



**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING
APRIL 11, 2024, 6:00 PM**

Santiam Travel Station

750 S. Third St. Lebanon, OR 97355

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

MEETING AGENDA

1. WELCOME

- A. Call to Order
- B. Flag Salute

2. PUBLIC COMMENTS¹

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

3. AUDIT RESULTS, pg. 3

Action: Approval Requested

4. FEEDER SCHOOL TO LHS DATA, pg. 100

Action: Informational

5. BOARD SELF EVALUATION, pg. 103

Action: Informational

6. PIONEER SCHOOL MOVING TO K-5

Action: Approval Requested

7. CONSENT AGENDA

Action: Approval Requested

- A. March 14, 2024 Board Meeting Minutes, pg. 105
- B. March 14, 2024 Budget Meeting Minutes, pg. 113
- C. Policy Updates – First Reading, pg. 116

CODE	TITLE
FIRST READING	HIGHLY RECOMMENDED
DJC	Bidding Requirements, Delete
DJC	Bidding Requirements, New
	OPTIONAL
DJC- AR	Exemptions from Competitive Bidding and Special Procurements, Delete
DJC- AR	Exemptions from Competitive Bidding and Special Procurements, New

8. DEPARTMENT REPORTS

Action: Informational

- A. Operations
 - 1. Operations Report
- B. Human Resources

- C. Finance
 - 1. Financial Report, pg. 170

9. COMMUNICATION

Action: Informational

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

10. PUBLIC COMMENTS¹

11. ADJOURNMENT

Upcoming meeting dates:

May 9, 2024 Board Meeting at 6:00 PM
May 16, 2024 Budget Meeting at 6:00 PM
May 23, 2024 Budget Meeting at 6:00 PM

¹ The Lebanon Community School District Board of Directors welcomes you to our regular meeting. It is the Board's goal to hold an effective and efficient meeting to conduct the business of the District. In keeping with this goal, the Board provides a place for Public Comments on each of its regular agendas. This is a time when you can provide statements or ask questions. The Board allows three minutes for each speaker. The language below discusses the Public Meetings Law and public participation in such meetings.

"The Public Meetings Law is a public attendance law, not a public participation law. Under the Public Meetings Law, governing body meetings are open to the public except as otherwise provided by law. ORS 192.630 The right of public attendance guaranteed by the Public Meetings Law does not include the right to participate by public testimony or comment.

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

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

Agenda Item 3

Audit Results

**LEBANON SCHOOL DISTRICT
LEBANON, OREGON**

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2023



**12700 SW 72nd Ave.
Tigard, OR 97223**



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December 12, 2023

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

We have audited the basic financial statements of the governmental activities, the business-type activities, and each major fund of Lebanon Community School District (the District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 60 of the financial report.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management Letter – No separate management letter was issued.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022-2023, except for the implementation of *GASB* Statement No. 96 *Subscription Based Information Technology Arrangements* (SBITAs). We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the basic financial statements are the actuarial estimates of the District’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits. Other sensitive estimates affecting the basic financial statements are Management’s estimate of Accounts Receivable, Capital Asset Depreciation, and Value of Investments, which are based on estimated collectability of receivables, useful lives of assets, and market values of investments. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Pauly, Rogers and Co., P.C.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the other information, as listed in the table of contents, and the list of Board members located before the table of contents, which accompany the basic financial statements but are not required supplementary information. Such information has 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 it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS – an amendment of GASB 62

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Best Practices – Not Significant Deficiencies

1. Governing Body Monitoring

An integral part of internal controls is the monitoring of financial activities by those charged with governance (the Board). This can be accomplished by asking specifically designed questions to senior staff, by reviewing basic financial statements and projections and by comparing financial results to pre-established benchmarks. While the Board participates in the budget adoption process and receives staff prepared basic financial statements, these only partially fulfill the monitoring function. We recommend that the Board articulate their monitoring practices and record in the minutes when those activities occur.

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, flowing style.

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

BOARD OF DIRECTORS 2022-23

Tom Oliver, Chair	June 30, 2025
Mike Martin, Vice-Chair	June 30, 2025
Clyde Rood	June 30, 2027
Melissa Baurer	June 30, 2027
Nicole Piland	June 30, 2025

ADMINISTRATION

Jennifer Meckley, Superintendent
Steven Prososki, Business Director (Registered Agent)

Board members receive mail at the District address listed below.

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

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LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

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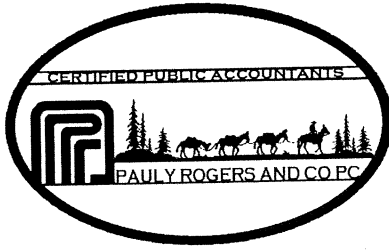
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December 12, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, and each major fund of Lebanon Community School District No. 9 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

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, and the schedule of expenditures of federal awards, 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, 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

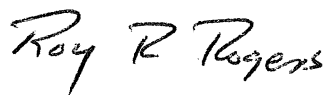
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 12, 2023 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 the effectiveness of the 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 12, 2023, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

LEBANON COMMUNITY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Lebanon Community School District, we submit this narrative overview and analysis of the financial activities of the district for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; we encourage readers to consider the information presented here in conjunction with the financial statements and notes to the basic financial statements to enhance their understanding of the districts' financial performance.

