

JEFFERSON SCHOOL DISTRICT NO. 14J
MARION COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

BOARD OF DIRECTORS 2020-2021

BOARD OF DIRECTORS

TERM EXPIRES

Terry Kamlade, Chair	June 30, 2025
Kaye Jones, Vice Chair	June 30, 2023
Melissa LaCrosse	June 30, 2023
Fred Sondermayer	June 30, 2025
Tracy Roe	June 30, 2025

Board members will receive mail at the District address listed below.

ADMINISTRATION

Brad Capener
Superintendent

Hattie Truett
Business Manager

1328 North Second Street
Jefferson, Oregon 97352

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

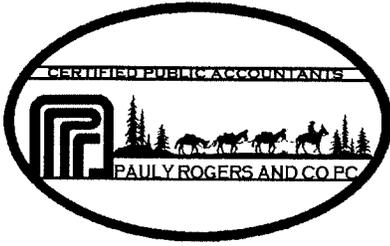
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JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

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December 9, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jefferson School District 14J
Marion County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Jefferson School District 14J (the District) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Jefferson School District 14J, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

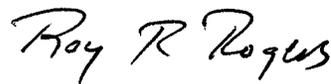
Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated December 9, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 9, 2021, 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.

Jefferson School District 14J, Marion County Oregon Management's Discussion and Analysis

As management of the School District No. 14J Marion County, Oregon (Jefferson School District), we offer readers a narrative overview and analysis of the financial activities of Jefferson School District for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- As of June 30, 2021, the net position of Jefferson School District 14J amounted to \$(3,822,365). Of this amount \$4,849,938 was invested in capital assets, net of related debt. The remaining balance included \$72,884 restricted for debt service, \$158,420 restricted for student activities, and an unrestricted net deficit of \$(9,515,967).
- At June 30, 2021 the District's governmental funds reported combined ending fund balances of \$1,618,812 a decrease of \$322,311.
- At June 30, 2021 the principal amount of the Series 2017 GO Bond 2017 outstanding amount was \$13,810,768.
- At June 30, 2021 the principal amount of Series 2003 PERS Pension Bond outstanding was \$3,988,396.
- At June 30, 2021 the principal amount of the Department of Energy Cool Schools Loan outstanding was \$356,672.
- At June 30, 2021 the principal amount of the 2012 Certificate of Participation outstanding was \$8,000.
- At June 30, 2021 the principal amount of the 2020 Umpqua loan is \$536,791

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Jefferson School District 14J's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all District assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Jefferson School District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and

Jefferson School District 14J, Marion County Oregon Management's Discussion and Analysis

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, early retirement and earned but unused vacation leave).

Fund Financial Statements

The *fund Financial Statements* are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of the Jefferson School District No. 14J are governmental funds.

Governmental funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Jefferson School District No. 14J maintains five major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, ASB, Debt Service, and Capital funds, all of which are considered to be major funds.

Jefferson School District No. 14J adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 3 and 5 of this report.

Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the OPEB Schedule of Funding Progress and Employer Contributions and budgetary comparison information for the General Fund and Special Revenue Fund. This required supplementary information can be found on pages 36 through 40 of this report.

**Jefferson School District 14J, Marion County Oregon
Management's Discussion and Analysis**

The Schedule of Bond and Interest Transactions and Balances is found on page 44. The Schedule of Property Tax Transactions and Balances is found on page 45-46.

Government-Wide Financial Analysis

Net position - As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of Jefferson School District, liabilities exceed assets by \$(3,822,365) at June 30, 2021.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets for classrooms and supporting services for providing Kindergarten through Twelfth Grade education; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Jefferson School District 14J, Marion County Oregon
Management's Discussion and Analysis**

Condensed Statement of Net Position

	Governmental Activities	
	<u>30-Jun-21</u>	<u>June 30, 2020</u>
Assets		
Current and other assets	\$ 2,160,446	\$ 2,516,916
Capital assets, net of accumulated depreciation	<u>21,319,440</u>	<u>22,237,486</u>
Total Assets	23,479,886	24,754,402
Pension Related Deferrals	<u>3,315,163</u>	<u>3,233,914</u>
Total Assets and Deferred Outflows	<u><u>26,795,049</u></u>	<u><u>27,988,316</u></u>
Liabilities		
Current liabilities	540,493	557,843
Noncurrent liabilities	<u>28,340,360</u>	<u>28,057,163</u>
Total Liabilities	28,880,853	28,615,006
Pension Related Deferrals	<u>1,736,561</u>	<u>1,473,802</u>
Total Liabilities and Deferred Inflows	<u><u>30,617,414</u></u>	<u><u>30,088,808</u></u>
Net Position		
Net Investment in Capital Assets	4,849,938	5,482,409
Restricted for:		
Student Activities	158,420	177,915
Capital Projects Fund	462,203	745,115
Debt Service	72,884	148,480
OPEB-RHIA	150,157	87,255
Unrestricted	<u>(9,515,967)</u>	<u>(8,749,666)</u>
Total Net Position, restated	<u><u>\$ (3,822,365)</u></u>	<u><u>\$ (2,108,492)</u></u>

**Jefferson School District 14J, Marion County Oregon
Management's Discussion and Analysis**

District Change in Net Position

The statement of activities information shown on the following pages in net position for fiscal year ended 2021

Change in Net Position

	Governmental Activities	
	June 30, 2021	June 30, 2020
Program Revenues		
Charges for Services	\$ 75,464	\$ 238,807
Operating Grants and Contributions	1,000,782	863,609
Total program revenues	<u>1,076,246</u>	<u>1,102,416</u>
General Revenues		
Property taxes	2,447,790	2,340,715
Property taxes on Debt Service Fund	706,913	709,198
State school fund - general support	7,871,576	8,885,530
Federal Support	27,651	-
Unrestricted Intermediate and Local Sources	701,016	1,075,549
Earnings on Investments	23,662	101,614
Total general revenues	<u>11,778,608</u>	<u>13,112,606</u>
Total revenues	<u>12,854,854</u>	<u>14,215,022</u>
Program Expenses		
Instruction	7,268,339	7,722,769
Support Services	4,797,238	4,959,800
Community Services	525,832	581,478
Facilities Acquisition and Construction	334,902	
Interest on long-term debt	1,093,504	1,053,777
Total program expenses	<u>14,019,815</u>	<u>14,317,824</u>
Change in net position	(1,164,961)	(102,802)
Net position - beginning of year, restated	(2,108,492)	(17,157,605)
Prior Period Adjustment	\$ (548,912)	\$ 15,151,915
Net position - end of year	<u>\$ (3,822,365)</u>	<u>\$ (2,108,492)</u>

**Jefferson School District 14J, Marion County Oregon
Management’s Discussion and Analysis**

Revenues

The District’s mission is to provide a free and appropriate public education for Kindergarten through Twelfth Grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 92% of the funding required for governmental programs. Property taxes and State school fund combined for 88% of general revenues and 79% of total revenues.

Charges for services are only 2% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition or fees:

• Food services charges for lunch and breakfast	61,158
• Various Student Extra-Curricular Activities	<u>177,649</u>
Total fees and charges for services	238,807

Operating grants and contributions represent 6% of total revenues. Included in this category are amounts for grants and contributions to support various educational activities.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 52% of the total expenses of \$14,019,875. In addition, approximately 34% of the total costs are for supporting services related to students, instructional staff and school administration.

Financial Analysis of the District’s Funds

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

Government Funds

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

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$1,618,812.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned ending fund balance of the General Fund was \$1,227,734.

General Fund Budgetary Highlights

There were no significant amendments to the 2021-2022 budget documents.

**Jefferson School District 14J, Marion County Oregon
Management's Discussion and Analysis**

Capital Asset and Debt Administration

Capital assets - The District's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$21,169,283. This investment in capital assets includes land, buildings, building improvements, machinery, and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$617,759.

Long-term debt - At the end of the current fiscal year, the District had total debt outstanding of \$18,700,627. This amount is comprised of a limited tax pension obligation bond, a Certificate of Participation, an Oregon Department of Energy Small Energy Loan Program (SELP) loan, Early Retirement liability and Other Post-Employment Benefits. The District's total debt decreased by \$468,788 during the current fiscal year.

