local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2022, investments were in compliance with all percentage restrictions.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**5. RECEIVABLES**

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible at year end.

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Balance June 30, 2022
Governmental Activities:			
Capital Assets Not being Depreciated:			
Land	\$ 1,411,570	\$ 5,000	\$ 1,416,570
Total Capital Assets Not Being Depreciated	1,411,570	5,000	1,416,570
Capital Assets Being Depreciated:			
Buildings and Improvements	93,990,404	570,154	94,560,558
Machinery and Equipment	8,292,262	629,866	8,922,128
Total Capital Assets Being Depreciated	102,282,666	1,200,020	103,482,686
Accumulated Depreciation:			
Land Improvements	-	139	139
Buildings and Improvements	64,248,360	1,016,350	65,264,710
Machinery and Equipment	5,531,808	496,695	6,028,503
Total Accumulated Depreciation	69,780,168	1,513,184	71,293,352
Governmental Activities			
Capital Assets, Net	\$ 33,914,068		\$ 33,605,904

Depreciation expense was charged to functions/programs of the primary government for governmental activities as follows:

Governmental Activities	
Instruction	\$ 920,244
Support Services	536,768
Community Services	56,172
Total Depreciation Expense	
Governmental Activities	\$ 1,513,184

**7. LONG-TERM OBLIGATIONS**

**Bonds Payable**

General Obligation Bonds were issued to provide funds for the acquisition and construction of major capital facilities. The bond obligations pledge the full faith and credit of the District. The bonds were issued in 2005, 2011, and 2019 with interest plus principal payments due each year.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**7. LONG-TERM OBLIGATIONS (CONTINUED)**

The District entered into a financing agreement dated July 26, 2011 under the Qualified School Construction Bonds (QSCB) Program. The District received financing of \$1,895,000 for upgrades and improvements to school facilities which are pledged as collateral. The agreement requires annual cash deposits to a sinking fund in the amount of \$126,333 to fund the only payment of \$1,895,000 in 2026.

If the District is unable to make a payment on the QSCB Bond, the entire principal balance and any accrued unpaid interest may become immediately due. There are no other significant default clauses noted in any of the long-term obligation agreements that would impact the financial statements or require disclosure under GASB 88.

Bond obligations currently outstanding, premium amortization, and deferred refunding amortization are as follows:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2021</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2022</u>	<u>Due within one year</u>
<b>Bonds Payable:</b>						
GO Bond 2005	3-5%	\$ 19,515,000	\$ 14,065,000	(1,175,000)	\$ 12,890,000	\$ 1,220,000
GO Bond 2019	4-5%	18,790,000	18,330,000	(1,575,000)	16,755,000	1,720,000
QSCB 2011	5.13%	1,895,000	1,895,000	-	1,895,000	-
Total			<u>34,290,000</u>	<u>(2,750,000)</u>	<u>31,540,000</u>	<u>2,940,000</u>
<b>Premium Related to Bond</b>						
Premium 2005		2,013,612	1,313,167	(145,908)	1,167,259	-
Premium 2011		1,259,036	-	-	-	-
Total Long-Term Liabilities			<u>\$ 35,603,167</u>	<u>\$ (2,895,908)</u>	<u>\$ 32,707,259</u>	<u>\$ 2,940,000</u>
<b>Deferred Outflow on Debt Refunding</b>						
Deceased GO Bond 2011			\$ 1,634,703	(181,634)	\$ 1,453,069	\$ -
Total Deferred Outflow			<u>\$ 1,634,703</u>	<u>\$ (181,634)</u>	<u>\$ 1,453,069</u>	<u>\$ -</u>

Future maturities of long term obligations are as follows:

<u>Fiscal Year Ending</u> <u>Ending June 30</u>	<u>GO Bonds</u>		<u>Fiscal Year Ending</u> <u>Ending June 30</u>	<u>QSCB</u>	
	<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>
2023	2,750,000	1,100,003	2023	-	97,214
2024	2,940,000	1,000,330	2024	-	97,213
2025	3,150,000	933,519	2025	-	97,214
2026	3,320,000	852,786	2026	1,895,000	97,213
2027	3,510,000	720,505		<u>1,895,000</u>	<u>388,854</u>
2027-2030	<u>12,965,000</u>	<u>1,171,571</u>			
	<u>28,635,000</u>	<u>5,778,714</u>			

**8. DEFINED BENEFIT PENSION PLAN**

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

If the link is expired please contact Oregon PERS for this information.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.  
A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 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.
  - ii. **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 contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **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.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:  
*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.



**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

A member of the 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.

- ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **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.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$8,025,709, excluding amounts to fund employer specific liabilities. There were no additional employee contributions picked up by the District in fiscal 2022.

**Pension Asset or Liability** – At June 30, 2022, the District reported a net pension liability of \$31,472,878 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 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 employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .026 percent and .025 percent, respectively. Pension expense for the year ended June 30, 2022 was \$1,573,880.

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 6.16%
- (2) OPSRP general services – 0.9%
- (3) OPSRP police and fire – 0.9%

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
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**For the Year Ended June 30, 2022**

**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,946,067	\$ -
Changes in assumptions	7,878,609	82,829
Net difference between projected and actual earnings on pension plan investments	-	23,299,128
Net changes in proportionate share	1,112,003	1,011,043
Differences between District contributions and proportionate share of contributions	1,135,828	-
Subtotal - Amortized Deferrals (below)	13,072,507	24,393,000
District contributions subsequent to measurement date	8,025,709	-
Deferred outflow (inflow) of resources	\$ 21,098,216	\$ 24,393,000

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to pension as deferred outflows of resources \$13,072,507, or deferred inflows of resources, (\$24,393,000), net to (\$11,320,493) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2023	\$ (1,637,467)
2024	(2,137,082)
2025	(3,075,009)
2026	(5,316,371)
2027	845,436
Thereafter	-
Total	\$ (11,320,493)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 1, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

**Actuarial Valuations** – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2021 PERS CAFR; p. 104)

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Long-Term Expected Rate of Return:**

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

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

*(Source: June 30, 2021 PERS CAFR; p. 74)*

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – the following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	\$ 61,805,204	\$ 31,472,878	\$ 6,095,731

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
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**For the Year Ended June 30, 2022**

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**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Changes Subsequent to the Measurement Date**

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

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

*Pension Benefits:*

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

*Death Benefits:*

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2022.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
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**For the Year Ended June 30, 2022**

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**8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

**9. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)**

**Plan Description:**

As a member of Oregon Public Employees Retirement System (OPERS) 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 postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

**Funding Policy:**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were \$1.7, \$0.9 and \$1.6, respectively, which equaled the required contributions each year.

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**For the Year Ended June 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)**

At June 30, 2022, the District reported a net OPEB asset of \$562,729 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .20 percent and .36 percent, respectively. OPEB income for the year ended June 30, 2022 was \$1,513,313.

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (92,033)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	52,039
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	\$ (39,994)

**Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 15,656
Changes in assumptions	11,072	8,371
Net difference between projected and actual earnings on pension plan investments	-	133,734
Net changes in proportionate share	240,925	78,986
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	251,997	236,747
District contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 251,997	\$ 236,747

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$251,997, and deferred inflows of resources, (\$236,747), net to \$15,250 and will be recognized in OPEB income as follows:

Year ending June 30,	Amount
2023	\$ 15,797
2024	72,229
2025	(30,532)
2026	(42,245)
2027	-
Thereafter	-
Total	\$ 15,250

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**9. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated March 1, 2022 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/Oregon%20PERS%20-%20GASB%2075%20RHIA%20Employer%20Schedules%20-%20FY%2006-30-2021.pdf>

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**Discount Rate:**

The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.



**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)**

**Long-Term Expected Rate of Return:**

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

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

*(Source: June 30, 2021 PERS CAFR; p. 74)*

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 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (497,651)	\$ (562,729)	\$ (618,321)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

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**10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Early Retirement (Stipends)**

In April 2003, an early retirement plan with two arrangements was established for certified employees who were age 55 and had 10 years of District service or 10 years of District service and 30 years of service in Oregon PERS.

To qualify for the first arrangement, an employee had to be eligible to retire on or before June 30, 2003. Beginning with the month of retirement, the District shall pay to the retired employee a monthly stipend equal to 1% of the annual salary on his/her last permanent teacher contract if the employee is under age 55 at retirement, 1.5% if the employee is age 55 to 58 at retirement, or 2% if the employee is aged 58 to 62 at retirement. The stipend is paid to age 62 or the date on which the retired employee qualifies for federal social security benefits. Employees who have accumulated 30 years of PERS membership or choose to retire prior to age 55 will have their 1% stipend increased to 1.5% at age 55 where it will remain until age 62.

The second arrangement requires that the employee be hired on or before December 31, 1982 or eligible to retire on or before June 30, 2005.

Beginning with the month of retirement, the District pays a monthly stipend to the retiree equal to 0.5% of their 2002-2003 second half salary placement amount if the employee is age 55 to 58 at retirement or 1.25% if the employee is age 58 to 62 at retirement. Such stipend shall be paid to age 62 or when eligible for social security benefits, whichever is earlier.

Administrator or confidential employees need to have been hired prior to July 2000, be age 55 with 10 years of District service or 10 years of District service with 30 years under PERS. The stipend benefits for this group are the same as the first arrangement, above, for certified employees.

Upon death of the retiree, the stipend will be paid to the retiree's estate for an additional six months. A one-time payment of \$500 will be paid to those certified, administrator, confidential, or classified employees who have served the District 20 years, are retiring at age 62 or older, and meet the requirements of the hire date as outlined in the group's supplemental retirement benefits agreements. This benefit is paid to the beneficiaries of those employees currently employed, regardless of length of service.