FINANCIAL HIGHLIGHTS

- At June 30, 2023, the District's total governmental fund balances equaled \$14,170,164.
- The General Fund had an ending balance of \$6,147,584.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position: Total assets, liabilities and net position as of June 30, 2023 and June 30, 2022 are as follows (details on page 1):

	Statement of Net Position			
	2023	2022	Change	%
Assets				
Current and other assets	\$ 21,723,574	\$ 17,738,031	\$ 3,985,543	22.5%
Pension/OPEB Related Deferred Outflows	17,271,092	21,350,213	(4,079,121)	-19.1%
Capital assets, (net)	32,698,452	33,605,904	(907,452)	-2.7%
Total assets and deferrals	71,693,118	72,694,148	(1,001,030)	-1.4%
Liabilities				
Current Liabilities	6,889,342	4,610,121	2,279,221	49.4%
Pension/OPEB Related Deferred Inflows	13,675,782	24,629,747	(10,953,965)	-44.5%
Long-term Liabilities	62,910,738	61,974,813	935,925	1.5%
Total liabilities	83,475,862	91,214,681	(7,738,819)	-8.5%
Net position				
Net investment in capital assets, net of related debt	4,347,692	2,351,043	1,996,649	84.9%
Net position: restricted	9,801,133	8,270,524	1,530,609	18.5%
Net position: unrestricted	(25,931,569)	(29,142,100)	3,210,531	-11.0%
Total net position	\$ (11,782,744)	\$ (18,520,533)	\$ 6,737,789	-36.4%

Statement of Activities: The district's revenues and expenses for fiscal year 2022-2023, as compared to fiscal year 2021-2022 are as follows (details on page 2):

	Statement of Activities			
	2023	2022	Change	%
Program revenues				
Charges for services	\$ 426,087	\$ 7,694	\$ 418,393	5437.9%
Operating grants and contributions	7,026,846	17,067,540	(10,040,694)	-58.8%
Total program revenues	\$ 7,452,933	\$ 17,075,234	\$ (9,622,301)	-56.4%
General revenues				
Property taxes	16,393,422	15,639,713	753,709	4.8%
State Revenue Sharing	41,467,806	32,697,200	8,770,606	26.8%
Miscellaneous	2,897,132	2,004,534	892,598	44.5%
Total general revenues	\$ 60,758,360	\$ 50,341,447	\$ 10,416,913	20.7%
Total revenues	\$ 68,211,293	\$ 67,416,681	\$ 794,612	1.2%
Expenses				
Instruction	35,519,266	36,614,837	(1,095,571)	-3.0%
Support services	21,363,459	21,440,981	(77,522)	-0.4%
Enterprise and community services	2,604,456	2,234,993	369,463	16.5%
Interest on Long-Term Debt	1,262,237	1,342,323	(80,086)	-6.0%
Interest on Lease Liability	930	1,153	(223)	-19.3%
Construction	495,976	-	495,976	N/A
Total Expenses	\$ 61,246,324	\$ 61,634,287	\$ (387,963)	-0.6%
Change in net position	6,964,969	5,782,394	1,182,575	20.5%
Beginning Net Position (As Restated)	(18,747,713)	(24,302,927)	5,555,214	-22.9%
Ending Net Position	\$ (11,782,744)	\$ (18,520,533)	\$ 6,737,789	-36.4%

As stated earlier, net position over time may serve as a useful indicator of a government's financial position. As of June 30, 2023, the district's net position changed by \$6,964,969. The primary reason for this is the Net Pension Liability decrease in relation to the Districts proportional share of the of Oregon PERS system wide liability in effect at the measurement date in accordance with GASB 68. For purposes of government-wide financial statements, this year to year adjustment amount is allocated to expenditures in each fiscal year. This adjustment is due to changes in total pension liability and changes in total pension asset and the fair value of pension plan net position available to pay pension benefits and does not reflect actual cash expenditures for the audit year. Program revenue changes in charges for services and expenses in construction are related to the student house building program. Revenue under operating grants declined approximately \$10M from the ending of ESSER funds

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Unreserved fund balance measures the District's net resources available for appropriation in the next fiscal year. As of June 30, 2023, total fund balance of the governmental funds was \$14,170,164. These amounts are available to use, in accordance with applicable restrictions for district expenditures.

Summary of Ending Fund Balances for 2023 and 2022 are as follows (details on page 5):

	<u>6/30/2023</u>	<u>6/30/2022</u>
General Fund	\$ 6,147,584	\$ 6,108,409
Other Governmental Funds	7,611,050	5,763,388
Debt Service Fund	411,530	512,698
	<u>\$14,170,164</u>	<u>\$12,384,495</u>

CAPITAL ASSETS

Capital assets are those items that have an initial, individual cost of \$5,000 or more. Total capital assets were valued as follows on June 30, 2023 and June 30, 2022 (details on page 19):

	<u>6/30/2023</u>	<u>6/30/2022</u>
Land	\$ 1,411,570	\$ 1,411,570
Land Improvements	\$ 5,000	5,000
Buildings	94,580,027	94,560,558
Equipment	9,478,450	8,862,029
Accumulated Depreciation	<u>(72,776,595)</u>	<u>(71,233,253)</u>
	<u>\$ 32,698,452</u>	<u>\$ 33,605,904</u>

At June 30, 2023 the District had \$32,698,452 invested in a broad range of capital assets, including land, buildings, and equipment.

DEBT ADMINISTRATION

Please see the Notes to the Basic Financial Statements (details on page 21) for debt maturity details. The district issued refunding bonds in December 2019 for the purpose of refunding its 2011 general obligation bonds in June 2023 at lower interest rates.

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

OTHER LONG TERM OBLIGATIONS

Beginning on page 22 of this document, the District’s participation in the Oregon PERS plan is described and associated adjustments to assets and liabilities related to the plan are reported in the government-wide analysis reports on pages 1 through 4 as required by GASB 68. The District’s liability for the present value of projected future postemployment benefits is described beginning on page 39 under Required Supplementary Information. An actuarial study of Postemployment Benefits Other Than Pensions is completed every two years.