Economic Factors and Next Year's Budgets

- It is anticipated that the costs of providing medical insurance coverage to employees will continue to rise.
- Local enrollment is expected to stay level over the next several years.
- PERS costs for the next year will not increase but are expected to continue to increase for the following two or three biennium.

All of these factors were considered in preparing the District's budget for fiscal year 2021-2022.

The ending General Fund balance of \$1,227,734 will be available for program resources in fiscal year 2021-2022.

Request for Information

This financial report is designed to provide a general overview of the Jefferson School District's finances for all those with an interest in the school district's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Superintendent 1328 N 2nd St, Jefferson, Oregon, 97352

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities
Assets	
Cash and Investments	\$ 1,772,782
Receivables	261,883
Property Taxes Receivable	110,091
Supply Inventory	15,690
Capital Assets - Nondepreciable	760,251
Capital Assets - Depreciable, Net of Accumulated Depreciation	20,409,032
OPEB Asset - RHIA	150,157
Total Assets	23,479,886
Deferred Outflows of Resources	
Pension Related Deferrals - PERS	3,268,535
OPEB Related Deferrals - RHIA	17,869
OPEB Related Deferrals - Healthcare Premiums	28,759
Total Deferred Outflows of Resources	3,315,163
Total Assets and Deferred Outflows	26,795,049
Liabilities	
Current Liability:	
Accrued Payroll Liabilities	469,048
Accrued Interest Payable	25,871
Accrued Vacation Payable	45,574
Non-current Liability:	
Net Pension Liability - PERS	7,578,582
OPEB Benefits - Health Care	454,037
Long-Term Obligations Due Within One Year	489,175
Long-Term Obligations Due in More Than One Year	19,818,566
Total Liabilities	28,880,853
Deferred Inflows of Resources	
Pension Related Deferrals - PERS	1,664,577
OPEB Related Deferrals - RHIA	52,435
OPEB Related Deferrals - Healthcare Premiums	19,549
Total Deferral Inflows of Resources	1,736,561
Total Liabilities and Deferred Inflows	30,617,414
Net Position	
Net Investment in Capital Assets	4,849,938
Restricted for:	
Student Activities	158,420
Debt Service	72,884
Capital Projects	462,203
OPEB-RHIA	150,157
Unrestricted	(9,515,967)
Total Net Position	\$ (3,822,365)

See accompanying notes to basic financial statements.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Instruction	\$ 7,268,339	\$ 26,906	\$ 556,734	\$ (6,684,699)
Support Services	4,797,238	15,933	394,384	(4,386,921)
Community Services	525,832	32,625	49,664	(443,543)
Facilities Acquisition and Construction	334,902	-	-	(334,902)
Interest on Long-Term Debt	1,093,504	-	-	(1,093,504)
Total Governmental Activities	<u>\$ 14,019,815</u>	<u>\$ 75,464</u>	<u>\$ 1,000,782</u>	<u>\$ (12,943,569)</u>
General Revenues:				
				2,447,790
				706,913
				7,871,576
				27,651
				11,378
				689,638
				<u>23,662</u>
				11,778,608
				(1,164,961)
				(2,108,492)
				(548,912)
				<u>(2,657,404)</u>
				<u>\$ (3,822,365)</u>

See accompanying notes to basic financial statements.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

FUND FINANCIAL STATEMENTS

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	ASB FUND	DEBT SERVICE FUND	CAPITAL FUND	TOTALS
ASSETS:						
Cash and Investments	\$ 1,087,675	\$ -	\$ 158,420	\$ 64,484	\$ 462,203	\$ 1,772,782
Receivables:						
Taxes	86,667	-	-	23,424	-	110,091
Accounts	43,522	218,361	-	-	-	261,883
Supply Inventory	-	15,690	-	-	-	15,690
Due From Other Funds	536,480	-	-	-	-	536,480
Total Assets	\$ 1,754,344	\$ 234,051	\$ 158,420	\$ 87,908	\$ 462,203	\$ 2,696,926
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Due to Other Funds	\$ -	\$ 536,480	\$ -	\$ -	\$ -	\$ 536,480
Accrued Payroll Liabilities	469,048	-	-	-	-	469,048
Total Liabilities	469,048	536,480	-	-	-	1,005,528
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	57,562	-	-	15,024	-	72,586
Fund Balance:						
Nonspendable	-	15,690	-	-	-	15,690
Restricted for:						
Student Activities	-	-	158,420	-	-	158,420
Debt Service	-	-	-	72,884	-	72,884
Capital Projects	-	-	-	-	462,203	462,203
Committed	-	-	-	-	-	-
Unassigned	1,227,734	(318,119)	-	-	-	909,615
Total Fund Balance	1,227,734	(302,429)	158,420	72,884	462,203	1,618,812
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,754,344	\$ 234,051	\$ 158,420	\$ 87,908	\$ 462,203	\$ 2,696,926

See accompanying notes to basic financial statements.

MARION COUNTY, OREGON

**RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION**

June 30, 2021

Total Fund Balances \$ 1,618,812

Amounts reported for governmental activities in the Statement of Net Position are different because:

The Net PERS Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. (7,578,582)

The proportionate share of the OPEB Retiree Health Insurance Account (RHIA) OPEB asset is not reported as an asset in the District's governmental activities. 150,157

Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Deferred Outflows - PERS	3,268,535
Deferred Inflows - PERS	(1,664,577)
Deferred Outflows - RHIA	17,869
Deferred Inflows - RHIA	(52,435)
Deferred Outflows - Healthcare Premiums	28,759
Deferred Inflows - Healthcare Premiums	(19,549)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, net 21,169,283

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds. 72,586

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

These liabilities consist of:

Compensated Absences Payable	\$ (45,574)
Accrued Interest Payable	(25,871)
Other Post Employment Obligation - Health Care	(454,037)
Loans Payable	(893,463)
Bond Premium Payable	(1,607,114)
Bonds Payable	(17,807,164)
	<u>(20,833,223)</u>

Total Net Position \$ (3,822,365)

See accompanying notes to basic financial statements.

MARION COUNTY, OREGON

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2021**

	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND</u>	<u>ASB FUND</u>	<u>DEBT SERVICE</u>	<u>CAPITAL FUND</u>	<u>TOTALS</u>
REVENUES:						
Local Sources	\$ 2,492,454	\$ 7,151	\$ 17,450	\$ 1,414,721	\$ 30,320	\$ 3,962,096
Intermediate Sources	11,378	-	-	-	-	11,378
State Sources	7,265,470	584,436	-	-	21,670	7,871,576
Federal Sources	798	1,027,179	-	-	-	1,027,977
Total Revenues	<u>9,770,100</u>	<u>1,618,766</u>	<u>17,450</u>	<u>1,414,721</u>	<u>51,990</u>	<u>12,873,027</u>
EXPENDITURES:						
Instruction	5,449,427	708,348	36,945	-	-	6,194,720
Support Services	3,867,427	528,294	-	-	-	4,395,721
Enterprise and Community Services	-	460,168	-	-	-	460,168
Facilities Acquisition and Construction	-	-	-	-	334,902	334,902
Capital Outlay	28,210	111,045	-	-	-	139,255
Debt Service	8,450	-	-	1,615,654	-	1,624,104
Total Expenditures	<u>9,353,514</u>	<u>1,807,855</u>	<u>36,945</u>	<u>1,615,654</u>	<u>334,902</u>	<u>13,148,870</u>
Excess of Revenues Over, (Under) Expenditures	416,586	(189,089)	(19,495)	(200,933)	(282,912)	(275,843)
OTHER FINANCING SOURCES, (USES):						
Transfers In	-	134,000	-	125,337	-	259,337
Transfers Out	<u>(259,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,337)</u>
Total Other Financing Sources, (Uses)	<u>(259,337)</u>	<u>134,000</u>	<u>-</u>	<u>125,337</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	157,249	(55,089)	(19,495)	(75,596)	(282,912)	(275,843)
Prior Period Adjustment	(46,468)	-	-	-	-	(46,468)
Beginning Fund Balance	<u>1,116,953</u>	<u>(247,340)</u>	<u>177,915</u>	<u>148,480</u>	<u>745,115</u>	<u>1,941,123</u>
Ending Fund Balance	<u>\$ 1,227,734</u>	<u>\$ (302,429)</u>	<u>\$ 158,420</u>	<u>\$ 72,884</u>	<u>\$ 462,203</u>	<u>\$ 1,618,812</u>

See accompanying notes to basic financial statements.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021**

Net Change in Fund Balance		\$ (275,843)
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Amounts reported for governmental activities in the Statement of Activities are different because:

The PERS Pension Expense represents the changes in Net Pension Asset (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.		(1,000,661)
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Asset Additions, net	\$ 139,255		
Depreciation Expense	<u>(617,759)</u>		(478,504)

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:

Debt Principal Repaid	\$ 468,788		
Bond Premium Amortized	<u>61,812</u>		530,600

Compensated absences and early retirement obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences and early retirement obligations are recognized as an expenditure when earned.