There are 11 employees currently in the plan, which is closed to all other employees. The liability is calculated using the maximum amounts the District would owe to all eligible employees on June 30, 2021 to be paid out by June 30, 2025. At June 30, 2021, there was a total potential OPEB liability for the Early Retirement Stipend of \$396,000 reported in the Statement of Net Position. The District elected to not obtain an actuarial valuation due to this calculation of maximum liability owed. The District pays these benefits on a pay-as-you-go basis, thus there are no deferred outflows or deferred inflows.

**Post-Retirement Health Benefits (Health Insurance)**

The District's post-retirement health benefits plan entry qualifications are described in The Defined Benefit Pension Plan. There is also a third arrangement for licensed staff that were age 55 by June 30, 2007 with 20 years of continuous District Service. Arrangement one, including confidential and administrator staff pays full medical, dental, vision and life insurance up to the District cap until age 65. Arrangements two and three pay a monthly \$500 contribution towards the District insurance program until age 65.

As of the actuarial valuation date, there were no active participants and 3 retirees in the ORS allowed plan 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB).

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**For the Year Ended June 30, 2022**

**10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (CONTINUED)**

Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

**Funding Policy**

The District has not established a trust fund to finance the cost of Post-employment Health Care Benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you go basis in all funds. There is no obligation on the part of the District to fund these benefits in advance.

**Net Other Post-employment Benefit Liability**

The net other post-employment benefit liability (NOL) was measured as of June 30, 2022, and the total other post-employment benefit liability was determined by an actuarial valuation as of July 1, 2021.

At July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	0
	3
	3

**Actuarial Methods and Assumptions**

The District engaged an actuary to perform a valuation as of July 1, 2020 using the Entry age normal, Alternative Measurement method.

The total other post-employment benefit liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal (Alternative Measurement method)
Discount Rate	2.18% from the S&P Municipal Bond 20 year High-Grade Rate Index as of June 30, 2021
Medical premium annual trend rate	7.7% in FY21-22, steadily decreasing each year to 4.5% in FY35-36, and thereafter
Inflation rate	3.0% for all Future years
Annual salary rate increase	4% for all future years
Health care premium	
Beginning in 2018 a 40% excise tax will be imposed under the affordable care act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Mortality rates were based on the Pub-2010 teachers table, separate Employee/Healthy Annuitant, sex distinct, generational. Improvement scale was MP-2020.

The discount rate used to measure the total pension and total other post-employment benefit liabilities was 2.18%, based on all years discounted at the municipal bond rate.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (CONTINUED)**

Changes in the Net Other Post-employment Benefit Liability

Changes of assumptions: Interest Discount, the investment return assumption was decreased from 2.66% to 2.18%. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

	Total OPEB Liability
Total OPEB Liability Balance 6/30/2021	\$ 186,850
Changes for the Year:	
Service Cost	-
Interest	3,530
Changes of benefit terms	-
Changes of Assumptions or other input	(3,537)
Benefit payments	(49,885)
Net Change in total OPEB Liability	(49,892)
Total OPEB Liability Balance 6/30/22	\$ 136,958

Sensitivity of the Net Other Post-employment Benefit Liability to changes in the discount and trend rates

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 2.18 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.18 percent) or 1-percentage-point higher (3.18 percent) than the current rate:

	1% Lower 3.09%	Current Discount Rate 4.09%	1% Higher 5.09%
Total OPEB Liability	\$ 138,767	\$ 136,958	\$ 135,215

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the trend rate of 7.7 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (6.7 percent) or 1-percentage-point higher (8.7 percent) than the current rate:

	1% Lower	Current Healthcare Trend Rates	1% Higher
Total OPEB Liability	\$ 135,246	\$ 136,958	\$ 138,700

For the year ended June 30, 2022, the District recognized Other Post-employment Benefit income of \$49,892. At June 30, 2022, the District reported no deferred outflows or inflows of resources related to Other Post-employment benefits.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**11. LEASE LIABILITY (RIGHT TO USE ASSETS)**

On 09/01/2021, the District entered into a 12 month lease as Lessee for the use of Modern Building Systems - Building at 7 Oak. An initial lease liability was recorded in the amount of \$18,579. As of 06/30/2022, the value of the lease liability is \$3099. The District is required to make monthly fixed payments of \$1,550.00. The lease has an interest rate of 0.2450%. The Buildings estimated useful life was 120 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$18,579 with accumulated amortization of \$15,483 is included with Buildings on the Lease Class activities table found below. The District has 1 extension option, each for 12 months.

On 07/01/2021, the District entered into a 52 month lease as Lessee for the use of Pacific Office Automation - Copiers. An initial lease liability was recorded in the amount of \$248,953. As of 06/30/2022, the value of the lease liability is \$192,170. The District is required to make monthly fixed payments of \$4,778. The lease has an interest rate of 0.5600%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$248,953 with accumulated amortization of \$57,451 is included with Equipment on the Lease Class activities table found below.

Total lease liability for the year ended June 30, 2022 was as follows:

	<u>Outstanding</u> <u>7/1/2021</u>	<u>Issued</u>	<u>Matured and</u> <u>Redeemed</u>	<u>Outstanding</u> <u>6/30/2022</u>	<u>Due Within</u> <u>One Year</u>
Equipment	\$ -	\$248,953	\$ 56,783	\$ 192,170	\$ 57,275
Buildings	\$ -	\$ 18,579	\$ 15,480	\$ 3,099	\$ 3,099
Total	<u>\$ -</u>	<u>\$267,532</u>	<u>\$ 72,263</u>	<u>\$ 195,269</u>	<u>\$ 60,374</u>

Future lease liability payments are as follows:

Year Ended	Principal	Interest
<u>June 30.</u>		
2023	\$ 60,374	\$ 930
2024	57,596	608
2025	57,920	284
2026	19,379	23
	<u>#####</u>	<u>\$ 1,845</u>

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**12. RIGHT-TO-USE ASSET**

Right-to-use assets are for leases in Note 12.

Total right-to-use asset activity for the year ended June 30, 2022 was as follows:

	Balance 7/1/2021	Additions	(Deletions)	Balance 6/30/2022
<u>Right-to-Use Asset</u>				
Equipment	\$ -	\$ 248,953	\$ -	#####
Buildings	-	18,579	-	18,579
Total	-	267,532	-	267,532
<u>Accumulated Amortization</u>				
Equipment	-	57,451	-	57,451
Buildings	-	15,483	-	15,483
Total	-	72,934	-	72,934
Net Right-to-Use Assets	\$ -			#####

**13. PROPERTY TAX LIMITATION**

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The State voters passed ballot measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit. Measure 50 reduced the amount of operating property tax revenues available for the 1998-99 fiscal year and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts. The ultimate impact to the District as a result of the measure has been greater reliance on state funding and less reliance on local funding.

**14. RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is purchased. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Also, the amounts of any settlements have not exceeded insurance coverage for any of the past three fiscal years.

**15. COMMITMENTS AND CONTINGENCIES**

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

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**For the Year Ended June 30, 2022**

**16. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the ultimate impact of the reduction of economic activity is not determinable.

**17. INTERFUND TRANSFERS & INTERFUND RECEIVABLE/PAYABLE**

Amounts were comprised of the following:

	Transfers Out	Transfers In	Interfund Receivable	Interfund Payable
General Fund	\$ 2,270,997	\$ -	\$ 303,067	\$ -
Special Revenue Fund	300,000	1,820,997	-	-
Debt Service Fund	-	300,000	-	-
Capital Projects Fund	-	-	-	303,067
Enterprise Fund	-	450,000	-	-
	\$ 2,570,997	\$ 2,570,997	\$ 303,067	\$ 303,067

The internal transfers and receivables/payables are budgeted and recorded to show legal and operational commitments between funds such as cost sharing.

**18. TAX ABATEMENTS**

As of June 30, 2022, the District had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2022 is deemed by management to be immaterial.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**REQUIRED SUPPLEMENTARY INFO**



LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
June 30, 2022

Annual OPEB Cost and Net OPEB Obligation relating to Early Retirement Plan: Healthcare

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning *	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Differences Between Expected and Actual	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2022	\$ 186,850	\$ -	\$ 3,530	\$ -	\$ (3,537)	\$ -	\$ (49,885)	\$ 136,958	N/A	N/A

The above tables present the most recent actuarial valuation for the District's post-retirement benefits.

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

\* Total beginning OPEB Liability at July 1, 2020, is an estimate provided by the Actuarial Valuation at the July 30, 2021 Measurement Date.

**LEBANON SCHOOL DISTRICT**  
**LEBANON, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2022

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.26 %	\$ 31,472,878	\$ 26,324,755	119.6 %	87.6 %
2021	0.26	55,989,795	23,572,946	237.5	75.8
2020	0.26	45,003,219	21,834,903	206.1	80.2
2019	0.27	41,328,208	21,486,185	192.3	82.1
2018	0.26	35,578,592	19,595,401	181.6	83.1
2017	0.28	41,360,281	19,237,669	215.0	80.5
2016	0.01	19,039,703	17,568,345	108.4	91.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the on

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 8,025,709	\$ 8,025,709	\$ -	\$ 26,324,755	30.5 %
2021	8,051,779	8,051,779	-	23,572,946	34.2
2020	7,558,671	7,558,671	-	21,834,903	34.6
2019	6,452,727	6,452,727	-	21,486,185	30.0
2018	5,979,757	5,979,757	-	19,595,401	30.5
2017	4,963,690	4,963,690	-	19,237,669	25.8
2016	4,637,109	4,637,109	-	17,568,345	26.4

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

**LEBANON SCHOOL DISTRICT  
LEBANON, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA**

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/(liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/(liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset (liability)
2022	0.16386 %	\$ 562,729	\$ 26,324,755	2.14 %	183.9 %
2021	0.36034	734,231	23,572,946	3.11	150.1
2020	0.19724	381,150	21,834,903	1.75	144.4
2019	0.18905	211,038	21,486,185	0.98	124.0
2018	0.01879	78,459	19,595,401	0.40	108.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

Amounts for covered payroll (c) use the prior year's data to match the measurement date used by the OPEB plan for each year.