REQUESTS FOR INFORMATION

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

Respectfully submitted,

Steven Prososki
Director of Financial Services

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS:			
Cash and Investments	\$ 12,582,876	\$ (194,724)	\$ 12,388,152
Receivables:			
Accounts and Grants	5,290,388	407,799	5,698,187
Property Taxes	642,477	-	642,477
Inventory	32,389	1,017,376	1,049,765
Net OPEB RHIA Asset	539,507	-	539,507
Capital Assets - Nondepreciable	1,411,570	-	1,411,570
Capital Assets - Depreciable, Net of Depreciation	31,286,882	-	31,286,882
Right to Use Asset - Net of Amortization	134,051	-	134,051
Total Assets	51,920,140	1,230,451	53,150,591
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Debt Refunding	1,271,435	-	1,271,435
OPEB Related Outflows - RHIA	121,768	-	121,768
Pension Related Outflows - PERS	17,149,324	-	17,149,324
Total Deferred Outflows	18,542,527	-	18,542,527
Total Assets and Deferred Outflows	70,462,667	1,230,451	71,693,118
LIABILITIES:			
Current Liabilities:			
Accounts Payable	609,341	73,260	682,601
Accrued Salaries and Benefits	2,950,045	-	2,950,045
Interest Payable	49,100	-	49,100
Long-Term Liabilities Due within one year	3,150,000	-	3,150,000
Lease Liability (Right-to-use Assets) Due within one year	57,596	-	57,596
Non Current Liabilities:			
Liability Due in more than one year	25,450,000	-	25,450,000
Bond Premium	1,021,351	-	1,021,351
Compensated Absences	187,927	-	187,927
Long-Term Lease Liability	77,299	-	77,299
Net Pension Liability - PERS	35,937,444	-	35,937,444
OPEB - Stipend	156,000	-	156,000
OPEB - Health Care	80,717	-	80,717
Total Liabilities	69,726,820	73,260	69,800,080
DEFERRED INFLOWS OF RESOURCES:			
OPEB Related Inflows - RHIA	73,747	-	73,747
Pension Related Inflows - PERS	13,602,035	-	13,602,035
Total Deferred Inflows	13,675,782	-	13,675,782
Total Liabilities and Deferred Inflows	83,402,602	73,260	83,475,862
NET POSITION:			
Net Investment in Capital Assets	4,347,692	-	4,347,692
Restricted for:			
Deferred Outflows Related to Debt Refunding	1,271,435	-	1,271,435
OPEB - RHIA Asset	539,507	-	539,507
Grants, Food Service & Student Activities	7,578,661	-	7,578,661
Debt Service	411,530	-	411,530
Unrestricted	(27,088,760)	1,157,191	(25,931,569)
Total Net Position	\$ (12,939,935)	\$ 1,157,191	\$ (11,782,744)

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

				Net (Expense) Revenue and Changes in Net Position		
				Primary Government		
Program Revenues						
Functions/Programs	Expenditures	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities:						
Instruction	\$ 35,519,266	\$ -	\$ 2,976,633	\$ (32,542,633)	\$ -	\$ (32,542,633)
Support Services	21,363,459	2,178	1,276,200	(20,085,081)	-	(20,085,081)
Community Services	2,604,456	18,751	2,774,013	188,308	-	188,308
Interest on Long-Term Debt	1,262,237	-	-	(1,262,237)	-	(1,262,237)
Interest on Lease Liability	930	-	-	(930)	-	(930)
Total Governmental Activities	<u>\$ 60,750,348</u>	<u>\$ 20,929</u>	<u>\$ 7,026,846</u>	<u>(53,702,573)</u>	<u>-</u>	<u>(53,702,573)</u>
Business-Type activities						
House construction	<u>\$ 495,976</u>	<u>\$ 405,158</u>	<u>\$ -</u>	<u>-</u>	<u>(90,818)</u>	<u>(90,818)</u>
GENERAL REVENUES:						
Property Taxes, Levied for Operations				12,273,648	-	12,273,648
Property Taxes, Levied for Debt Service				4,119,774	-	4,119,774
State Sources				41,467,806	-	41,467,806
Other Local Sources				1,753,585	-	1,753,585
Other Intermediate Sources				382,989	-	382,989
Investment Earnings				665,284	-	665,284
Debt Subsidy Rebate				91,674	-	91,674
Total General Revenues				60,754,760	-	60,754,760
Transfers				(450,000)	450,000	-
Gain (Loss) on Disposal of Assets				3,600	-	3,600
Changes in Net Position				6,605,787	359,182	6,964,969
Net Position - Beginning (As Restated)				(19,545,722)	798,009	(18,747,713)
Net Position - Ending				<u>\$ (12,939,935)</u>	<u>\$ 1,157,191</u>	<u>\$ (11,782,744)</u>

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	<u>GENERAL FUND</u>	<u>SPECIAL GRANTS AND REVENUES FUND</u>	<u>DEBT SERVICE GO BOND FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:					
Cash and Investments	\$ 8,860,530	\$ 3,092,712	\$ 397,122	\$ -	\$ 12,350,364
Inventory	-	32,389	-	-	32,389
Receivables					
Accounts and Grants	38,996	62,183	-	-	101,179
Property Taxes	477,959	-	164,518	-	642,477
Intergovernmental Accounts	513,029	4,676,180	-	-	5,189,209
	<u>513,029</u>	<u>4,676,180</u>	<u>-</u>	<u>-</u>	<u>5,189,209</u>
Total Assets	<u>\$ 9,890,514</u>	<u>\$ 7,863,464</u>	<u>\$ 561,640</u>	<u>\$ -</u>	<u>\$ 18,315,618</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 356,927	\$ 252,414	\$ -	\$ -	\$ 609,341
Accrued Salaries and Benefits	2,950,045	-	-	-	2,950,045
	<u>3,306,972</u>	<u>252,414</u>	<u>-</u>	<u>-</u>	<u>3,559,386</u>
Total Liabilities	<u>3,306,972</u>	<u>252,414</u>	<u>-</u>	<u>-</u>	<u>3,559,386</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	435,958	-	150,110	-	586,068
	<u>435,958</u>	<u>-</u>	<u>150,110</u>	<u>-</u>	<u>586,068</u>
Total Deferred Inflows of Resources	<u>435,958</u>	<u>-</u>	<u>150,110</u>	<u>-</u>	<u>586,068</u>
Fund Balances:					
Non-spendable	-	32,389	-	-	32,389
Restricted for:					
Grants, Food Service & Student Activities	-	7,578,661	-	-	7,578,661
Debt Service	-	-	411,530	-	411,530
Unassigned	6,147,584	-	-	-	6,147,584
	<u>6,147,584</u>	<u>7,611,050</u>	<u>411,530</u>	<u>-</u>	<u>14,170,164</u>
Total Fund Balances	<u>6,147,584</u>	<u>7,611,050</u>	<u>411,530</u>	<u>-</u>	<u>14,170,164</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,890,514</u>	<u>\$ 7,863,464</u>	<u>\$ 561,640</u>	<u>\$ -</u>	<u>\$ 18,315,618</u>