Compensated Absences	1,364		
OPEB Income - Health	33,142		
OPEB Income - RHIA	<u>43,114</u>		77,620

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as unearned revenue. They are, however, recorded as revenues in the Statement of Activities.

General Fund	(14,643)		
Debt Service Fund	<u>(3,530)</u>		<u>(18,173)</u>

Change in Net Position		<u>\$ (1,164,961)</u>
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See accompanying notes to basic financial statements.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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 America (GAAP) as applied to governmental 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

Jefferson School District 14J (the District) is a municipal corporation governed by an elected Board of Directors. It was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. As required by generally accepted accounting principles, all activities have been included in these basic financial statements.

The District qualifies as a primary government since it has a separately elected governing board, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide services. 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, in accordance with GASB 61.

Component Units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships. There are no component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and Statements of Activities display information about the District 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." For this purpose property taxes are recognized in the year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

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.

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the 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. For this purpose, revenues are considered available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, pension costs, certain compensated absences, OPEB obligations and claims and judgments 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 accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

SPECIAL REVENUE FUND

This Special Revenue Fund accounts for specific revenue sources that are legally restricted to expenditures for specific purposes. The fund balance is negative at June 30, 2021. The District will eliminate the negative balance in future years by transfers from the general fund.

ASB FUND

The ASB Fund accounts for all student body activities.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEBT SERVICE FUND

The Debt Service Fund accounts for the payment of principal and interest of the general obligation bonds. The principal source of revenue is property taxes.

CAPITAL FUND

The Capital Fund receives money from debt proceeds. The funds are used for capital improvement projects.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Property taxes and interest are considered to be susceptible to accrual. Principal and interest on general long-term debt and claims and judgments are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Post employment benefits are expensed when paid rather than when incurred.

CASH AND INVESTMENTS

Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

PROPERTY TAXES

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

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 distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

SUPPLY INVENTORIES AND PREPAID ITEMS

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Inventory is accounted for based on the purchase method for the budgetary statements, and on the consumption method, charged to expense when used, for the government-wide financial statements. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities and supply inventories at the balance sheet date are considered immaterial by management for reporting purposes. Prepaid assets are recognized as expenditures when their benefits are realized. There were no prepaid items at year end.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants.

GRANT ACCOUNTING

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 are recorded as unearned revenue on the statement of net position and the balance sheet.

CAPITAL ASSETS

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. 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. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5 years
Vehicles	10 years
Buildings and improvements	40 years

COMPENSATED ABSENCES

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net position. In accordance with the provisions of GASB Statement No. 16, 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 financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund 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 issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (expenditure) until then. At June 30, 2021 there were deferred outflows representing PERS pension related deferrals and OPEB related deferrals for RHIA and Health Insurance reported 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, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods 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. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At June 30, 2021, there were also deferred inflows representing PERS pension related deferrals and OPEB related deferrals for RHIA and Health Insurance reported in the Statement of Net Position.

NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating 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 assets that are not included in the other categories previously mentioned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance 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 fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance 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 the Business Manager.
- Unassigned fund balance 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.

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.

There were no committed or assigned fund balances as of June 30, 2021.

USE OF ESTIMATES

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the 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 and expenditures during the reporting period. Actual results could differ from those estimates.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS

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

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

Level of Control

Instruction
Support Services
Enterprise & Community Services
Facilities Acquisition and Construction
Operating Contingency
Other Uses of Funds: Debt Service
 Interfund Transfers

Expenditures cannot legally exceed the adopted 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 unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the budgetary financial statements reflect the original and final budget. Expenditures of the various funds were within authorized appropriations at June 30, 2021.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis of accounting differs from generally accepted accounting principles. The budgetary basis 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, inventories of supplies are budgeted as expenditures when purchased, property taxes are recorded as revenue when received instead of when levied, compensated absences and post-employment benefits are expensed when paid rather than when incurred, pension and OPEB costs are not recorded until paid, and principle 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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments at June 30, 2021 (recorded at fair value) consisted of:

Deposits With Financial Institutions:	
Demand Deposits	\$ 953,723
Investments	<u>819,059</u>
Total	<u>\$ 1,772,782</u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements as of June 30, 2021 was \$1,102,360, of which \$250,037 was covered by federal depository insurance and remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Credit Risk – Deposits

In the case of deposits, this 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

Policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

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. 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's compliance with all portfolio guidelines can be found in their annual report when issued. 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 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. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

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>Fair Value</u>	<u>Investment Maturities (in Months)</u>		
		<u>Less than 3</u>	<u>3 - 18</u>	<u>18 - 59</u>
State Treasurer's Investment Pool	\$ 819,059	\$ 819,059	\$ -	\$ -
Total	<u>\$ 819,059</u>	<u>\$ 819,059</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in the State Treasurer's Local Government Investment Pool cannot be classified as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

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 beyond 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, 2021, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Governmental Capital Assets <u>7/1/2020</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Governmental Capital Assets <u>6/30/2021</u>
Capital Assets Not Being Depreciated:					
Land	\$ 760,251		\$ -	\$ -	\$ 760,251
Construction in Progress	-	\$ -	-	-	-
Total Capital Assets Not Being Depreciated	<u>760,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,251</u>
Capital Assets Being Depreciated:					
Buildings & Improvements	24,797,404	43,400	-	-	24,840,804
Equipment	216,915	-	139,255	-	356,170
Total Capital Assets Being Depreciated	<u>25,014,319</u>	<u>43,400</u>	<u>139,255</u>	<u>-</u>	<u>25,196,974</u>
Accumulated Depreciation					
Buildings & Improvements	3,420,632	544,367	610,461	-	4,575,460
Equipment	203,707	1,477	7,298	-	212,482
Total Accumulated Depreciation	<u>3,624,339</u>	<u>\$ 545,844</u>	<u>\$ 617,759</u>	<u>\$ -</u>	<u>4,787,942</u>
Capital Assets, Net	<u>\$ 22,150,231</u>				<u>\$ 21,169,283</u>

There was an adjustment to recognize capital investments in building and improvements that was completed in the previous year but was not capitalized in the previous year and there was also an adjustment to recognize depreciation expense on buildings and improvements and equipment that were placed in service the previous fiscal year but were not depreciated in the previous fiscal year.

Depreciation was allocated to the functions as follows:

Instruction	\$ 463,319
Support Services	123,552
Community Services	<u>30,888</u>
Total	<u>\$ 617,759</u>

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS

General Obligation Bond

The District passed a General Obligation Bond in August of 2017 for construction and improvement of various school buildings, in the amount of \$14,345,768. The bond is being amortized over 30 years. Interest rates are variable between 2% and 4.20%, interest on the final 6 years will be payable only at maturity. Interest is due semi-annually on June 15 and December 15. Debt service on bond principal and interest is paid from the Debt Service Fund. In the event of default, the lender may divert State School Funds and/or LGIP transfers from the District to the lender for payment.