**SCHEDULE OF CONTRIBUTIONS FOR RHIA**

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ N/A	\$ N/A	\$ N/A	\$ 26,324,755	N/A %
2021	N/A	N/A	N/A	23,572,946	N/A
2020	N/A	N/A	N/A	21,834,903	N/A
2019	N/A	N/A	N/A	21,486,185	N/A
2018	N/A	N/A	N/A	19,595,401	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

All statutorily required contributions were made and are included within PERS contributions (see p. 38).

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Year Ended June 30, 2022**

**GENERAL FUND**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Local Sources	\$ 12,391,985	\$ 12,391,985	\$ 12,592,123	\$ 200,138
Intermediate Sources	405,000	405,000	198,785	(206,215)
State Sources	32,246,830	32,246,830	33,558,497	1,311,667
Federal Sources	190,000	190,000	237,132	47,132
<b>Total Revenue</b>	<u>45,233,815</u>	<u>45,233,815</u>	<u>46,586,537</u>	<u>1,352,722</u>
<b>EXPENDITURES:</b>				
Instruction	27,930,716	27,695,716 (1)	27,185,006	510,710
Support Services	17,088,655	16,888,655 (1)	17,222,904	(334,249)
Community Services	-	-	5,625	(5,625)
Operating Contingencies	100,000	100,000 (1)	-	100,000
<b>Total Expenditures</b>	<u>45,119,371</u>	<u>44,684,371</u>	<u>44,413,535</u>	<u>270,836</u>
Revenues Over (Under) Expenditures	<u>114,444</u>	<u>549,444</u>	<u>2,173,002</u>	<u>1,623,558</u>
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers Out	(2,279,446)	(2,279,446) (1)	(2,270,997)	8,449
Sale of Capital Assets	-	-	750	750
<b>Total Other Financing Sources, (Uses)</b>	<u>(2,279,446)</u>	<u>(2,279,446)</u>	<u>(2,270,247)</u>	<u>9,199</u>
Net Change in Fund Balance	(2,165,002)	(1,730,002)	(97,245)	1,632,757
<b>Beginning Fund Balance</b>	<u>5,065,000</u>	<u>5,065,000</u>	<u>6,205,654</u>	<u>1,140,654</u>
<b>Ending Fund Balance</b>	<u>\$ 2,899,998</u>	<u>\$ 3,334,998</u>	<u>\$ 6,108,409</u>	<u>\$ 2,773,411</u>

(1) Appropriation Level

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Year Ended June 30, 2022**

	<u>BUDGET</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
	<b>SPECIAL REVENUE FUND</b>			
<b>REVENUES:</b>				
Local Sources	\$ 974,000	\$ 974,000	\$ 1,345,213	\$ 371,213
Intermediate Sources	92,758	92,758	26,997	(65,761)
State Sources	17,961,867	19,464,911	5,302,745	(14,162,166)
Federal Sources	4,504,866	16,584,734	8,249,303	(8,335,431)
Total Revenue	<u>23,533,491</u>	<u>37,116,403</u>	<u>14,924,258</u>	<u>(22,192,145)</u>
<b>EXPENDITURES:</b>				
Instruction	10,305,038	9,520,608 (1)	8,973,530	547,078
Support Services	4,025,860	4,234,499 (1)	3,867,942	366,557
Community Services	2,997,858	2,713,639 (1)	2,201,515	512,124
Facilities Acquisition	5,076,000	855,000 (1)	231,423	623,577
Total Expenditures	<u>22,404,756</u>	<u>17,323,746</u>	<u>15,274,410</u>	<u>2,049,336</u>
Revenues Over (Under) Expenditures	<u>1,128,735</u>	<u>19,792,657</u>	<u>(350,152)</u>	<u>(20,142,809)</u>
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	2,104,446	2,104,446	1,820,997 (2)	(283,449)
Transfers Out	(300,000)	(300,000) (1)	(300,000)	-
Total Other Financing Sources, (Uses)	<u>1,804,446</u>	<u>1,804,446</u>	<u>1,533,997</u>	<u>(270,449)</u>
Net Change in Fund Balance	2,933,181	21,597,103	1,183,845	(20,413,258)
<b>Beginning Fund Balance</b>	<u>3,819,633</u>	<u>3,819,633</u>	<u>4,579,543</u>	<u>759,910</u>
<b>Ending Fund Balance</b>	<u>\$ 6,752,814</u>	<u>\$ 25,416,736</u>	<u>\$ 5,763,388</u>	<u>\$ (19,653,348)</u>

(1) Appropriation Level

(2) Included in this amount is the state revenue match of \$15,977 for National School Lunch Program support.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SUPPLEMENTARY INFORMATION**

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Year Ended June 30, 2022**

**DEBT SERVICE - GO BONDS FUND**

	BUDGET			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
<b>REVENUES:</b>				
Local Sources	\$ 3,910,000	\$ 3,910,000	\$ 4,075,376	\$ 165,376
<b>Total Revenues</b>	3,910,000	3,910,000	4,075,376	165,376
<b>EXPENDITURES:</b>				
Debt Service	4,239,569	4,239,569 (1)	4,165,738	73,831
<b>Total Expenditures</b>	4,239,569	4,239,569	4,165,738	73,831
<b>OTHER FINANCING SOURCES, (USES)</b>				
Debt Proceeds	-	-	91,675	91,675
Transfers In	300,000	300,000	300,000	-
<b>Total Other Financing Sources, (Uses)</b>	300,000	300,000	391,675	91,675
Net Change in Fund Balance	(29,569)	(29,569)	301,313	330,882
<b>Beginning Fund Balance</b>	535,000	535,000	211,386	(323,614)
<b>Ending Fund Balance</b>	\$ 505,431	\$ 505,431	\$ 512,699	\$ 7,268

(1) Appropriation Level

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Year Ended June 30, 2022**

**CAPITAL PROJECTS - SEISMIC REHAB**

	BUDGET			VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
State Sources	\$ 2,300,000	\$ 2,300,000	\$ 1,964,360	\$ (335,640)
<b>Total Revenues</b>	2,300,000	2,300,000	1,964,360	(335,640)
<b>EXPENDITURES:</b>				
Facilities Acquisition	2,300,000	2,300,000 (1)	1,964,360	335,640
<b>Total Expenditures</b>	2,300,000	2,300,000	1,964,360	335,640
Net Change in Fund Balance	-	-	-	-
<b>Beginning Fund Balance</b>	-	-	-	-
<b>Ending Fund Balance</b>	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level



**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Year Ended June 30, 2022**

	<b><u>ENTERPRISE FUND</u></b>			<b>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>BUDGET</b>		<b>ACTUAL</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES:</b>				
Local Sources	\$ 250,000	\$ 250,000	\$ -	(250,000)
<b>Total Revenues</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ (250,000)</b>
<b>EXPENDITURES:</b>				
Support Services	558,095	558,095 (1)	-	558,095
Facility Acquisition	-	(1)	515,628	(515,628)
<b>Total Expenditures</b>	<b>558,095</b>	<b>558,095</b>	<b>515,628</b>	<b>42,467</b>
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	250,000	250,000	450,000	200,000
Sale of Capital Assets	250,000	250,000	-	(250,000)
<b>Total Other Financing Sources, (Uses)</b>	<b>500,000</b>	<b>500,000</b>	<b>450,000</b>	<b>(250,000)</b>
Net Change in Fund Balance	191,905	191,905	(65,628)	(257,533)
<b>Beginning Fund Balance</b>	<b>58,095</b>	<b>58,095</b>	<b>3,189</b>	<b>(54,906)</b>
<b>Ending Fund Balance</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ (62,439)</b>	<b>\$ (312,439)</b>

(1) Appropriation Level

Reconciliation to the Statement of Net Position

Work in Process	515,628
Net Position	<u>\$ 453,189</u>

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Year Ended June 30, 2022**

**INSURANCE FUND**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EXPENDITURES:</b>				
Support Services	60,000	60,000 (1)	11,044	48,956
<b>Total Expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>11,044</u>	<u>48,956</u>
Net Change in Fund Balance	(60,000)	(60,000)	(11,044)	48,956
<b>Beginning Fund Balance</b>	<u>270,000</u>	<u>270,000</u>	<u>251,826</u>	<u>(18,174)</u>
<b>Ending Fund Balance</b>	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 240,782</u>	<u>\$ 30,782</u>

(1) Appropriation Level

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED**  
**For the Year Ended June 30, 2022**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2022
<b>GENERAL FUND:</b>						
<b>Current:</b>						
2021-22	\$ 12,012,894	\$ 324,523	\$ (48,830)	\$ 4,734	\$ 11,417,542	\$ 226,733
<b>Prior Years:</b>						
2020-21	239,561	(501)	(28,830)	9,430	112,434	108,228
2019-20	115,394	(7)	(9,978)	9,546	52,426	62,543
2018-19	63,662	(3)	(10,731)	10,467	36,864	26,537
2017-18	27,280	(2)	(7,056)	6,847	19,285	7,788
2016-17	7,041	-	(1,404)	1,272	2,520	4,389
Prior Years:	13,351	-	(2,172)	1,997	2,415	10,761
Total Prior	466,289	(513)	(60,171)	39,559	225,944	220,246
Total General Fund	\$ 12,479,183	\$ 324,010	\$ (109,001)	\$ 44,293	\$ 11,643,486	\$ 446,979