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2023

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		\$ 14,170,164
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	\$ 105,475,047	
Accumulated Depreciation	<u>(72,776,595)</u>	32,698,452
Deferred outflows of resources for debt refunding charges are not reported in the governmental funds		1,271,435
The Net Pension Asset is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
Net Pension Liability - PERS	(35,937,444)	
OPEB Liability - Stipend	(156,000)	
OPEB Liability - Health Insurance	(80,717)	
OPEB Asset - RHIA	<u>539,507</u>	(35,634,654)
Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.		
Net Pension Related Deferrals		
Deferred Inflows - PERS	(13,602,035)	
Deferred Inflows - RHIA	(73,747)	
Deferred Outflows - RHIA	121,768	
Deferred Outflows - PERS	<u>17,149,324</u>	3,595,310
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Long term Liabilities:		
Bond Interest Payable	(49,100)	
Bond Premium	(1,021,351)	
Compensated Absences	(187,927)	
General Obligation Bonds Payable	<u>(28,600,000)</u>	(29,858,378)
The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		232,512
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		
General Fund	435,958	
Debt Service Fund	<u>150,110</u>	586,068
Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.		
Right-to-use asset, Net		134,051
Long-term liabilities applicable to the right to use assets are not due and payable in the current period and accordingly are not reported as fund liabilities, both current and long-term, are reported in the statements of Net Position		
Lease Payable		<u>(134,895)</u>
TOTAL NET POSITION		<u><u>\$ (12,939,935)</u></u>

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local Sources	\$ 13,069,780	\$ 1,691,727	\$ 4,102,212	\$ -	\$ 18,863,719
Intermediate Sources	223,630	159,359	-	-	382,989
State Sources	34,745,380	7,393,016	-	-	42,138,396
Federal Sources	237,739	5,818,472	-	-	6,056,211
Total Revenues	48,276,529	15,062,574	4,102,212	-	67,441,315
EXPENDITURES:					
Current:					
Instruction	28,221,581	7,985,064	-	-	36,206,645
Support Services	17,718,801	4,049,660	-	-	21,768,461
Community Services	9,240	2,645,617	-	-	2,654,857
Facilities Acquisition	-	407,416	-	-	407,416
Debt Service	-	-	4,263,541	-	4,263,541
Total Expenditures	45,949,622	15,087,757	4,263,541	-	65,300,920
Revenues Over (Under) Expenditures	2,326,907	(25,183)	(161,329)	-	2,140,395
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	91,674	-	91,674
Transfer In	-	1,872,845	-	-	1,872,845
Transfer Out	(2,291,332)	-	(31,513)	-	(2,322,845)
Proceeds From Sale of Assets	3,600	-	-	-	3,600
Total Other Financing Sources (Uses)	(2,287,732)	1,872,845	60,161	-	(354,726)
Net Change in Fund Balance	39,175	1,847,662	(101,168)	-	1,785,669
Beginning Fund Balance	6,108,409	5,763,388	512,698	-	12,384,495
Ending Fund Balance	\$ 6,147,584	\$ 7,611,050	\$ 411,530	\$ -	\$ 14,170,164

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2023

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS \$ 1,785,669

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

Expenditures for capital assets	\$ 740,213	
Less current year depreciation	<u>(1,647,665)</u>	(907,452)

The PERS Pension Income (Expense) represents the changes in Net Pension Liability from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. 2,377,507

The OPEB - RHIA Income (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. 9,549

Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities, these liabilities are recognized as an expenditure when earned. (1,104)

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.

Bonds Payments	2,940,000	
Premium Amortization	<u>145,908</u>	3,085,908

Change in net OPEB liability		
Health Insurance Subsidy	56,241	
Stipend	<u>120,000</u>	176,241

Governmental funds expend the costs of debt refunding. These costs are reported as deferred outflows of resources that are amortized in the Statement of Activities. (181,634)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 4,096

Internal service funds are used by management to charge the costs of insurance activities to individual funds. This activity is consolidated with the governmental activities in the Statement of Activities. (8,270)

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

Change in General Fund	201,819	
Change in Debt Service Fund	<u>63,631</u>	265,450

Payment on Lease Liability for right to use assets decreases liabilities in the Statement of Net Position. 60,374

Payment on Lease Liability

Amortization Expense for right to use assets increases the expenses on the Statement of Activities. (60,547)

Amortization Expense

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 6,605,787

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2023

	<u>PROPRIETARY FUNDS</u>	
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ (194,724)	\$ 232,512
Receivables:		
Accounts	407,799	-
Work in Process	1,017,376	-
	<u>1,230,451</u>	<u>232,512</u>
TOTAL ASSETS		
	<u>1,230,451</u>	<u>232,512</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	73,260	-
	<u>73,260</u>	<u>-</u>
TOTAL LIABILITIES		
	<u>73,260</u>	<u>-</u>
NET POSITION		
Unrestricted	1,157,191	232,512
	<u>1,157,191</u>	<u>232,512</u>
TOTAL NET POSITION	<u>\$ 1,157,191</u>	<u>\$ 232,512</u>

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the year ended June 30, 2023