Limited Tax Pension Obligation Bond

The OSBA Pension Bond Pool was participated in for the purpose of funding the District's allocated portion of the PERS Unfunded Actuarial Liability (UAL). A bond in the amount of \$6,818,701 was issued on April 21, 2003. The bond is being amortized over 26 years. Interest rates are fixed and range between 2.03% and 6.27%. Interest is due semi-annually on June 30 and December 31. Debt service on bond principal and interest is paid from the Debt Service Fund.

Certificate of Participation

On October 30, 2012 a Certificate of Participation was issued to purchase capital assets. Interest rates are fixed and range between .5% and 3%. Interest is due semi-annually on June 1 and December 1.

Oregon Department of Energy Cool Schools Loan

The Cool Schools Loan was issued to provide funds for the acquisition, construction and equipping of "small scale local energy projects." The original amount of the loan was \$803,659 at 3.5% interest and is received on a reimbursement only basis. In the event of default, lender may accelerate the maturity date for both principal and interest. In addition, assets acquired from expenditures of the proceeds and any unexpended proceeds are considered collateral of the loan.

Umpqua Bank Loan

On May 19, 2020, the District entered into an agreement with Umpqua Bank for a loan of \$600,000 to use on improvements to the facilities of the District. The loan has a term of nine years with an interest rate of 2.699%. The principal and interest is due semi-annually on March 1 and September 1. In the event of default, the lender may increase the interest rate applicable to the outstanding balance by 2.00%, however the amounts due are not subject to acceleration.

The Debt Service Fund has traditionally been used to liquidate long-term obligations.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of long-term liabilities transactions for the year ended June 30, 2021:

	Interest Rate	Original Amount	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Balances Due Within One Year
Governmental Activities:							
Bonds Payable:							
PERS Bond 2003	2.03-6.27%	\$ 6,818,701	\$ 4,170,519	\$ -	\$ 182,123	\$ 3,988,396	\$ 182,284
GO Bond 2017	2.00-4.20%	14,345,768	13,970,768	-	160,000	13,810,768	180,000
2012C Flex Fund Certificate of Participation	0.50-3.00%	77,000	16,000	-	8,000	8,000	8,000
Direct Borrowings:							
DOE Cool Schools Loan	3.50%	803,659	412,128	-	55,456	356,672	57,429
Umpqua Bank Loan	2.70%	600,000	600,000	-	63,209	536,791	61,462
Total of Long-Term Obligations		22,645,128	19,169,415	-	468,788	18,700,627	489,175
Premium on Bond		1,854,362	1,668,926	-	61,812	1,607,114	
Total of All Long-Term Obligations		\$ 24,499,490	\$ 20,838,341	\$ -	\$ 530,600	\$ 20,307,741	

Future Maturities of Long-Term Liabilities for the PERS Bond and Flex Fund Certificates are as follows:

Year ending June 30	Pension Bond		OR Dept of Energy		Certificate of Participation 2012		GO Bond	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	182,284	618,146	57,429	11,571	8,000	240	180,000	544,288
2023	181,112	654,318	59,471	9,529	-	-	220,000	537,088
2024	670,000	205,430	61,567	7,433	-	-	245,000	530,300
2025	750,000	167,844	63,776	5,224	-	-	275,000	520,500
2026	835,000	125,244	66,045	2,955	-	-	310,000	509,500
2027-2031	1,370,000	102,808	48,384	681	-	-	2,115,000	2,332,500
2032-2036	-	-	-	-	-	-	3,315,000	1,782,500
2037-2041	-	-	-	-	-	-	5,045,000	796,750
2042-2046	-	-	-	-	-	-	1,770,645	3,589,355
2047	-	-	-	-	-	-	335,123	824,876
Total	\$ 3,988,396	\$ 1,873,790	\$ 356,672	\$ 37,392	\$ 8,000	\$ 240	\$ 13,810,768	\$ 11,967,657

Year ending June 30	Umpqua Bank Loan		Premium		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	61,462	14,076	61,812	-	550,987	1,188,321
2023	63,131	12,406	61,812	-	585,526	1,213,341
2024	64,847	10,691	61,812	-	1,103,226	753,854
2025	66,609	8,928	61,812	-	1,217,197	702,496
2026	68,419	7,119	61,812	-	1,341,276	644,818
2027-2031	212,323	9,998	61,812	-	3,807,519	2,445,987
2032-2036	-	-	309,060	-	3,624,060	1,782,500
2037-2041	-	-	309,060	-	5,354,060	796,750
2042-2046	-	-	309,060	-	2,079,705	3,589,355
2047	-	-	309,062	-	644,185	824,876
Total	\$ 536,791	\$ 63,218	\$ 1,607,114	\$ -	\$20,307,741	13,942,297

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. 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/2020-CAFR.pdf>

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

- 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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$1,217,553, excluding amounts to fund employer specific liabilities. In addition approximately \$235,232 in employee contributions were paid or picked up by the District in fiscal 2021.

Pension Asset or Liability – At June 30, 2021, the District reported a net pension liability of \$7,578,582 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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, 2020 and 2019, the District's proportion was .035 percent and .039 percent, respectively. Pension expense for the year ended June 30, 2021 was \$1,000,661.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 14.27%
- (2) OPSRP general services – 8.82%

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 333,549	\$ -
Changes in assumptions	406,719	14,251
Net difference between projected and actual earnings on pension plan investments	891,143	-
Net changes in proportionate share	419,571	931,006
Differences between District contributions and proportionate share of contributions	-	719,320
Subtotal - Amortized Deferrals (below)	<u>2,050,982</u>	<u>1,664,577</u>
District contributions subsequent to measuring date	1,217,553	-
Deferred outflow (inflow) of resources	<u>\$ 3,268,535</u>	<u>\$ 1,664,577</u>

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, 2022.

Subtotal amounts related to pension as deferred outflows of resources, \$2,050,982, and deferred inflows of resources, (\$1,664,577), net to \$386,405 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 55,256
2023	193,298
2024	87,525
2025	96,303
2026	(45,977)
Thereafter	-
Total	<u>\$ 386,405</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier 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.

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
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	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	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	<p>Healthy retirees and beneficiaries:</p> <p>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.</p>

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.

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2020 PERS CAFR; p. 102)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years 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 7.20 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 (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 11,253,569	\$ 7,578,582	\$ 4,496,936

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, 2020 Measurement Date that meet this requirement.

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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 OPSERP members earning \$2,500 or more per month 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 OPSERP 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, 2021.

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>

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFIT PLANS – (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 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. 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, 2019, 2020 and 2021 were \$22,380, \$5,263, and \$1,031, respectively, which equaled the required contributions each year. These amounts are combined and presented with the District's contributions to PERS in the Required Supplementary Information PERS Schedule of Contributions on Page 37.

At June 30, 2021, the District reported a net OPEB liability/(asset) of (\$150,157) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(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 dates of June 30, 2020 and 2019, the District's proportion was .074 percent and .045 percent, respectively. OPEB expense/(income) for the year ended June 30, 2021 was (\$43,114).

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFIT PLANS – (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	(24,151)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		(14,277)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	<u>\$</u>	<u>(38,428)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 15,350
Changes in assumptions	-	7,982
Net difference between projected and actual earnings on pension plan investments	16,699	-
Net changes in proportionate share	1,170	29,103
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	17,869	52,435
District contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 17,869	\$ 52,435

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

Subtotal amounts related to OPEB as deferred outflows of resources, \$17,869, and deferred inflows of resources, (\$52,435), net to (\$34,566) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2022	\$ (29,227)
2023	(16,779)
2024	6,173
2025	5,267
2026	-
Thereafter	-
Total	\$ (34,566)

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, 2020. That independently audited report was dated March 12, 2021 and can be found at:
https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFIT PLANS – (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	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 OPEB liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFIT PLANS – (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 May 2019 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST EMPLOYMENT BENEFIT PLANS – (RHIA) (CONTINUED)

Sensitivity of the District’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 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 (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ (121,227)	\$ (150,157)	\$ (174,894)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) HEALTHCARE

A single employer post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

Funding Policy - The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation to fund these benefits in advance. The plan is currently unfunded in accordance with GASB Statement No. 75.