RECONCILIATION TO REVENUE:		GENERAL FUND
Cash Collections by County Treasurer Above		\$ 11,643,486
Accrued at 6/30/21		(52,376)
Accrued at 6/30/22		212,840
Changes from Prior year Unavailable Revenue, see page 6		(179,774)
In Lieu of Property Taxes		72
Total Revenue		\$ 11,624,248

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2022**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/21	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 06/30/22
<u>DEBT SERVICE FUND:</u>						
Current:						
2021-22	\$ 4,149,875	\$ 112,107	\$ (16,868)	\$ 1,635	\$ 3,944,210	\$ 78,325
Prior Years:						
2020-21	83,771	(175)	(10,081.00)	3,298.00	39,317	37,846
2019-20	41,826	(3)	(3,617.00)	3,460.00	19,003	22,669
2018-19	23,846	(1)	(4,020.00)	3,921.00	13,808	9,940
2017-18	10,762	(1)	(2,783.00)	2,701.00	7,608	3,073
2016-17	2,918		(582.00)	527.00	1,044	1,819
Prior Years:	5,590	-	(909.00)	836.00	1,011	4,506
Total Prior	168,713	(180)	(21,992)	14,743	81,790	79,854
Total Debt Svc Fund	<u>\$ 4,318,588</u>	<u>\$ 111,927</u>	<u>\$ (38,860)</u>	<u>\$ 16,378</u>	<u>\$ 4,026,000</u>	<u>\$ 158,179</u>

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 4,026,000
Accrued at 6/30/21	(19,862)
Accrued at 6/30/22	18,943
Changes from Prior year Unavailable Revenue, see page 6	(9,616)
Total Revenue	<u>\$ 4,015,465</u>

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
LEBANON, OREGON

OTHER INFORMATION

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**OTHER INFORMATION**  
**As Required by The Oregon Department of Education**  
**For the Year Ended June 30, 2022**

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A. Energy bills for heating, fuel, water and sewage - all funds:		<u>Objects 325, 326 and 327</u>
	Function 2540	\$ 780,847
	Function 2550	-

B. Replacement of equipment - General Fund: All General Fund expenditures in Object 542:		<u>Object 542</u>
		\$ 210,121

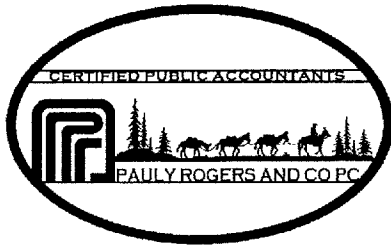
These functions are Excluded:

1113, 1122 & 1132	Co-curricular activities	Construction
1140	Pre-kindergarten	Pupil transportation
1300	Continuing education	Food service
1400	Summer school	Community services

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS





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November 7, 2022

### Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Lebanon Community School District No. 9 as of and for the year ended June 30, 2022, and have issued our report thereon dated November 7, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### Compliance

As part of obtaining reasonable assurance about whether the basic 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 basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the Lebanon Community School District No. 9 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, for the year ended June 30, 2022.

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

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

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW

**Lebanon Community School District #9**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2022**

Grantor	Program Title	Fund #	Grant Period	AL Number	Pass through #	2021-22 Expenditures	Pass Through Expenditures	
<b>U.S. Department of Education:</b>								
Passed through Oregon State Department of Education:								
	Title I-A :	228						
			7/1/20 - 9/30/21	84.010	58298	\$ 383,314		
			7/1/21 - 9/30/22	84.010	67007	777,419		
						<u>1,160,734</u>		
	Children with disabilities - IDEA Part B:							
	IDEA Part B Sec 611	259	7/1/19 - 9/30/22	84.027	60688	50,968		
	IDEA Part B Sec 611-ARP	259	7/1/21 - 9/30/23	84.027	68414	186,330		
	IDEA Part B Sec 611	259	7/1/21 - 9/30/23	84.027	68663	640,740		
	IDEA Part B Sec 619	257	7/01/21-9/30/23	84.173	68944	7,087		
	IDEA Part B Sec 619-ARP	257	7/1/21 - 9/30/23	84.173	69188	4,845		
			<b>IDEA Cluster Total</b>			<u>889,970</u>		
	Title II-A Improving Teacher Quality:							
		271	7/1/20 - 9/30/21	84.367	58790	68,095		
		271	7/1/21 - 9/30/22	84.367	67440	133,247		
						<u>201,341</u>		
	Title IV-A Student Support and Academic Enrichment							
		228	7/1/21 - 9/30/22	84.424	66796	81,702		
						<u>81,702</u>		
	LEA ESSER II Fund	902	5/13/20 - 9/30/23	84.425	64615	700,144	112,334	
	LEA ESSER III Fund	903	5/13/20 - 9/30/24	84.425	64920	2,097,665	61,950	
			<b>CARES Cluster Total</b>			<u>2,797,809</u>	<u>174,284</u>	
	Title III							
		278	7/01/20-9/30/21	84.365	58482	9,130		
		278	7/01/21-9/30/22	84.365	67143	2,422		
						<u>11,552</u>		
	MTSS LEA Coaches	245		84.323		13,578		
						<u>13,578</u>		
	<b>Total Passed Through Oregon Department of Education</b>						<b>\$ 5,156,686</b>	<b>\$ 174,284</b>
	Direct from Federal Government							
	Emergency Connectivity Fund							
						\$ 276,868		
						<u>\$ 276,867.50</u>		
	Passed Through Oregon State University							
	GEAR-UP	237	7/01/20-6/30/21	84.334A		22,420		
						<u>\$ 22,420</u>		
	Passed Through LBCC							
	Carl Perkins Title I	293		84.048		\$ 52,202		
						<u>\$ 52,202</u>		
DHS	YTP - Basic Vocational Rehabilitation Services							
		248	7/1/19 - 6/30/23	84.126a	160725	\$ 44,005		
						<u>\$ 44,005</u>		
US DOD	JROTC							
		100-4300	7/01/21-6/30/22	12.000		\$ 75,249		
						<u>\$ 75,249</u>		

**Lebanon Community School District #9**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2022**

Grantor	Program Title	Fund #	Grant Period	AL Number	Pass through #	2020-21 Expenditures	Pass Through Expenditures	
<b>U.S. Department of Agriculture:</b>								
Passed through Oregon State Department of Education:								
	CACFP	299	2021-2022	10.558	2021-2022	\$ 11,834		
	Fresh Fruit & Vegetables	297	2021-2022	10.582	2021-2022	41,025		
	School Breakfast	299	2021-2022	10.553	2021-2022	580,926		
	School Lunch	299	2021-2022	10.555	2021-2022	1,564,417		
	Summer Foods Program	299	2021-2022	10.559	2021-2022	72,414		
	Commodities	299	Commodities	10.555	2021-2022	170,356		
	<b>Child Nutrition Cluster Total</b>						<b>2,440,973</b>	
	State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs grant							
	SNAP EBT	299	2021-2022	10.649	2021-2022	3,063		
							<b>3,063</b>	
<b>Total U.S. Department of Agriculture</b>						<b>\$ 2,444,036</b>		
<b>Total Federal Financial Assistance</b>						<b>\$ 8,071,465</b>	<b>\$ 174,284</b>	
<b>RECONCILIATION TO REVENUE</b>								
Total Federal Expenditures above						\$ 8,245,749		
Accruals/Deferrals						240,686		
Federal Revenue Recognized						<b>8,486,435</b>		



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November 7, 2022

To the Board of Directors  
Lebanon Community School District No. 9  
Linn County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lebanon Community School District No. 9 as of and for the year ended June 30, 2022 and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 7, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of 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 basic 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 identify a deficiency in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs.

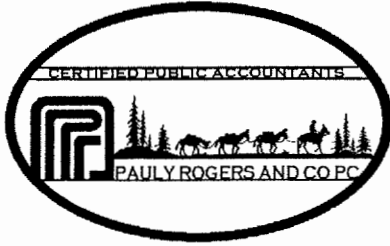
### **District's Response to Findings**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C



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November 7, 2022

To the Board of Directors  
Lebanon Community School District No. 9  
Linn County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Report on Compliance for Each Major Federal Program**

We have audited Lebanon Community School 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 major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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 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 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 compliance.

**Opinion on Each Major Federal Program**

In our opinion, Lebanon Community School District, 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, 2022.



## Report on Internal Control Over Compliance

Management 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 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 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.

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2022**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Basic Financial Statements***

Type of Auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses  Yes  None reported

Noncompliance material to basic financial statements noted?  Yes  No

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses  Yes  None reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

Identification of major programs:

<u>CFDA Number(s):</u>	<u>Name of Federal Program:</u>
84.425D	CARES – ESSER Cluster
84.010	TITLE IA
32.009	EMERGENCY CONNECTIVITY FUND

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2022**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS**

**FINDING 2020-001- Material Weakness in Internal Controls over Financial Reporting – Repeat Finding from 2019**

**Criteria:** Financial Statements should be presented in conformance with GAAP to allow the auditor to render an unmodified opinion.

**Views of responsible officials and planned corrective actions:**

The District will consider obtaining an actuarial valuation from an actuarial firm in accordance with GASB 73 and 75 for future fiscal years.