	<u>PROPRIETARY FUNDS</u>	
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
OPERATING REVENUES		
Sale of House	\$ 405,158	\$ -
TOTAL OPERATING REVENUES	405,158	-
OPERATING EXPENSES		
Costs of Sales	495,976	-
Support services	-	8,270
TOTAL OPERATING EXPENSES	495,976	8,270
OPERATING INCOME (EXPENSE)	(90,818)	(8,270)
NONOPERATING REVENUES (EXPENSES)		
Transfers In	450,000	-
CHANGE IN NET POSITION	359,182	(8,270)
NET POSITION - BEGINNING (AS RESTATED)	798,009	240,782
NET POSITION - ENDING	\$ 1,157,191	\$ 232,512

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended June 30, 2023

	<u>PROPRIETARY FUNDS</u>	
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received for services	\$ (407,799)	\$ -
Payments for goods and services	(399,231)	(8,270)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(807,030)	(8,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers	450,000	-
NET CASH USED BY FINANCING ACTIVITIES	450,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(357,030)	(8,270)
CASH AND CASH EQUIVALENTS, BEGINNING	162,306	240,782
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ (194,724)</u>	<u>\$ 232,512</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (90,818)	\$ (8,270)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Decrease (increase) in Accounts Receivable	(407,799)	-
Decrease (increase) in Work in process inventory	(156,928)	-
Increase (decrease) in Accounts Payable	(151,485)	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (807,030)</u>	<u>\$ (8,270)</u>

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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 government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. The Financial Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

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

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES

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

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

Financial operations are accounted for in the following major funds:

General Fund

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

Special Revenue Fund

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

Debt Service – GO Bonds Fund

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

Capital Projects Fund

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, the District reports the following proprietary funds:

Enterprise Fund

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

Internal Service Fund

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

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

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

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

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

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

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of ninety days or less from the date of acquisition. At June 30, 2023, short-term investments consist of the local government investment pool. Investments are stated at cost, which approximates market. The local government investment pool operates in accordance with appropriate state laws and regulations.

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

Property Taxes

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

Grants

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

Capital Assets

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

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

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Compensated Absences

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

Long Term Obligations

In the government-wide basic financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2023, there were deferred outflows representing PERS pension related deferrals, OPEB-RHIA related deferrals, and deferred outflows related to debt refunding in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. Unavailable revenue, is reported in the governmental funds balance sheet for property taxes. At June 30, 2023, there were deferred revenues related to property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2023, there also were deferred inflows representing PERS pension related deferrals, and OPEB-RHIA related deferrals in the Statement of Net Position.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-to-use lease Assets

Right-to-use lease assets are assets which the government leases for a term of more than one year. The value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Leases Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Retirement Plans

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

Net Position

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

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

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

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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 the fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned.

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

There are no committed or assigned fund balances at June 30, 2023.

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

Use of Estimates

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

LEVEL OF CONTROL

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

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

Budget amounts shown in the budgetary basic financial statements reflect the final budget. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2023, except for the General Fund, where Community Services and Transfers Out were over-expended by \$9,240 and \$7,332 respectively, Special Revenue Fund where Community Services were over-expended by \$298,128, and the Debt Service Fund where Debt Service and Transfers Out were over-expended by \$223,539 and \$31,513 respectively.

3. BUDGETARY BASIS OF ACCOUNTING

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

4. CASH AND INVESTMENTS

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

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

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

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:

Demand Deposits	\$ 2,342,035
Enterprise Fund Deposits	(194,724)
Investments	10,240,841
Total Cash and investments	<u>\$ 12,388,152</u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the treasury. The total bank balance per the bank statements as of June 30, 2023 was \$3,155,603, of which \$250,000 is covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Deposits

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

INVESTMENTS

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

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

4. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023, the fair value of the position in the **LGIP is 99.63%** of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

The 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:

Investment Type	Investment Maturities (In Months)			
	Fair Value	Less Than 3	3-18	18-59
State Treasurer's Local Government Investment Pool	\$ 10,240,841	\$ 10,240,841	\$ -	\$ -
Total	<u>\$ 10,240,841</u>	<u>\$ 10,240,841</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk- Investments

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

Credit Risk – Investments

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

Concentration of Credit Risk

At June 30, 2023, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of the local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2023, investments were in compliance with all percentage restrictions.

5. RECEIVABLES

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 1,411,570	\$ -	\$ -	\$ 1,411,570
Total Capital Assets Not Being Depreciated	<u>1,411,570</u>	<u>-</u>	<u>-</u>	<u>1,411,570</u>
Capital Assets Being Depreciated:				
Land Improvements	5,000	-	-	5,000
Buildings and Improvements	94,560,558	19,469	-	94,580,027
Machinery and Equipment	8,862,029	720,744	(104,323)	9,478,450
Total Capital Assets Being Depreciated	<u>103,427,587</u>	<u>740,213</u>	<u>(104,323)</u>	<u>104,063,477</u>
Accumulated Depreciation:				
Land Improvements	139	333	-	472
Buildings and Improvements	65,264,710	974,772	-	66,239,482
Machinery and Equipment	5,968,404	672,560	(104,323)	6,536,641
Total Accumulated Depreciation	<u>71,233,253</u>	<u>1,647,665</u>	<u>(104,323)</u>	<u>72,776,595</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 33,605,904</u>			<u>\$ 32,698,452</u>

Deletions are for the sale of fully depreciated machinery and equipment for proceeds and a gain of \$3,600.