At June 30, 2021, the following employees were covered by the benefit terms:

Number of Covered Employees	
Actives	106
Retirees	5
Total Included in Valuation	111

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) HEALTH CARE (CONTNUED)

The District's total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021
Actuarial cost method	Entry Age Normal Level Percent of Pay
Discount Rate	2.16% as of June 30, 2021. This rate reflects the Bond Buyer 20-year General Obligation Bond Index.
Inflation Rate	2.50%
Salary Scale	2.00%

Changes in Total OPEB Liability:

Total OPEB Liability at June 30, 2020	\$	477,969
Changes for the year:		
Service Cost		21,402
Interest		9,622
Change of Benefit Terms		-
Change in Assumptions		31,327
Experience (Gain)/Loss		(21,295)
Benefit Payments		<u>(64,988)</u>
Net Changes		(23,932)
Total OPEB Liability at June 30, 2021	<u>\$</u>	<u>454,037</u>

Sensitivity of the total OPEB Liability to changes in discount rate: the following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

Discount Rate Sensitivity Analysis

	<u>1% Decrease</u> (2.57%)	<u>Current Discount Rate</u> (3.57%)	<u>1% Increase</u> (4.57%)
District's proportionate share of the net pension liability	\$ 481,797	\$ 454,037	\$ 428,338

Health Care Trend Sensitivity Analysis

	<u>1% Decrease</u>	<u>Current Health Care</u> <u>Trend Rates</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 420,735	\$ 454,037	\$ 493,928

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) HEALTH CARE (CONTNUED)

For the year ended June 30, 2021 the District recognized OPEB income for Health Insurance of \$33,142. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB Health Insurance as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 19,549
Changes in assumptions or other inputs	28,759	-
Deferred outflow (inflow) of resources	\$ 28,759	\$ 19,549

Deferred outflows of resources, \$216,505, and deferred inflows of resources (\$468,159) related to OPEB Health Insurance net to (\$251,654) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 822
2023	822
2024	822
2025	822
2026	822
2027	822
Thereafter	4,278
Total	\$ 9,210

10. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and nonschool government operations. 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 requirement 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 further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. 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 reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENCIES

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

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2021 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

The District in the course of normal operations is subject to litigation. As of the financial statement issuance date there is no material pending or threatened litigation that would have an adverse effect on the financial condition of the District.

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. The ultimate impact on the School's finances is not determinable.

12. TRANSFERS AND INTERFUND RECEIVABLE/PAYABLE

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers and interfund receivables/payables during the year consisted of:

	Transfers Out	Transfers In	Due From Other Funds	Due To Other Funds
General Fund	\$ 259,337	\$ -	\$ 536,480	\$ -
Special Revenue Fund	-	134,000	-	536,480
Debt Service Fund	-	125,337	-	-
Total	\$ 259,337	\$ 259,337	\$ 536,480	\$ 536,480

Transfers are made to finance operations between funds. Interfund balances represent cash advanced by the General Fund for operations.

13. 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. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. TAX ABATEMENTS

As of June 30, 2021, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the counties as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the District for the year ended June 30, 2021 for any program covered under GASB 77.

15. DEFICIT FUND BALANCE

At fiscal year end, the Special Revenue Fund had a deficit fund balance of \$302,429. The District expects the fund balance to become positive in the upcoming fiscal years through general fund transfers and grants.

16. PRIOR PERIOD ADJUSTMENT

Prior period adjustments were recorded to correct accounts receivable, capital assets, and accumulated depreciation on capital assets. Accounts receivable was decreased 46,468, capital assets was increased \$43,400, and accumulated depreciation was increased \$545,844; these adjustments had a combined effect of decreasing Beginning Net Position by \$548,912.

Net Position - Beginning as previously reported	\$ (2,108,492)
Change in June 30, 2020 for Net Capital Asset Adjustments	<u>(548,912)</u>
Net position - Beginning as restated	<u><u>\$ (2,657,404)</u></u>

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

**OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2021**

HEALTH CARE

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	Experience Gain/(Loss)	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 477,969	\$ 21,402	\$ 9,622	\$ -	\$ 31,327	\$ (21,295)	\$ (64,988)	\$ 454,037	\$ 4,993,918	9.1%
2020	\$ 554,398	\$ 14,745	\$ 17,846	\$ -	\$ -	\$ -	\$ (109,020)	\$ 477,969	\$ 4,997,501	9.6%
2019	\$ 649,553	\$ 14,456	\$ 20,860	\$ -	\$ -	\$ -	\$ (130,471)	\$ 554,398	\$ 4,899,511	11.3%
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 649,553	\$ 4,803,442	13.5%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit.

This schedule is 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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2021

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
2021	0.035 %	\$ 7,578,582	\$ 5,015,811	151.1 %	75.8 %
2020	0.039	6,748,853	4,728,943	142.7	80.2
2019	0.045	6,802,092	5,089,112	133.7	82.1
2018	0.036	4,843,619	4,980,241	97.3	83.1
2017	0.036	5,377,729	4,807,906	111.9	80.5
2016	0.028	1,613,373	4,592,070	35.1	91.9
2015	0.028	(627,605)	4,496,461	(14.0)	103.6
2014	0.028	1,412,953	4,167,312	33.9	92.0

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.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	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
2021	\$ 1,217,553	\$ 1,217,553	\$ -	\$ 4,818,089	25.3 %
2020	1,248,816	1,248,816	-	5,015,811	24.9
2019	982,216	982,216	-	4,728,943	20.8
2018	902,292	902,292	-	5,089,112	17.7
2017	759,913	759,913	-	4,980,241	15.3
2016	710,639	710,639	-	4,807,906	14.8
2015	612,059	612,059	-	4,592,070	13.3
2014	573,272	573,272	-	4,496,461	12.7

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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2021

OPEB - RHIA

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 liability
2021	0.074 %	\$ 150,157	\$ 5,015,811	3.0 %	150.1 %
2020	0.045	87,255	4,728,943	1.8	144.4
2019	0.049	54,956	5,089,112	1.1	124.0

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 years' data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year Ended June 30,	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
2021	\$ N/A	\$ N/A	\$ N/A	\$ 4,818,089	N/A %
2020	N/A	N/A	N/A	5,015,811	N/A
2019	N/A	N/A	N/A	4,728,943	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 page 37).

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2021

	<u>GENERAL FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 2,392,994	\$ 2,392,994	\$ 2,492,454	\$ 99,460
Intermediate Sources	20,000	20,000	11,378	(8,622)
State Sources	7,641,987	7,641,987	7,265,470	(376,517)
Federal Sources	<u>7,000</u>	<u>7,000</u>	<u>798</u>	<u>(6,202)</u>
Total Revenues	<u>10,061,981</u>	<u>10,061,981</u>	<u>9,770,100</u>	<u>(291,881)</u>
EXPENDITURES:				
Instruction	6,069,269	6,069,269 (1)	5,477,637	591,632
Support Services	4,296,312	4,296,312 (1)	3,867,427	428,885
Debt Service	8,800	8,800 (1)	8,450	350
Operating Contingency	<u>100,000</u>	<u>100,000 (1)</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>10,474,381</u>	<u>10,474,381</u>	<u>9,353,514</u>	<u>1,120,867</u>
Excess of Revenues Over, (Under) Expenditures	(412,400)	(412,400)	416,586	828,986
OTHER FINANCING SOURCES, (USES):				
Transfers Out	<u>(278,600)</u>	<u>(278,600) (1)</u>	<u>(259,337)</u>	<u>19,263</u>
Total Other Financing Sources, (Uses)	<u>(278,600)</u>	<u>(278,600)</u>	<u>(259,337)</u>	<u>19,263</u>
Net Change in Fund Balance	(691,000)	(691,000)	157,249	848,249
Prior Period Adjustment	-	-	(46,468)	(46,468)
Beginning Fund Balance	<u>891,000</u>	<u>891,000</u>	<u>1,116,953</u>	<u>225,953</u>
Ending Fund Balance	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 1,227,734</u>	<u>\$ 1,027,734</u>