**Status:** The District has obtained an actuarial valuation for the implicit healthcare subsidy dated July 1, 2020.

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2022**

---

**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**

1. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit 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, it is not intended to and does not present the net position, changes in net position, or cash flows of the District.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has not elected to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with the Oregon Department of Education, and thus are not allowed to use the de minimis rate.

# *Agenda Item 4*

BUDGET APPROVAL /  
HEARING

A. Resolution #2023-3 Making  
Appropriation for the 2023-2024 Budget

**RESOLUTION #2023-03 MAKING APPROPRIATION FOR THE 2023-2024 BUDGET**

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2023, and for the purposes shown below are hereby appropriated:

<b>General Fund (100)</b>		<b>Debt Service (300's)</b>	
Instruction.....	\$ 29,669,816	Debt Service.....	<u>\$ 4,981,513</u>
Support Services.....	\$ 18,040,795	<b>Capital Projects (400's)</b>	
Enterprise & Community..	\$ 40,587	Facilities Acquist./Const..	<u>\$ -</u>
Other:		<b>Enterprise Fund (500's)</b>	
Interest.....	\$ -	Support Services.....	\$ 23,563
Transfers.....	\$ 2,184,000	Facilities Acquist./Const..	\$ 400,000
Contingency.....	\$ 100,000	Unappropriated Ending Fund Balance	<u>\$ 346,437</u>
Unappropriated Ending Fund Balance	<u>\$ 5,877,944</u>	Total.....	<u>\$ 770,000</u>
Total.....	<u>\$ 55,913,142</u>	<b>Internal Service (600's)</b>	
<b>Special Revenue Funds (200's)</b>		Support Services.....	\$ 130,000
Instruction.....	\$ 8,599,283	Unappropriated Ending Fund Balance	<u>\$ 100,000</u>
Support Services.....	\$ 4,566,736	Total.....	<u>\$ 230,000</u>
Enterprise & Community..	\$ 3,487,077	<b>Trust and Agency (700's)</b>	
Facilities Acquist./Const..	\$ 7,167,000	Support Services.....	\$ 1,000
Transfers.....	\$ -	Unappropriated Ending Fund Balance	<u>\$ 2,500</u>
Contingency.....	\$ -	Total.....	<u>\$ 3,500</u>
Unappropriated Ending Fund Balance	<u>\$ 3,082,748</u>		
Total.....	<u>\$ 26,902,844</u>		

**Total Appropriations, All Funds** \$ 88,800,999

Date: June 15, 2023

**TOTAL ADOPTED BUDGET** \$ 88,800,999

\_\_\_\_\_  
Tom Oliver  
Chair, Board of Directors

\_\_\_\_\_  
Jennifer Meckley  
Superintendent

# *Agenda Item 4*

BUDGET APPROVAL /  
HEARING

B. Resolution #2023-4 Imposing &  
Categorizing Tax

**RESOLUTION #2023-04 IMPOSTING & CATEGORZING TAX**

BE IT RESOLVED that Board of Directors of the Lebanon Community School District #9 hereby approves the taxes provided for in the adopted budget:

At the rate of 4.9925 per \$1,000 of assessed valued for operations;

In the amount of \$4,345,896 for bonds;

and that these taxes are hereby imposed and categorized for tax year 2023-2024 upon the assessed value of all taxable property within the district as follows:

<b>Education Limitations</b>	<b>Excluded from Limitations</b>
Permanent Rate Tax..... 4.9925 / \$1,000	
Debt Service Levy.....	\$ 4,345,896

Date: June 15, 2023

\_\_\_\_\_  
Tom Oliver  
Chair, Budget Committee

\_\_\_\_\_  
Jennifer Meckley  
Superintendent



# *Agenda Item 4*

BUDGET APPROVAL /  
HEARING

C. Resolution #2023-5 Appropriation  
Transfer

# BOARD RESOLUTION



**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** William H. Lewis III, Business Director

**Date:** June 08, 2023

**Meeting Date:** June 15, 2023

**Re:** Transfer Budget Appropriation

## **Background**

Oregon Local Budget Law requires districts to appropriate their funds by ODE function code categories.

1000 Instruction

2000 Support Services

3000 Enterprise & Community Services

4000 Facilities Acquisition and Construction

5000 Other Sources

6000 Contingency

If at any point during the year expenditures exceed the budgeted amount in these function code categories, the district is in violation of local budget law. The district is currently projected to exceed the in general funds accounts 3000 enterprise funds up to \$9,000 by June 30.

The district is currently projected to exceed the special revenue funds accounts 3000 enterprise services, by \$125,000 by June 30.

This transfer resolution is a request to transfer funds and to cover any potential unforeseen adjustments that can come out of the final year end process.

The goal behind this transfer is to make sure we stay in compliance with local budget law.

## **Recommendation**

I recommend the Board adopt the Resolution to transfer appropriations of \$134,000.00 from accounts-  
100.1220.0243.107.320.000 \$ 9,000.00

Increase revenue to show additional \$125,000 revenue received in account  
299.0000.5400.000.000.000 \$125,000.00

To accounts-  
100.3100.0127.000.000.000 \$ 9,000.00

299.3100.0541.000.000.000 \$125,000.00

**Resolution #2023- 5 Appropriation Transfer**

**Whereas:** ORS 294.463 allows for transfer of appropriations when authorized by board resolution, and the district is projecting to exceed budgetary authority;

**Be It Resolved:** it is the desire of the School District to transfer from budget accounts:

100.1220.0243.107.320.000 \$ 9,000.00

Increase revenue to show additional \$125,000 revenue received in account

299.0000.5400.000.000.000 \$125,000.00

To accounts-

100.3100.0127.000.000.000 \$ 9,000.00

299.3100.0541.000.000.000 \$125,000.00

Motion Approved

Board Chair  
Tom Oliver

Superintendent  
Jennifer Meckley

# *Agenda Item 6*

Longitudinal Performance  
Growth Targets Update

## **REVIEW: Longitudinal Performance Growth Targets**

ORS 327.190 requires that we collaborate with ODE to create LPGTs that:

- Include overall data and be disaggregated
- Apply to the whole body of students *and* to focal groups
- Use these five metrics:
  - **Four-year graduation**
  - **Five-year completion**
  - **Third grade reading**
  - **Ninth grade on-track**
  - **Regular attenders**

## REVIEW: Longitudinal Performance Growth Targets

To do this, we had to:

- Review and examine data regarding the five metrics
- Set long term, five-year targets for
  - Baseline (whole group)
  - Stretch (ambitious)
  - Gap Closing (for focal groups)

The targets must be based on LCSD trends, impact of our systems and programs, statewide trends, and deviations due to COVID. **ODE also requires setting realistic and attainable targets that show a growth range of 1-3% per year.**

# PROGRESS UPDATE: Longitudinal Performance Growth Targets

- ❑ **Done:** convened team to review metrics
- ❑ **Done:** drafted and submitted targets to ODE
- ❑ **Done:** met with ODE Codevelopment Team
  - ❑ No requests for changes
  - ❑ Appreciated helpful notes/context that eliminated their questions
  - ❑ Considered targets data informed, ambitious but realistic
- ❑ **Done (May 31): targets approved** by ODE Calibration Team
  
- ❑ ***Coming next:*** ODE Grant Agreement Team will share grant agreement with LCSD for signatures (delayed process due to legislature); that agreement and targets must be presented together to School Board

# *Agenda Item 7*

Consent Agenda

A. May 11, 2023 Board Meeting Minutes





Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

## **MEETING MINUTES**

<p><b><u>BOARD MEMBERS PRESENT:</u></b> Tom Oliver, Chair Richard Borden, Vice Chair Nichole Piland, Member</p>	<p><b><u>EXECUTIVE STAFF PRESENT:</u></b> Jennifer Meckley, Superintendent William Lewis, Business Director Kim Grousbeck, Human Resources Director</p>
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The meeting minutes were recorded by Executive Secretary Jessica Woody.

### **1. WELCOME AND CALL TO ORDER**

Board Chair Tom Oliver called the meeting to order at 6:03 PM and led the flag salute.

### **2. PUBLIC COMMENTS**

No public comments were made.

### **3. APPROVAL OF CASCADES SCHOOL MOVING TO K-5**

Jennifer Meckley speaks to the board regarding the decision to move 6<sup>th</sup> graders from Cascades to Seven Oak Middle School, which will make Cascades a K-5 school. It is determined that class size at Seven Oak will be able to handle this shift.

Richard motions to approve, and Nichole seconds the motion. All in favor with a unanimous vote, it is approved to move Cascades School to K-5.

### **4. LHS BLOCK SCHEDULE**

Jennifer presents the Lebanon High School block schedule to the board. Discussion takes place regarding how the process begun, starting with staff notification, as well as logistics and implementation. Jennifer also shares the challenges and benefits to the block schedule, and that the benefits definitely outweigh the challenges. When surveyed, 75% of LHS staff were in favor of the block schedule, and 15% were neutral or undecided. Currently a teacher committee is being put together to work out the details. Although a 1-lunch model would be preferred, due to staffing and facilities the school cannot support that at this point and will need to move forward with a 2-lunch model for the block schedule.

It is discussed that there is hope to see higher grad rates due to this, as there will be more opportunities for students. Eventually this may be something to consider for Seven Oak Middle School as well.

The board is supportive of the block schedule and the great opportunities that it provides. It is agreed that to make improvements you have to be willing to try new things.

It is also clarified that the block schedule is not at all relevant to academies or small schools that took place in Lebanon many years ago.

## **5. LONGITUDINAL PERFORMANCE GROWTH TARGETS**

Jennifer presents information regarding the Longitudinal Performance Growth Targets and how it aligns with Integrated Guidance. She explains that the district works with ODE to create the goals. The district will bring these goals to the June board meeting for board review.