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

Governmental Activities	
Instruction	\$ 983,943
Support Services	591,574
Community Services	72,148
Total Depreciation Expense	
Governmental Activities	<u>\$ 1,647,665</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

7. LONG-TERM OBLIGATIONS

Bonds Payable

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

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

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

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

	Interest Rates	Original Issue	Outstanding July 1, 2022	Matured and Redeemed	Outstanding June 30, 2023	Due within one year
Bonds Payable:						
GO Bond 2005	3-5%	\$ 19,515,000	\$ 12,890,000	\$ (1,220,000)	\$ 11,670,000	\$ -
GO Bond 2019	4-5%	18,790,000	16,755,000	(1,720,000)	15,035,000	3,150,000
QSCB 2011	5.13%	1,895,000	1,895,000	-	1,895,000	-
Total			31,540,000	(2,940,000)	28,600,000	3,150,000
Premium Related to Bond						
Premium 2005		2,013,612	1,167,259	(145,908)	1,021,351	-
Total Long-Term Liabilities			<u>\$ 32,707,259</u>	<u>\$ (3,085,908)</u>	<u>\$ 29,621,351</u>	<u>\$ 3,150,000</u>
Deferred Outflow on Debt Refunding						
Defeased GO Bond 2011			\$ 1,453,069	(181,634)	\$ 1,271,435	\$ -
Total Deferred Outflow			<u>\$ 1,453,069</u>	<u>\$ (181,634)</u>	<u>\$ 1,271,435</u>	<u>\$ -</u>

Future maturities of long term obligations are as follows:

Fiscal Year Ending Ending June 30,	GO Bonds		Fiscal Year Ending Ending June 30,	QSCB	
	Principal	Interest		Principal	Interest
2024	\$ 3,150,000	\$ 1,000,330	2024	\$ -	\$ 97,213
2025	3,320,000	933,519	2025	-	97,214
2026	3,510,000	852,786	2026	1,895,000	97,213
2027	3,760,000	720,505		<u>\$ 1,895,000</u>	<u>\$ 291,640</u>
2028	4,025,000	566,171			
2029-2030	8,940,000	605,400			
	<u>\$ 26,705,000</u>	<u>\$ 4,678,711</u>			

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.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.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. 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, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$8,354,276, excluding amounts to fund employer specific liabilities.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2023, the District reported a net pension liability of \$35,937,444 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. 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 dates of June 30, 2022 and 2021, the District's proportion was 0.023 percent and 0.026 percent, respectively. Pension expense (income) for the year ended June 30, 2023 was (\$768,767).

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 1,744,473	\$ 224,113
Changes in assumptions	5,638,779	51,516
Net difference between projected and actual earnings on pension plan investments	-	6,424,920
Net changes in proportionate share	732,170	4,448,347
Differences between District contributions and proportionate share of contributions	679,626	2,453,139
Subtotal - Amortized Deferrals (below)	8,795,048	13,602,035
District contributions subsequent to measurement date	8,354,276	-
Deferred outflow (inflow) of resources	<u>\$ 17,149,324</u>	<u>\$ 13,602,035</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, 2024.

Subtotal amounts related to pension as deferred outflows of resources \$8,795,048, and deferred inflows of resources, (\$13,602,035), net to (\$4,806,987) and will be recognized in pension expense (income) as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ (798,757)
2025	(1,627,169)
2026	(3,618,187)
2027	1,860,813
2028	(623,687)
Thereafter	-
Total	<u>\$ (4,806,987)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. 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	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

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

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

(Source: June 30, 2022 PERS ACFR; p. 74)

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. 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, 2022 and 2021 was 6.90 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 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	<u>1% Decrease</u> <u>(5.90%)</u>	<u>Discount Rate</u> <u>(6.90%)</u>	<u>1% Increase</u> <u>(7.90%)</u>
District's proportionate share of the net pension liability (asset)	\$ 63,731,949	\$ 35,937,444	\$ 12,674,727

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, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

8. 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 OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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

Plan Description:

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. 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 are included with PERS and equaled the required contributions for the year.

At June 30, 2023, the District reported a net OPEB asset of \$539,507 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2022 and 2021, the District's proportion was 0.015 percent and 0.016 percent, respectively. OPEB income for the year ended June 30, 2023 was \$9,549.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (80,776)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	74,960
- 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>\$ (5,816)</u></u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 14,620
Changes in assumptions	4,224	17,983
Net difference between projected and actual earnings on pension plan investments	-	41,144
Net changes in proportionate share	117,544	-
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>121,768</u>	<u>73,747</u>
District contributions subsequent to measuring date	N/A	N/A
Deferred outflow (inflow) of resources	<u><u>\$ 121,768</u></u>	<u><u>\$ 73,747</u></u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$121,768, and deferred inflows of resources, (\$73,747), net to (\$48,021) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 79,742
2025	(18,935)
2026	(25,964)
2027	13,178
2028	-
Thereafter	-
Total	<u><u>\$ 48,021</u></u>

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, 2022. That independently audited report was dated February 2, 2023 and can be found at:
<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. 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.

Long-Term Expected Rate of Return:

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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

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

(Source: June 30, 2022 PERS ACFR; p. 74)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (486,248)	\$ (539,507)	\$ (585,163)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Early Retirement (Stipends)

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

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

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

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

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

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

There are 10 employees currently in the plan, which is closed to all other employees. The liability is calculated using the maximum amounts the District would owe to all eligible employees on June 30, 2023 to be paid out by June 30, 2025. At June 30, 2023, there was a total potential OPEB liability for the Early Retirement Stipend of \$156,000 reported in the Statement of Net Position. The District elected to not obtain an actuarial valuation due to this calculation of maximum liability owed. The District pays these benefits on a pay-as-you-go basis, thus there are no deferred outflows or deferred inflows.

Post-Retirement Health Benefits (Health Insurance)

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

As of the actuarial valuation date, there were no active participants and 1 retiree in the ORS allowed plan 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB).

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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

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

Funding Policy

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

Net Other Post-employment Benefit Liability

The net other post-employment benefit liability (NOL) was measured as of June 30, 2023, and the total other post-employment benefit liability was determined by an actuarial valuation as of July 1, 2022.

At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	0
	<u>1</u>

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2022 using the Entry age normal, Alternative Measurement method.