(1) Appropriation Level

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2021

<u>SPECIAL REVENUE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 169,000	\$ 169,000	\$ 7,151	\$ (161,849)
State Sources	1,030,284	1,030,284	584,436	(445,848)
Federal Sources	1,560,486	1,560,486	1,027,179	(533,307)
Total Revenues	<u>2,759,770</u>	<u>2,759,770</u>	<u>1,618,766</u>	<u>(1,141,004)</u>
EXPENDITURES:				
Instruction	1,613,714	1,613,714 (1)	708,348	905,366
Support Services	727,051	727,051 (1)	543,990	183,061
Enterprise and Community Service	602,800	602,800 (1)	555,517	47,283
Total Expenditures	<u>2,943,565</u>	<u>2,943,565</u>	<u>1,807,855</u>	<u>1,135,710</u>
Excess of Revenues Over, (Under) Expenditures	(183,795)	(183,795)	(189,089)	(5,294)
OTHER FINANCING SOURCES, (USES):				
Transfers In	143,500	143,500	134,000	(9,500)
Total Other Financing Sources, (Uses)	<u>143,500</u>	<u>143,500</u>	<u>134,000</u>	<u>(9,500)</u>
Net Change in Fund Balance	(40,295)	(40,295)	(55,089)	(14,794)
Beginning Fund Balance	<u>40,295</u>	<u>40,295</u>	<u>(247,340)</u>	<u>(287,635)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (302,429)</u>	<u>\$ (302,429)</u>

(1) Appropriation Level

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SUPPLEMENTARY INFORMATION

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2021

	<u>ASB FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 330,350	\$ 330,350	\$ 17,450	\$ (312,900)
Total Revenues	<u>330,350</u>	<u>330,350</u>	<u>17,450</u>	<u>(312,900)</u>
EXPENDITURES:				
Instruction	<u>345,850</u>	<u>345,850</u>	(1) 36,945	<u>308,905</u>
Total Expenditures	<u>345,850</u>	<u>345,850</u>	<u>36,945</u>	<u>308,905</u>
Excess of Revenues Over, (Under)				
Expenditures	(15,500)	(15,500)	(19,495)	(3,995)
OTHER FINANCING SOURCES, (USES):				
Transfers Out	<u>(9,500)</u>	<u>(9,500)</u>	(1) -	<u>9,500</u>
Total Other Financing Sources, (Uses)	<u>(9,500)</u>	<u>(9,500)</u>	<u>-</u>	<u>9,500</u>
Net Change in Fund Balance	(25,000)	(25,000)	(19,495)	5,505
Beginning Fund Balance	<u>25,000</u>	<u>25,000</u>	<u>177,915</u>	<u>152,915</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,420</u>	<u>\$ 158,420</u>

(1) Appropriation Level

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2021

	<u>DEBT SERVICE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 1,489,000	\$ 1,489,000	\$ 1,414,721	\$ (74,279)
Total Revenues	<u>1,489,000</u>	<u>1,489,000</u>	<u>1,414,721</u>	<u>(74,279)</u>
EXPENDITURES:				
Debt Service	1,620,288	1,620,288 (1)	1,615,654	4,634
Operating Contingency	<u>55,000</u>	<u>55,000 (1)</u>	<u>-</u>	<u>55,000</u>
Total Expenditures	<u>1,675,288</u>	<u>1,675,288</u>	<u>1,615,654</u>	<u>59,634</u>
Excess of Revenues Over, (Under)				
Expenditures	(186,288)	(186,288)	(200,933)	(133,913)
OTHER FINANCING SOURCES, (USES):				
Transfers In	<u>144,600</u>	<u>144,600</u>	<u>125,337</u>	<u>(19,263)</u>
Total Other Financing Sources, (Uses)	<u>144,600</u>	<u>144,600</u>	<u>125,337</u>	<u>(19,263)</u>
Net Change in Fund Balance	(41,688)	(41,688)	(75,596)	(33,908)
Beginning Fund Balance	<u>55,000</u>	<u>55,000</u>	<u>148,480</u>	<u>93,480</u>
Ending Fund Balance	<u>\$ 13,312</u>	<u>\$ 13,312</u>	<u>\$ 72,884</u>	<u>\$ 59,572</u>

(1) Appropriation Level

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2021

CAPITAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 90,000	\$ 90,000	\$ 30,320	\$ (59,680)
State Sources	70,000	70,000	21,670	(48,330)
Total Revenues	160,000	160,000	51,990	(108,010)
EXPENDITURES:				
Support Services	\$ 41,926	41,926 (1)	-	41,926
Facilities Acquisition	760,000	760,000 (1)	334,902	425,098
Total Expenditures	801,926	801,926	334,902	467,024
Excess of Revenues Over, (Under)				
Expenditures	(641,926)	(641,926)	(282,912)	359,014
Other Financing Sources, (Uses):				
Loan Proceeds	600,000	600,000	-	(600,000)
Short Term Debt Retirement	(600,000)	(600,000) (1)	-	600,000
Total Other Financing Sources, (Uses)	-	-	-	-
Net Change in Fund Balance	(641,926)	(641,926)	(282,912)	359,014
Beginning Fund Balance	641,926	641,926	745,115	103,189
Ending Fund Balance	\$ -	\$ -	\$ 462,203	\$ 462,203

(1) Appropriation Level

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For The Year Ended June 30, 2021

<u>DATE OF ISSUE</u>	<u>MATURED BONDS & COUPONS OUTSTANDING July 1, 2020</u>	<u>BONDS & COUPONS MATURING DURING THE YEAR</u>	<u>BONDS REDEEMED AND COUPONS PAID DURING THE YEAR</u>	<u>MATURED BONDS & COUPONS OUTSTANDING June 30, 2021</u>
6/30/2003	\$ -	\$ 1,615,654	\$ 1,615,654	\$ -
	<u>\$ -</u>	<u>\$ 1,615,654</u>	<u>\$ 1,615,654</u>	<u>\$ -</u>

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For The Year Ended June 30, 2021**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2020	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2021
GENERAL FUND						
CURRENT:						
2020-21	\$ 2,520,449	67,575	(4,471)	819	2,404,107	\$ 45,115
PRIOR YEARS:						
2019-20	49,789	(5)	(2,614)	1,879	30,390	18,669
2018-19	19,650	(6)	(1,897)	1,576	8,756	10,579
2017-18	11,498	(6)	(2,196)	1,909	6,673	4,544
2016-17	4,192	-	(858)	823	2,460	1,697
Prior	7,172	-	(833)	762	1,038	6,063
Total Prior	92,301	(17)	(8,398)	6,949	49,317	41,552
Total of All Counties	2,612,750	67,558	(12,869)	7,768	2,453,424	86,667

RECONCILIATION OF REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 2,453,424
Accrual of Receivables:	
June 30, 2020	(20,096)
June 30, 2021	29,105
Change in Prior year Unavailable Revenue, see page 6	(14,643)
Taxes in lieu	-
Total Revenue	\$ 2,447,790

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For The Year Ended June 30, 2021**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2020	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2021
DEBT SERVICE FUND						
CURRENT:						
2020-21	\$ 727,898	19,516	(1,291)	237	694,298	\$ 13,030
PRIOR YEARS:						
2019-20	15,207	(1)	(798)	574	9,281	5,703
2018-19	6,176	(2)	(597)	495	2,751	3,325
2017-18	3,478	(2)	(664)	578	2,019	1,375
2016-17	3	-	-	1	3	1
Prior	1	-	-	-	1	-
Total Prior	24,865	(5)	(2,059)	1,648	14,055	10,404
Total of All Counties	752,763	19,511	(3,350)	1,885	708,353	23,434

RECONCILIATION OF REVENUE:

	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 708,353
Accrual of Receivables:	
June 30, 2020	(6,311)
June 30, 2021	8,401
Change in Prior year Unavailable Revenue, see page 6	(3,530)
Taxes in lieu	-
Total Revenue	\$ 706,913

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

OTHER INFORMATION

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SUPPLEMENTAL INFORMATION
As Required by The Oregon Department of Education
For The Year Ended June 30, 2021