## **6. CONSENT AGENDA**

Richard Borden motions to approve and Nicole Piland seconds the motion. All in favor with a unanimous vote, the consent agenda made up of the April 13, 2023 Board Meeting Minutes, first reading policy update KL-AR, JEC-AR (1), JEC-AR (2), JEC-AR (3), IIA-AR (1), IIA-AR (2), and IIA-AR (3), and second reading policy updates AC-AR, JFCF-AR, and JGE, and 2023-24 new hires Emma Christensen, Sheridan Hounschell, Susanne Phillips, and Deidra Spencer is approved in its entirety.

## **7. DEPARTMENT REPORTS**

### **A. Operations**

Nothing to report.

### **B. Human Resources**

Nothing to report.

### **C. Finance**

William Lewis speaks to the board regarding the approval of the guaranteed maximum price for the Seven Oak Project. He explains that last month the board approved the concrete and excavation work on the Seven Oak Project, and this month the district is asking for approval of the 3.299 guaranteed maximum price for construction of the facility.

Richard motions and Nichole seconds the motion, all in favor with a unanimous vote, the GMP for the Seven Oak Project construction is approved.

## **8. COMMUNICATION**

### **A. Board**

Nothing to report.

### **B. Superintendent**

Jennifer shares that the district was audited for federal programs, title 1 and 2, and is happy to report that the district passed with flying colors, receiving notations like stellar, and exemplary. She shares her appreciation for Tami Volz, the district's past curriculum director, and all who were involved in this successful audit, and specifically the title teachers who did a lot of work during the audit.

Jennifer also shares Jen's Zens, and references some great things that are going on in the district.

She shares information about the clubs that Cascades School offers to students, which provides engagement outside of school, for students.

On Fridays the Racial Equity Group celebrates world cultures, stories, and traditions from holidays and clothing, to food. The staff who participate will cook traditional dishes from their home countries for the students to learn about and try. This club consists of 20 kids, and is growing.

Cascades also provides a Bike Club, consisting of about 40 students who sharpen their skills on obstacle courses made of cones behind the school, and will get to ride in the Strawberry Festival Junior Parade. This club also enjoys visits from the Lebanon Police, who teach them about bike safety.

She notes that with Coding Club (about 70 students), Running Club, and Chess Club as well, every Cascades Colt can find a way to belong.

Jennifer also shares the dedication and care that the Ralston Academy staff members have for their students, as they hosted and cooked a spaghetti dinner for their students before Prom, on April 22<sup>nd</sup>.

Lebanon High School's Drafting and Architecture Design students were also highlighted as they are nearing the completion of the home on Kees St., which started as a bare lot. The finishing touches will continue through June 20<sup>th</sup>. In the fall a team of student builders will break ground in the neighboring lot. Jennifer sends a thank you to Mr. Frazier and his assistant Harry West, and to Mardy Benedict for making this project possible and empowering students to leave a legacy in Lebanon.

Lastly, Jennifer shares the most recent apple awards that were given, consisting of, Katelyn Riegle teacher at Seven Oak, Jody Sipos graduation coach at LHS, Hannah Rhyno teacher at Cascades, and Chris Luckman teacher at Hamilton Creek.

## **9. AUDIENCE COMMENTS**

No audience comments were made.

## **10. ADJOURNMENT**

There being no further business before the Board, the meeting was adjourned at 6:33 PM.

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Tom Oliver, Board Chair

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Jennifer Meckley, Superintendent

# *Agenda Item 7*

Consent Agenda

B. Policy Updates – First Reading

**June 2023 POLICY UPDATES – REVIEW AND RECOMMENDATIONS**

<b>Code</b>	<b>Title</b>	<b>OSBA Recommendation</b>	<b>DO Staff Lead(s)</b>	<b>Changes/DO Staff Comments</b>	<b>Recommended Adoption? (Yes/No)</b>
BBB	Board Elections		Jen	Updates to Linn County Board Position Zoning Map	Yes
JECB-AR (1)	Admission to Nonresident Students		Jen	Updated language regarding Interdistrict Transfer revocation procedures.	Information Only

# Lebanon Community Schools

Code: **BBB**  
Adopted: 3/2/09  
Readopted: 2/4/10, 4/18/13, 12/5/13  
Orig. Code(s): BBB

## Board Elections

### Number of Directors

The Board will consist of five members elected from zones and will be known as the district school board. The term of office shall be four years.

### Designation of Zones

Zones of approximate equal population shall be designated for Board member representation. Voter precincts in close proximity shall be combined to constitute the Board zones. Zones will be reevaluated for approximately equal population following receipt of updated census data.

Board zones shall be composed as follows:

Board Position No. 1 shall be composed of Linn County voter precinct(s) # 35, Portion of # 41, Portion of ~~#50~~, #51, #66 and Portion of ~~#104~~ #72;

Board Position No. 2 shall be composed of Linn County voter precinct(s) #21, #3, Portion of #22, #23, #45 #68, #71, Portion of ~~#51~~ ~~50~~ and #86;

Board Position No. 3 shall be composed of Linn County voter precinct(s) Portion of #36, Portion of #41, #70, ~~Portion of~~ #74, #78 and #79;

Board Position No. 4 shall be composed of Linn County voter precinct(s) ~~Portion of~~ #3, #37, #38 and #39;

Board Position No. 5 shall be composed of Linn County voter precinct(s) #6, Portion of #36, Portion of ~~#50~~, #57, ~~Portion of~~ #74, and ~~#84~~ ~~#88~~ and ~~#108~~.

### Designation of Board Positions

Board members' positions and their respective successors in office will be designated by numbers as Position No. 1, No. 2, No. 3, No. 4 and No. 5. In all proceedings for the nomination or election of candidates for or to the office of Board member, every petition for nomination, declaration of candidacy, certificate of nomination, ballot or other document used in connection with the nomination or election will state the position number to which the candidate aspires.

Individuals may seek more than one elected position such as school board and education service district board. However re-elections for Board positions will occur as follows:

Board Elections - BBB

1-2

- Position No. 1: Spring 2011, and every four years thereafter;
- Position No. 2: Spring 2009, and every four years thereafter;
- Position No. 3: Spring 2009, and every four years thereafter;
- Position No. 4: Spring 2011, and every four years thereafter;
- Position No. 5: Spring 2009, and every four years thereafter.

END OF POLICY

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**Legal Reference(s):**

- [ORS 249.013](#)
- ~~[ORS 255.075](#)~~
- [ORS 255.235](#)
- [ORS 255.245](#)
- ~~[ORS 255.335](#)~~
- [ORS 332.011](#)
- [ORS 332.018](#)
- [ORS 332.118 - 332.138](#)
- ~~[ORS 335.505](#)~~

## Admission of Nonresident Students

By January 15 of each year, the principals will establish an approximate number of nonresident students their respective buildings can accommodate for the following school year.

Nonresident students may only be admitted with tuition, with the exception of students who become “resident pupils” by one of the following methods:

1. By written consent of affected school boards (interdistrict transfer);
2. A foreign exchange student attending a district school on a J-1 Visa; or
3. A court placement.

The amount of tuition will be established by July 1 of each year. Each admitted tuition paying student will be charged the same amount of tuition.

The district is not required to provide transportation outside the boundaries of the district. The student will be allowed to use existing bus routes and transportation services of the district. Transportation will be provided if required by federal law.

### Minimum Standards of Behavior and Attendance

Interdistrict transfers may be revoked ~~by the administrator for reasons such as erratic attendance, excessive tardiness, inappropriate behavior, or other unsatisfactory performance. for the following reasons:~~

- ~~Student has excessive tardies, defined as arriving tardy on more than 10% of school days~~
- ~~Student has erratic attendance, defined as being absent more than 10% of school days~~
- ~~Student has one expulsion or more than two suspensions~~

### Consent for Admission of a Nonresident Student by Interdistrict Transfer

1. The application for admission must go through the superintendent’s office.
2. Admission must be approved by the superintendent.
3. Students receiving consent for admission may remain in the district for the school year until graduation<sup>1</sup>. The student will not need to seek permission more than once from the same district of origin, to transfer to this district.

<sup>1</sup>The receiving district determines the length of time granted for a student of an interdistrict transfer by mutual agreement. The length of time determined by the receiving district must be applied the same for all students receiving consent by mutual agreement. The bracketed language represents only examples the district may consider. The district may insert whatever length of time they decide.



## **Consent for Admission of a Tuition-Paying Student**

1. The application for admission must go through the superintendent's office.
2. Admission and annual renewal must be approved by the superintendent.
3. Admission of students paying tuition will result in a tuition agreement between the parties and will be filed with the business office for billing and payment control.
4. The business manager shall prepare semester bills for all tuition paying students, and any student whose tuition remains unpaid 15 days after presentation of bills shall be excluded; the superintendent may grant additional time for payment should circumstances warrant it.
5. Students receiving consent may remain in the district for the school year.