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

Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal (Alternative Measurement method)
Discount Rate	4.13% from the S&P Municipal Bond 20 year High-Grade Rate Index as of June 30, 2023
Medical premium annual trend rate	7.4% in FY22-23, steadily decreasing each year to 4.5% in FY35-36, and thereafter
Inflation rate	3.0% for all Future years
Annual salary rate increase	N/A
Health care premium	
Beginning in 2018 a 40% excise tax will be imposed under the affordable care act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

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

The discount rate used to measure the total pension and total other post-employment benefit liabilities was 4.13%, based on all years discounted at the municipal bond rate.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

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

Changes in the Net Other Post-employment Benefit Liability

Changes of assumptions: Interest Discount, the investment return assumption was increased from 4.09% to 4.13%. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

	<u>Liability</u>
Total OPEB Liability Balance 6/30/2022	<u>\$ 136,958</u>
Changes for the Year:	
Service Cost	-
Interest	5,010
Changes of benefit terms	-
Difference between expected and actual experience	(32,520)
Changes of Assumptions or other input	213
Benefit payments	<u>(28,944)</u>
Net Change in total OPEB Liability	<u>(56,241)</u>
Total OPEB Liability Balance 6/30/2023	<u><u>\$ 80,717</u></u>

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

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 4.13 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Lower 3.13%	Current Discount Rate 4.13%	1% Higher 5.13%
Total OPEB Liability	\$ 79,492	\$ 80,717	\$ 81,988

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the trend rate of 7.4 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (6.4 percent) or 1-percentage-point higher (8.4 percent) than the current rate:

	1% Lower	Current Healthcare Trend Rates	1% Higher
Total OPEB Liability	\$ 81,939	\$ 80,717	\$ 79,515

For the year ended June 30, 2023, the District recognized Other Post-employment Benefit income of \$56,241. At June 30, 2023, the District reported no deferred outflows or inflows of resources related to Other Post-employment benefits.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

11. LEASE LIABILITY (RIGHT TO USE ASSETS)

For the year ended 6/30/2023, the basic financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 09/01/2021, the District entered into a 12 month lease as Lessee for the use of Modern Building Systems - Building at 7 Oak. An initial lease liability was recorded in the amount of \$18,579. As of 06/30/2023, the value of the lease liability is \$0. The District is required to make monthly fixed payments of \$1,550. The lease has an interest rate of 0.2450%. The value of the right to use asset as of 06/30/2023 of \$18,579 with accumulated amortization of \$18,579 is included with Buildings on the Lease Class activities table found below. The lease agreement for the Modern Building Systems expired on 8/31/2022.

On 07/01/2021, the District entered into a 52 month lease as Lessee for the use of Pacific Office Automation - Copiers. An initial lease liability was recorded in the amount of \$248,953. As of 06/30/2023, the value of the lease liability is \$134,895. The District is required to make monthly fixed payments of \$4,778. The lease has an interest rate of 0.5600%. The value of the right to use asset as of 06/30/2023 of \$248,953 with accumulated amortization of \$114,902 is included with Equipment on the Lease Class activities table found below.

Total lease liability for the year ended June 30, 2023 was as follows:

	Outstanding 7/1/2022	Issued	Matured and Redeemed	Outstanding 6/30/2023	Due Within One Year
Equipment	\$ 192,170	\$ -	\$ 57,275	\$ 134,895	\$ 57,596
Buildings	3,099	-	3,099	-	-
Total	<u>\$ 195,269</u>	<u>\$ -</u>	<u>\$ 60,374</u>	<u>\$ 134,895</u>	<u>\$ 57,596</u>

Future lease liability payments are as follows:

Year Ended June 30.	Principal	Interest
2024	\$ 57,596	\$ 608
2025	57,920	284
2026	19,379	23
	<u>\$ 134,895</u>	<u>\$ 915</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

12. RIGHT-TO-USE ASSET

Right-to-use assets are for leases in Note 11.

Total right-to-use asset activity for the year ended June 30, 2023 was as follows:

	Balance 7/1/2022	Additions	(Deletions)	Balance 6/30/2023
<u>Right-to-Use Asset</u>				
Equipment	\$ 248,953	\$ -	\$ -	\$ 248,953
Buildings	18,579	-	-	18,579
Total	267,532	-	-	267,532
<u>Accumulated Amortization</u>				
Equipment	57,451	57,451	-	114,902
Buildings	15,483	3,096	-	18,579
Total	72,934	60,547	-	133,481
Net Right-to-Use Assets	<u>\$ 194,598</u>			<u>\$ 134,051</u>

13. PROPERTY TAX LIMITATION

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

14. RISK MANAGEMENT

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

For the Year Ended June 30, 2023

15. COMMITMENTS AND CONTINGENCIES

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

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

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

16. INTERFUND TRANSFERS & INTERFUND RECEIVABLE/PAYABLE

Amounts were comprised of the following:

	Transfers Out	Transfers In
General Fund	\$ 2,291,332	\$ -
Special Revenue Fund	-	1,872,845
Debt Service Fund	31,513	-
Enterprise Fund	-	450,000
	<u>\$ 2,322,845</u>	<u>\$ 2,322,845</u>

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

17. TAX ABATEMENTS

As of June 30, 2023, the District had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2023 is deemed by management to be immaterial.

18. PRIOR PERIOD ADJUSTMENT

A prior period adjustment is reported in the business-type activities for the year ended June 30, 2023 to remove capitalized Work in Process related to the sale of property in prior periods.