A.	Energy bills for heating - all funds:		Objects 325 and 326 and *327
	Function 2542	\$	210,112
B.	Replacement of equipment - General Fund:		
	Include all General Fund expenditures in Object 542, except for the following exclusions:		Amount
	Exclude these functions:		
	1113, 1122 & 1132 Co-curricular activities	Construction	\$ 43,906
	1140 Pre-kindergarten	Pupil transportation	
	1300 Continuing education	Food service	
	1400 Summer school	Community services	

** Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

2020-21 DISTRICT AUDIT REVENUE SUMMARY
Jefferson School District 14J

Revenue from Local Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	2,463,292		710,441				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				29,123			
1190 Penalties and Interest on Taxes							
1200 Rev from Local Gov't'l Units Other Than Districts							
1310 Regular Day School Tuition							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1400 Local & Federal Sources							
1500 Earnings on Investments	23,478		37	147			
1600 Food Service		2,968					
1700 Extracurricular Activities		17,430					
1800 Community Services Activities							
1910 Rentals	4,430						
1920 Contributions and Donations From Private Sources		400	22,584				
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure		55					
1970 Services Provided Other Funds			681,660				
1980 Fees Charged to Grants							
1990 Miscellaneous	1,254	3,748		1,050			
Total Revenue from Local Sources	\$ 2,492,454	\$ 24,601	\$ 1,414,721	\$ 30,320	\$	\$	\$
Revenue from Intermediate Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	6,877						
2102 Education Service District Apportionment							
2105 Natural Gas, Oil, and Mineral Receipts							
2199 Other Intermediate Sources	4,501						
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$ 11,378	\$	\$	\$	\$	\$	\$
Revenue from State Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	7,074,593						
3102 State School Fund - School Lunch Match							
3103 Common School Fund	87,044						
3104 State Managed County Timber	985						
3150 Small High School Grant	47,941						
3190 High Cost Disability Grant	54,907						
3199 Other Unrestricted Grants-in-Aid		(1,258)					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid		582,757		21,670			
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District		2,938					
Total Revenue from State Sources	\$ 7,265,470	\$ 584,437	\$	\$ 21,670	\$	\$	\$
Revenue from Federal Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State		1,027,179					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees	798						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District							
Total Revenue from Federal Sources	\$ 798	\$ 1,027,179	\$	\$	\$	\$	\$
Revenue from Other Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers		134,000	125,337				
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	1,116,953	(69,425)	148,480	745,115			
Total Revenue from Other Sources	\$ 1,116,953	\$ 64,575	\$ 273,817	\$ 745,115	\$	\$	\$
Grand Totals	\$ 10,887,053	\$ 1,700,791	\$ 1,688,538	\$ 797,105	\$	\$	\$

2020-21 DISTRICT AUDIT EXPENDITURE SUMMARY
Jefferson School District 14j

Fund: 100 - General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	1,682,875	959,000	660,650	49,630	13,402		192	-
1113 Elementary Extracurricular	71	52	19					-
1121 Middle/Junior High Programs	913,512	545,068	346,211	16,938	4,721		573	-
1122 Middle/Junior High School Extracurricular	38,312	2,938	1,124	34,250				-
1131 High School Programs	1,411,499	834,884	545,872	22,038	7,505		1,200	-
1132 High School Extracurricular	69,139	53,922	15,216					-
1140 Pre-Kindergarten Programs	-							-
1210 Programs for the Talented and Gifted	4,122	3,000	997		125			-
1220 Restrictive Programs for Students with Disabilities	442,174	234,809	202,677		4,687			-
1250 Less Restrictive Programs for Students with Disabilities	642,537	338,548	236,729	50,214	16,452		595	-
1260 Early Intervention	-							-
1271 Remediation	-							-
1272 Title I	-							-
1280 Alternative Education	43,932	22,834	6,862	1,164	13,072			-
1291 English Second Language Programs	229,465	129,637	98,856	972				-
1292 Teen Parent Program	-							-
1293 Migrant Education	-							-
1294 Youth Corrections Education	-							-
1299 Other Programs	-							-
1300 Adult/Continuing Education Programs	-							-
1400 Summer School Programs	-							-
Total Instruction Expenditures	\$ 6,477,638	\$ 3,124,694	\$ 2,115,214	\$ 175,206	\$ 59,965	\$ -	\$ 2,560	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	5,134	2,314	832		1,988			
2120 Guidance Services	209,273	130,284	78,989	-				
2130 Health Services	-							
2140 Psychological Services	92,133			92,133				
2150 Speech Pathology and Audiology Services	-							
2160 Other Student Treatment Services	-							
2190 Service Direction, Student Support Services	102,339	67,558	34,781					
2210 Improvement of Instruction Services	44,608				44,608			
2220 Educational Media Services	39,746	19,441	18,435		1,870			
2230 Assessment & Testing	-							
2240 Instructional Staff Development	7,580						7,580	
2310 Board of Education Services	84,687	27,931	18,474	37,745	537			
2320 Executive Administration Services	159,946	95,490	53,254	1,394	4,232		5,577	
2410 Office of the Principal Services	940,375	592,062	342,644	221	2,448		3,000	
2490 Other Support Services - School Administration	-							
2510 Direction of Business Support Services	123,756	75,412	48,044				300	
2520 Fiscal Services	136,797	63,851	42,866	9,252	20,827		1	
2540 Operation and Maintenance of Plant Services	1,060,048	386,236	255,230	268,339	16,732	30,005	103,506	
2550 Student Transportation Services	575,049			574,928	121			
2570 Internal Services	74,851			68,707	6,144			
2610 Direction of Central Support Services	-							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-							
2630 Information Services	-							
2640 Staff Services	2,565			2,565				
2660 Technology Services	208,538	83,073	46,157	1,484	77,825			
2670 Records Management Services	-							
2690 Other Support Services - Central	-							
2700 Supplemental Retirement Program	-							
Total Support Services Expenditures	\$ 3,867,425	\$ 1,543,653	\$ 939,705	\$ 1,056,767	\$ 177,332	\$ 30,005	\$ 119,964	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	-							
3200 Other Enterprise Services	-							
3300 Community Services	-							
3500 Custody and Care of Children Services	-							
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	-							
4120 Site Acquisition and Development Services	-							
4150 Building Acquisition, Construction, and	-							
4190 Other Facilities Construction Services	-							
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	8,450						8,450	
5200 Transfers of Funds	259,337							259,337
5300 Apportionment of Funds by ESD	-							
5400 PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures	\$ 267,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,450	\$ 259,337
Grand Total	\$ 9,612,850	\$ 4,668,347	\$ 3,054,919	\$ 1,231,973	\$ 237,296	\$ 30,005	\$ 130,974	\$ 259,337