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<sup>2</sup> Ibid. p.1

# *Agenda Item 8*

Finance

1. Financial Report

	18/19 Actual	19/20 Actual	20-21 Budget	21-22 Budget	22-23 Budget	5-04-23 YTD	5-04-23 Balance
<b>General Fund - Revenue</b>							
SSF Formula	39,748,844	42,038,081	43,560,057	44,440,549	45,499,998	46,044,441	(544,443)
SSF Adjustment	-	-	-	-	-	-	-
State Fiscal Stabilization Fund	-	-	-	-	-	-	-
Federal Ed Jobs	-	-	-	-	-	-	-
School Year SubAccount	-	-	-	-	-	-	-
Loan Receipts	-	-	-	-	-	-	-
Interest	385,564	320,317	250,000	150,000	250,000	530,115	(280,115)
Third Party Billing	72,372	-	-	-	-	-	-
TMR	180,556	212,376	210,000	210,000	210,000	195,000	15,000
JROTC	35,236	77,982	65,000	65,000	65,000	63,582	1,418
Other	374,395	325,816	387,500	368,266	580,500	207,846	372,654
Interfund Transfer	8,029	850,000	-	-	-	-	-
BFB	5,263,314	2,126,603	3,784,307	5,065,000	5,180,500	6,108,409	(927,909)
<b>Total</b>	<b>46,068,310</b>	<b>45,951,175</b>	<b>48,256,864</b>	<b>50,298,816</b>	<b>51,785,998</b>	<b>53,149,393</b>	<b>(1,363,395)</b>
=====	=====	=====	=====	=====	=====	=====	=====
<b>General Fund - Expenses</b>							
Salaries	21,069,833	21,896,193	21,680,883	22,526,487	23,036,272	23,096,651	(60,379)
Benefits	13,157,764	14,481,355	15,086,873	14,597,973	15,115,726	14,414,061	701,664
P. Services	5,396,276	5,349,577	5,299,827	5,686,551	5,877,223	5,757,285	119,938
Supplies	1,269,608	1,569,846	1,530,133	1,606,583	1,882,175	1,561,230	320,945
Capital Outlay	76,554	54,500	90,000	100,000	70,000	166,400	(96,400)
Other Objects	350,672	441,468	469,147	501,776	520,603	511,410	9,193
Transfers	2,621,000	1,185,000	2,100,000	2,279,446	2,284,000	2,298,850	(14,850)
Contingency	-	1,750,000	2,000,000	3,000,000	3,000,000	-	3,000,000
<b>Total</b>	<b>43,941,707</b>	<b>46,727,940</b>	<b>48,256,864</b>	<b>50,298,816</b>	<b>51,785,998</b>	<b>47,805,887</b>	<b>3,980,111</b>
=====	=====	=====	=====	=====	=====	=====	=====

## 2022-23 General Fund Revenue Report

		18/19	19/20	20-21	21-22	22-23	06-08-23	06-08-23
		Actual	Actual	Budget	Budget	Budget	YTD	Balance
SSF Formula								
1111,	Taxes	10,179,205	10,509,179	10,938,094	11,873,719	12,150,243	11,809,496	340,747
4801,4899	Federal Forest Fees	179,478	157,804	130,000	125,000	120,000	-	120,000
3103	Common School	437,082	196,120	400,000	444,819	445,000	<b>500,229</b>	(55,229)
2101	County School		209,250	200,000	195,000	50,000	<b>27,380</b>	22,620
3104	State Timber	167,048	23,587	100,000	100,000	130,000	<b>68,656</b>	61,344
3101/3199	School Support Fund	29,101,930	30,942,140	31,791,963	31,702,011	32,604,755	33,301,010	(696,255)
	Adjustments to SSF Payments							-
	Adj for Prior Year payments	(755,646)						-
	Adj for HC Disability Grant	439,748	-	-			<b>337,670</b>	(337,670)
	<b>Total SSF Formula</b>	<b>39,748,844</b>	<b>42,038,081</b>	<b>43,560,057</b>	<b>44,440,549</b>	<b>45,499,998</b>	<b>46,044,441</b>	<b>(544,443)</b>
1510	Interest on Investments	385,564	320,317	250,000	150,000	250,000	<b>530,115</b>	(280,115)
4200	Third Party billing	72,372	-	-	-	-	-	-
2210	TMR	180,556	212,376	210,000	210,000	210,000	<b>195,000</b>	15,000
4300	JROTC reimbursement	35,236	77,982	65,000	65,000	65,000	<b>63,582</b>	1,418
	Other							-
1741	Outdoor School		-	-	-	-	-	-
1910	Rental Fees	3,926	1,582	7,500	5,000	-	<b>1,903</b>	(1,903)
1980	Fees Charged to Grants	-	14,915	50,000	108,266	110,000	25,277	84,723
1312, 1960, 1990,								
5300	Miscellaneous	370,469	304,781	250,000	255,000	470,500	180,666	289,834
1760	Club Fundraising		-	-	-	-	-	-
1411, 1993	Transportation Fees		4,538	-	-	-	-	-
1994	E-Rate reimbursement	-	-	80,000	-	-	-	-
5200	Interfund Transfer - Athletics	8,029	850,000	-	-	-	-	-
5400	Beginning Fund Balance	5,263,314	2,126,603	3,784,307	5,065,000	5,180,500	6,108,409	(927,909)
	<b>Total</b>	<b>46,068,310</b>	<b>45,951,175</b>	<b>48,256,864</b>	<b>50,298,816</b>	<b>51,785,998</b>	<b>53,149,393</b>	<b>(1,363,395)</b>

## 2022-23 General Fund Expenditure Report

Description	18/19 Actual	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	06-08-23 YTD	06-08-23 Encumb	06-08-23 Balance
Certified salaries	12,295,790	12,665,056	12,540,564	12,871,079	13,169,912	9,872,188	3,230,912	66,813
Classified salaries	5,554,869	6,227,931	6,008,791	6,250,523	6,233,686	4,939,930	1,129,951	163,804
Administrative salaries	1,782,092	1,873,807	1,863,955	2,059,820	2,151,593	1,971,060	178,497	2,036
Managerial - classified	249,120	154,577	289,051	299,689	511,189	472,132	42,993	(3,936)
Retirement stipends	19,904	91,904	133,413	120,000	0	0	0	0
Confidential salaries	159,789	162,808	284,898	343,800	485,197	469,129	35,909	(19,841)
Certified subs	43,660	2,000	0	14,294	0	0	0	0
Classified subs	43,138	1,500	23,975	0	0	0	0	0
Temp certified	162,287	82,264	45,425	0	625	0	0	625
Temp classified	23,111	8,000	21,658	481	11,086	24,594	0	(13,508)
Student helpers salaries	4,413	21,000	16,654	5,748	9,173	17,795	0	(8,622)
Overtime	50,768	0	91,513	57,127	38,449	62,802	1,158	(25,511)
Compensation time	77,738	52,300	44,207	71,883	8,946	37,062	350	(28,467)
Extra duty	350,933	279,579	128,295	230,761	83,537	242,060	30	(158,553)
Classified extra hrs	200,393	208,000	0	0	0	0	0	0
Vacation Payoff	14,017	29,817	24,292	28,240	43,273	10,524	0	32,749
Mentor teacher pay	0	0	0	0	822	0	0	822
Personal Leave Payout	0	0	0	0	0	0	0	0
Department Head Extra Duty	788	6,000	30,000	0	0	0	0	0
Taxable Meal Reimbursement	2,073	0	809	2,000	396	1,028	0	(633)
Cell Phone Stipend		0	1,080	1,080	450	413	38	0
Travel Stipend		0	11,400	0	30,500	24,767	2,383	3,350
Club Advisor	34,950	29,650	120,904	169,964	257,438	155,712	173,235	(71,508)
<b>Total Salaries</b>	<b>21,069,833</b>	<b>21,896,193</b>	<b>21,680,883</b>	<b>22,526,487</b>	<b>23,036,272</b>	<b>18,301,195</b>	<b>4,795,456</b>	<b>(60,379)</b>
PERS	5,753,639	7,398,130	7,286,664	6,797,646	6,994,709	5,333,541	1,321,577	339,592
Social Security	1,544,838	1,655,388	1,642,024	1,627,475	1,759,624	1,348,766	335,925	74,933
Worker's Comp	210,272	293,025	275,747	189,328	196,035	95,427	17,821	82,787
Employee Ins - Admin	239,427	215,642	275,263	283,669	325,403	303,561	28,685	(6,843)
Employee Ins - Certified	2,829,522	2,449,421	2,756,998	2,840,563	3,029,490	2,274,153	732,407	22,931
Employee Ins - Classified	2,408,513	2,327,520	2,596,579	2,598,694	2,651,363	1,951,000	453,769	246,594
Employee Ins - Other	36,487	33,429	65,298	92,498	110,502	98,845	8,186	3,471
Employee Ins - Retired	120,255	83,600	52,700	120,000	0	21,658	0	(21,658)
TSA	24,336	25,200	45,600	45,600	48,600	78,063	10,679	(40,142)
<b>Total Benefits</b>	<b>13,157,764</b>	<b>14,481,355</b>	<b>15,086,873</b>	<b>14,597,973</b>	<b>15,115,726</b>	<b>11,505,014</b>	<b>2,909,047</b>	<b>701,664</b>