2020-21 DISTRICT AUDIT EXPENDITURE SUMMARY
Jefferson School District 14J

Fund: 200 - Special Revenue

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	19,590	524	193		18,873			-
1113 Elementary Extracurricular	11,711	840	304		10,567			-
1121 Middle/Junior High Programs	37,616	13,471	4,214		17,065		2,866	-
1122 Middle/Junior High School Extracurricular	6,676	780	257		5,640			-
1131 High School Programs	294,567	63,188	31,564	12,153	185,200	2,462		-
1132 High School Extracurricular	128,275	58,881	18,442	15,236	30,781		4,935	-
1140 Pre-Kindergarten Programs	-							-
1210 Programs for the Talented and Gifted	-							-
1220 Restrictive Programs for Students with Disabilities	816				816			-
1250 Less Restrictive Programs for Students with Disabilities	121,207	70,114	40,330	10,762				-
1260 Early Intervention	-							-
1271 Remediation	-							-
1272 Title I	114,530	72,099	42,231	200				-
1280 Alternative Education	-							-
1291 English Second Language Programs	1,389			688	701			-
1292 Teen Parent Program	-							-
1293 Migrant Education	-							-
1294 Youth Corrections Education	-							-
1299 Other Programs	-							-
1300 Adult/Continuing Education Programs	-							-
1400 Summer School Programs	-							-
Total Instruction Expenditures	\$ 745,290	\$ 281,255	\$ 138,026	\$ 39,039	\$ 276,707	\$ 2,462	\$ 7,801	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	84				84			
2120 Guidance Services	90,793	64,918	25,875					
2130 Health Services	1,840			1,840				
2140 Psychological Services	101,222			101,222				
2150 Speech Pathology and Audiology Services	-							
2160 Other Student Treatment Services	-							
2190 Service Direction, Student Support Services	-							
2210 Improvement of Instruction Services	6,521	3,250	1,271		2,000			
2220 Educational Media Services	-							
2230 Assessment & Testing	-							
2240 Instructional Staff Development	29,844	4,800	1,675	18,408	4,960			
2310 Board of Education Services	-							
2320 Executive Administration Services	-							
2410 Office of the Principal Services	-							
2490 Other Support Services - School Administration	-							
2510 Direction of Business Support Services	-							
2520 Fiscal Services	7,500			7,500				
2540 Operation and Maintenance of Plant Services	81,382	7,626	2,191		71,564			
2550 Student Transportation Services	5,092			5,092				
2570 Internal Services	-							
2610 Direction of Central Support Services	-							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-							
2630 Information Services	-							
2640 Staff Services	-							
2660 Technology Services	183,054				183,054			
2670 Records Management Services	-							
2690 Other Support Services - Central	-							
2700 Supplemental Retirement Program	36,657		36,657					
Total Support Services Expenditures	\$ 543,988	\$ 80,594	\$ 67,669	\$ 134,063	\$ 261,662	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	555,519	195,615	147,074	8,914	187,445	15,696	774	-
3200 Other Enterprise Services	-							-
3300 Community Services	-							-
3500 Custody and Care of Children Services	-							-
Total Enterprise and Community Services Expenditures	\$ 555,519	\$ 195,615	\$ 147,074	\$ 8,914	\$ 187,445	\$ 15,696	\$ 774	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	-							-
4120 Site Acquisition and Development Services	-							-
4150 Building Acquisition, Construction, and Improvement Services	-							-
4190 Other Facilities Construction Services	-							-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	-							-
5200 Transfers of Funds	-							-
5300 Apportionment of Funds by ESD	-							-
5400 PERS UAL Bond Lump Sum	-							-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 1,844,797	\$ 557,465	\$ 352,770	\$ 182,016	\$ 725,814	\$ 18,158	\$ 8,575	\$ -

2020-21 DISTRICT AUDIT EXPENDITURE SUMMARY
Jefferson School District 14J

Fund: 300 - Debt Service

Instruction Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
5100 Debt Service	\$1,615,654	-	-	-	-	\$1,615,654	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 1,615,654	\$ -	\$ -	\$ -	\$ -	\$ 1,615,654	\$ -	\$ -
Grand Total	\$ 1,615,654	\$ -	\$ -	\$ -	\$ -	\$ 1,615,654	\$ -	\$ -

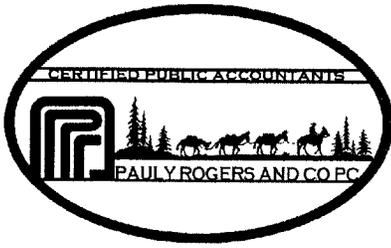
2020-21 DISTRICT AUDIT EXPENDITURE SUMMARY
Jefferson School District 14J

Fund: 400 - Capital Projects

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -						
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	0.15	-	-	-	-	-	0.15	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 0.15	\$ -	\$ 0.15	\$ -				
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -						
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	334,905	-	-	39,981	27,321	266,309	1,294.34	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 334,905	\$ -	\$ -	\$ 39,981	\$ 27,321	\$ 266,309	\$ 1,294.34	\$ -
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -						
Grand Total	\$ 334,905	\$ -	\$ -	\$ 39,981	\$ 27,321	\$ 266,309	\$ 1,294.34	\$ -

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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www.paulyrogersandcoepas.com

December 9, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Jefferson School District 14J as of and for the year ended June 30, 2021, and have issued our report thereon dated December 9, 2021. 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 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 the 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 Jefferson School District 14J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, 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.

**JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As Required by The Oregon Department of Education
For The Year Ended June 30, 2021**

<u>PROGRAM TITLE</u>	<u>PASS THROUGH ORGANIZATION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH ENTITY NUMBER</u>	<u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION				
Title I Grants to Local Educational Agencies 2019.20	Oregon Department of Education	84.010	53289	\$ 12,414
Title I Grants to Local Educational Agencies 2020.21	Oregon Department of Education	84.010	58285	147,597
Total Title I Grants to Local Education Agencies				<u>160,011</u>
ESSA Partnerships 19-20 ShM	Oregon Department of Education	84.010	54421	1,000
Total Student Succeed				<u>1,000</u>
Total Title I Grants				<u>161,011</u>
Student Support and Academic Enrichment 2017-19	Oregon Department of Education	84.424	54541	4,926
Student Support and Academic Enrichment 2020-21	Oregon Department of Education	84.424	58594	16,975
Total Student Support and Academic Enrichment				<u>21,901</u>
Elem&Secondary SCH Emergenct Relief Fund	Oregon Department of Education	84.425D	57832	104,559
Governors Emergency ED Relief Fund	Oregon Department of Education	84.425D	60961	138,314
Total CDL & ESSER Funds				<u>242,873</u>
Title IIA - Teacher Quality 2019-20	Oregon Department of Education	84.367	53551	1,025
Title IIA - Teacher Quality 2020-21	Oregon Department of Education	84.367		12,750
Total Title IIA - Teacher Quality 12.000				<u>13,775</u>
Special Education Cluster Enhancement 2019-20	Oregon Department of Education	84.027	53787	84,617
Total Special Education Cluster				<u>84,617</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u><u>524,176</u></u>
U.S. DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster:				
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	10.553/555		27,651
Summer Food	Oregon Department of Education	10.559		330,066
Cares Act Sumer Foods	Oregon Department of Education	10.559		39,315
Total Child Nutrition Cluster				<u>397,032</u>
CACFP	Oregon Department of Education	10.558		102,580
NSLP Equipment	Oregon Department of Education	10.579		-
CNP SAE-Natf Sch Lunch SAE Admin	Oregon Department of Education	10.560		-
Federal Forest Fees		10.665		-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u><u>499,612</u></u>
TOTAL GRANTS EXPENDED OR PASSED THROUGH TO SUBRECIPIENTS				<u><u>\$ 1,023,788</u></u>

Reconciliation to Federal Revenue Recognized:	
Federal Awards Expended	\$ 1,023,788
Accruals / Deferrals	4,189
Federal Revenue Recognized	<u>\$ 1,027,977</u>

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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December 9, 2021

To the Board of Directors
Jefferson School District 14J
Marion County, Oregon

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

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, and each major fund of Jefferson School District 14J (the District) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 9, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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

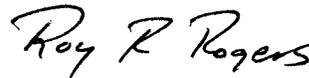
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

The District's Response to Findings

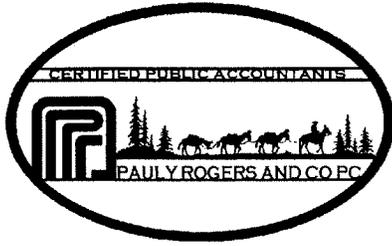
The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion 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
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December 9, 2021

To the Board of Directors
Jefferson School District 14J
Marion 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 Jefferson School District 14J'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, 2021. 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, Jefferson School District 14J 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, 2021.

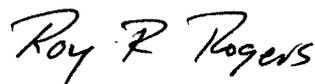
Report on Internal Control Over Compliance

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.

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of Auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

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

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses _____ Yes X 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 X No

IDENTIFICATION OF MAJOR PROGRAMS

<u>AL NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.425D	<u>ESSER</u>
Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes _____ No

JEFFERSON SCHOOL DISTRICT 14J
MARION COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II – FINANCIAL STATEMENT FINDINGS

FINDING 2018-001 – Material Weakness in Internal Controls over Financial Reporting

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

1. **BASIS OF PRESENTATION**

The schedule of expenditures of federal awards included in this report includes federal grant activity and is presented on the modified accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presents in, or used in the preparation of the basic financial statements.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule of expenditure of federal awards 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 elected not to charge any indirect costs in the current year.