## 2022-23 General Fund Expenditure Report

Description	18/19	19/20	20/21	21/22	22/23	06-08-23	06-08-23	06-08-23
	Actual	Budget	Budget	Budget	Budget	YTD	Encumb	Balance
Instructional Services	125,368	103,800	76,375	66,000	161,000	78,343	1,400	81,257
Instr Prog Improve Service	33,042	53,000	67,750	87,750	56,200	24,684	1,338	30,178
Student SVCS	0	0	0	0	0	250	0	(250)
Data Processing SVCS	0	0	0	3,000	5,000	14,228	0	(9,228)
	0	0	0			0	0	0
Professional and Improvement Co	0	0	0	15,000	5,000	0	0	5,000
Other Instr-Prof-Tech SVCS	11,205	20,000	10,000	11,500	16,000	3,108	0	12,892
Cleaning SVCS	0	0	0			0	0	0
Repairs & Maintenance	206,884	190,300	227,612	258,500	286,050	382,561	19,426	(115,937)
Radio Service	12,455	11,100	11,100	15,000	4,500	15,939	1,214	(12,653)
Rentals	121,067	129,400	88,286	86,300	89,105	62,531	13,394	13,180
Electricity	453,206	502,620	465,700	451,500	450,500	380,072	64,280	6,148
Fuel	181,534	223,135	217,800	208,100	233,000	299,981	27,856	(94,837)
Water & Sewer	138,029	153,520	142,500	146,700	134,000	126,976	0	7,024
Garbage	112,864	102,400	87,000	106,500	104,500	108,751	10,402	(14,652)
Other Property Services	3,500	20,000	0	0	0	14,360	0	(14,360)
Reimb. Student Transportation	4,658	10,200	29,900	34,500	9,000	164	0	8,836
Reimb. Student Transportation	(79,915)				150,390	160,103	25,243	(34,956)
Travel	163,937	158,263	150,513	153,011	168,395	72,774	6,556	89,065
Travel - Local	0	0	0	0	0	0	0	0
Travel - Out of District	37	0	0	0	0	0	0	0
Travel - Student - Out of Dist.	1,140	5,300	4,500	3,500	0	0	0	0
Classified Staff Training	0	0	0		0	0	0	0
Travel - Other	0	0	0		0	0	0	0
Meals/Transportation	153	200	350	350	0	0	0	0
Mileage/Transportation	0	0	0		0	0	0	0
Staff Tuition	92,746	47,000	2,000	72,000	72,500	40,576	0	31,924
	0	0	0		0	0	0	0
Telephone	44,987	73,165	65,100	52,300	73,250	59,638	8,996	4,616
Postage	24,224	26,074	28,900	32,117	31,500	22,138	6,571	2,792
Advertising	2,761	4,300	2,650	3,500	5,500	993	0	4,507
Printing & Binding	13,712	29,400	30,950	31,700	44,500	22,956	0	21,544
Other Communication Services	0	0	0			0	0	0
Charter School Payments	2,159,564	2,195,000	2,300,000	2,400,000	2,540,000	2,463,360	76,640	0
Insurance Reimbursement	0	0	0	0	0	0	0	0
Tuitions Payments to Other Dist.	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Tuition Pay Private School	0	5,000	0	0	0	0	0	0
Other Tuition	240,090	92,500	90,000	115,000	95,600	17,863	0	77,737
Audit Services	29,150	30,000	39,000	36,000	45,000	0	0	45,000
Legal Services	33,971	35,000	35,000	35,000	30,000	57,016	0	(27,016)
Architect/Engineer Service	0	0	0	0	0	0	0	0
Negotiation Services	0	10,000	5,000	1,000	1,000	0	0	1,000
Management Services	0	0	0	0	0	0	0	0
Data Processing SVCS	65,278	89,600	65,000	57,500	57,000	35,070	0	21,930
Statistical Services		0	0	0	0	0	0	0
Election Services	4,632	5,000	5,000	18,000	5,000	0	0	5,000
Other Non_instr Pro/Tech	447,701	363,700	351,450	402,650	379,154	450,261	27,545	(98,651)
Other General Prof & Tech Svcs	(722)	0	0	0	0	0	0	0

## 2022-23 General Fund Expenditure Report

Description	18/19	19/20	20/21	21/22	22/23	06-08-23	06-08-23	06-08-23
	Actual	Budget	Budget	Budget	Budget	YTD	Encumb	Balance
Physical Exams - Drivers	4,072	4,400	5,750	5,500	8,000	6,201	570	1,229
Drug Tests Drivers	1,670	3,000	2,250	3,000	2,500	780	1,220	500
Child Care Services	0	15,000	0	0	0	0	0	0
Sub calling service	14,113	15,000	12,000	7,500	7,500	0	0	7,500
Classified subs	226,030	194,000	228,600	251,500	191,831	110,178	0	81,653
Criminal History checks	3,394	3,200	3,500	3,500	500	2,129	0	(1,629)
Fingerprinting	626	1,000	2,500	1,000	1,000	1,743	0	(743)
Classified subs	499,112	425,000	445,791	510,573	413,248	427,166	0	(13,918)
<b>Total P. Services</b>	<b>5,396,276</b>	<b>5,349,577</b>	<b>5,299,827</b>	<b>5,686,551</b>	<b>5,877,223</b>	<b>5,464,636</b>	<b>292,649</b>	<b>119,938</b>
Gas Oil & Lubricants	185,324	190,500	189,100	192,000	248,000	184,255	76,259	(12,513)
Supplies & Materials	457,850	648,024	651,837	698,023	996,751	625,829.04	49,701.75	321,220
Vehicle repair parts	27,649	52,800	50,500	50,500	61,500	83,126.58	5,561.06	(27,188)
Transportation operations	30,665	15,000	25,000	25,000	25,000	18,672	2,954	3,374
Textbooks	68,642	28,033	9,933	5,433	21,500	30,580	0	(9,080)
Library Books	5,914	15,694	8,200	11,700	12,750	5,716	0	7,034
Periodicals	6,511	6,000	10,800	12,100	12,150	12,935	11,946	(12,731)
Equipment under 5K	160,140	178,842	146,100	125,550	72,800	70,021	0	2,779
Computer software	184,472	264,360	257,398	323,918	339,174	249,495	36,616	53,063
Computer hardware	142,441	170,593	181,265	162,359	92,550	97,563	0	(5,013)
<b>Total Supplies &amp; Materials</b>	<b>1,269,608</b>	<b>1,569,846</b>	<b>1,530,133</b>	<b>1,606,583</b>	<b>1,882,175</b>	<b>1,378,192</b>	<b>183,038</b>	<b>320,945</b>
Buildings Acquisition		0	0	25,000	25,000	1,250	0	23,750
Improvements Other Than Buildings				0	0	0	0	0
Equipment	33,623	54,500	25,000	45,000	0	0	0	0
New Equipment over 5K	35,353	0	45,000	10,000	22,500	83,143	0	(60,643)
Replace of Equip over 5K		0	20,000	20,000	22,500	44,483	37,524	(59,507)
Depreciable Technology	7,579	0	0	0	0	0	0	0
Bus Replacement	0	0	0	0	0	0	0	0
		0		0	0	0	0	0
<b>Total Capital Outlay</b>	<b>76,554</b>	<b>54,500</b>	<b>90,000</b>	<b>100,000</b>	<b>70,000</b>	<b>128,876</b>	<b>37,524</b>	<b>(96,400)</b>
Regular Interest	0	500	0	0	0	0.00	0.00	0
		0	0	0	0	0	0	0
Dues & Fees	105,393	175,180	159,726	148,076	122,303	120,962.09	1,525.84	(185)
Insurance & Judgments	245,279	265,588	306,221	350,000	395,000	387,845	0	7,155
		0	0	0	0	0.00	0.00	0
Fidelity Bond Premiums		0	0	0	0	100	0	(100)
Property Insurance Premium		0	0	0	0	0	0	0
		0	0	0	0	0.00	0.00	0
Judgments & Settlements		0	2,500	3,000	2,500	0	0	2,500
Settlements		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
Taxes & Licenses	0	200	700	700	800	977	0	(177)
					0	0	0	0
<b>Total Other Objects</b>	<b>350,672</b>	<b>441,468</b>	<b>469,147</b>	<b>501,776</b>	<b>520,603</b>	<b>509,885</b>	<b>1,526</b>	<b>9,193</b>

## 2022-23 General Fund Expenditure Report

Description	18/19 Actual	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	06-08-23 YTD	06-08-23 Encumb	06-08-23 Balance
Transfer - Vocational House Fund	40,000	0	70,000	250,000	450,000	450,000	0	0
Transfer - Technology	100,000	0	80,000	100,000	100,000	100,000	0	0
Transfer - Classroom Furniture	50,000	0	10,000	35,000	35,000	35,000	0	0
Transfer - Textbook Adoption	400,000	400,000	200,000	350,000	550,000	550,000	0	0
Transfer - Capital Improvement	400,000		200,000	300,000	50,000	50,000	0	0
Transfer - Track and Turf Fund	85,000	10,000	0	0	0	0	0	0
Transfer - Athletic Fund	446,000	450,000	475,000	475,000	475,000	475,000	0	0
Transfer - Bus Replacement	300,000	150,000	225,000	225,000	225,000	225,000	0	0
Transfer - Unemploy Ins	25,000	25,000	250,000	0	0	0	0	0
Transfer - OHC Fund	0			0	0	0	0	0
PERS Reserve	525,000	0	450,000	300,000	154,000	154,000	0	0
Transfer - Food Service	100,000	100,000	120,000	224,446	225,000	239,850	0	(14,850)
Transfer - Music/Band Replaceme	0	0	20,000	20,000	20,000	20,000	0	0
Transfer - Debt Service	150,000	50,000	0	0	0	0	0	0
Transfer - Academic Achievemen	0	0	0	0	0	0	0	0
<b>Total Transfers</b>	<b>2,621,000</b>	<b>1,185,000</b>	<b>2,100,000</b>	<b>2,279,446</b>	<b>2,284,000</b>	<b>2,298,850</b>	<b>0</b>	<b>(14,850)</b>
Reserve/Contingency	0	1,750,000	2,000,000	3,000,000	3,000,000	0	0	3,000,000
<b>Grand Total</b>	<b>43,941,707</b>	<b>46,727,940</b>	<b>48,256,864</b>	<b>50,298,816</b>	<b>51,785,998</b>	<b>39,586,647</b>	<b>8,219,240</b>	<b>3,980,111</b>