Business-type Activities Net Position - Beginning	\$ 1,025,189
Prior Period Adjustment	(227,180)
Business-type Activities Net Position - Beginning (As Restated)	<u>\$ 798,009</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
June 30, 2023

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

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Differences Between Expected and Actual	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2023	\$ 136,958	\$ -	\$ 5,010	\$ -	\$ 213	\$ (32,520)	\$ (28,944)	\$ 80,717	N/A	N/A
2022	186,850	-	3,530	-	(3,537)	-	(49,885)	136,958	N/A	N/A
2021	227,236 *	-	5,415	1,514	-	-	(47,315)	186,850	N/A	N/A

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

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

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

LEBANON SCHOOL DISTRICT
LEBANON, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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
2023	0.23 %	\$ 35,937,444	\$ 26,324,755	136.5 %	84.5 %
2022	0.26	31,472,878	23,572,946	133.5	87.6
2021	0.26	55,989,795	21,834,903	256.4	75.8
2020	0.26	45,003,219	21,486,185	209.5	80.2
2019	0.27	41,328,208	19,595,401	210.9	82.1
2018	0.26	35,578,592	19,237,669	184.9	83.1
2017	0.28	41,360,281	17,568,345	235.4	80.5
2016	0.01	19,039,703	17,185,736	110.8	91.9
2015	0.36	(8,236,146)	N/A	N/A	103.6

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

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 8,354,276	\$ 8,354,276	\$ -	\$ 25,181,852	33.2 %
2022	8,025,709	8,025,709	-	26,324,755	30.5
2021	8,051,779	8,051,779	-	23,572,946	34.2
2020	7,558,671	7,558,671	-	21,834,903	34.6
2019	6,452,727	6,452,727	-	21,486,185	30.0
2018	5,979,757	5,979,757	-	19,595,401	30.5
2017	4,963,690	4,963,690	-	19,237,669	25.8
2016	4,637,109	4,637,109	-	17,568,345	26.4
2015	3,344,918	3,344,918	-	17,185,736	19.5

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.

**LEBANON SCHOOL DISTRICT
LEBANON, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/(liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/(liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset (liability)
2023	0.15183 %	\$ 539,507	\$ 26,324,755	2.05 %	194.6 %
2022	0.16386	562,729	23,572,946	2.39	183.9
2021	0.36034	734,231	21,834,903	3.36	150.1
2020	0.19724	381,150	21,486,185	1.77	144.4
2019	0.18905	211,038	19,595,401	1.08	124.0
2018	0.01879	78,459	19,237,669	0.41	108.9

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

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

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

SCHEDULE OF CONTRIBUTIONS FOR RHIA

	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
2023	\$ N/A	\$ N/A	\$ N/A	\$ 25,181,852	N/A %
2022	N/A	N/A	N/A	26,324,755	N/A
2021	N/A	N/A	N/A	23,572,946	N/A
2020	N/A	N/A	N/A	21,834,903	N/A
2019	N/A	N/A	N/A	21,486,185	N/A
2018	N/A	N/A	N/A	19,595,401	N/A

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

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

All statutorily required contributions were made and are included within PERS contributions (see p. 40).

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2023

<u>GENERAL FUND</u>				
	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 12,980,743	\$ 12,980,743	\$ 13,069,780	\$ 89,037
Intermediate Sources	260,000	260,000	223,630	(36,370)
State Sources	33,179,755	33,179,755	34,745,380	1,565,625
Federal Sources	185,000	185,000	237,739	52,739
Total Revenue	46,605,498	46,605,498	48,276,529	1,671,031
EXPENDITURES:				
Instruction	29,124,982	29,124,982 (1)	28,221,581	903,401
Support Services	17,918,008	17,918,008 (1)	17,718,801	199,207
Community Services	-	- (1)	9,240	(9,240)
Operating Contingencies	100,000	100,000 (1)	-	100,000
Total Expenditures	47,142,990	47,142,990	45,949,622	1,193,368
Revenues Over (Under) Expenditures	(537,492)	(537,492)	2,326,907	2,864,399
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(2,284,000)	(2,284,000) (1)	(2,291,332)	(7,332)
Proceeds From Sale of Assets	-	-	3,600	3,600
Total Other Financing Sources, (Uses)	(2,284,000)	(2,284,000)	(2,287,732)	(3,732)
Net Change in Fund Balance	(2,821,492)	(2,821,492)	39,175	2,860,667
Beginning Fund Balance	5,180,500	5,180,500	6,108,409	927,909
Ending Fund Balance	<u>\$ 2,359,008</u>	<u>\$ 2,359,008</u>	<u>\$ 6,147,584</u>	<u>\$ 3,788,576</u>

(1) Appropriation Level

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2023

SPECIAL REVENUE FUND

	BUDGET			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Local Sources	\$ 1,420,050	\$ 1,420,050	\$ 1,691,727	\$ 271,677
Intermediate Sources	156,415	156,415	159,359	2,944
State Sources	5,727,519	5,727,519	7,393,016	1,665,497
Federal Sources	13,501,718	13,501,718	5,818,472	(7,683,246)
Total Revenue	20,805,702	20,805,702	15,062,574	(5,743,128)
EXPENDITURES:				
Instruction	9,469,110	9,469,110 (1)	7,985,064	1,484,046
Support Services	5,745,713	5,745,713 (1)	4,049,660	1,696,053
Community Services	2,347,489	2,347,489 (1)	2,645,617	(298,128)
Facilities Acquisition	5,400,000	5,400,000 (1)	407,416	4,992,584
Total Expenditures	22,962,312	22,962,312	15,087,757	7,874,555
Revenues Over (Under) Expenditures	(2,156,610)	(2,156,610)	(25,183)	2,131,427
OTHER FINANCING SOURCES, (USES)				
Transfers In	1,834,000	1,834,000	1,872,845 (2)	38,845
Transfers Out	(125,000)	(125,000) (1)	-	125,000
Total Other Financing Sources, (Uses)	1,709,000	1,709,000	1,872,845	163,845
Net Change in Fund Balance	(447,610)	(447,610)	1,847,662	2,295,272
Beginning Fund Balance	4,902,966	4,902,966	5,763,388	860,422
Ending Fund Balance	<u>\$ 4,455,356</u>	<u>\$ 4,455,356</u>	<u>\$ 7,611,050</u>	<u>\$ 3,155,694</u>

(1) Appropriation Level

(2) Included in this amount is the state revenue match of \$14,850 for National School Lunch Program support.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

SUPPLEMENTARY INFORMATION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2023

DEBT SERVICE - GO BONDS FUND

	<u>BUDGET</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 4,040,000	\$ 4,040,000	\$ 4,102,212	\$ 62,212
Total Revenues	<u>4,040,000</u>	<u>4,040,000</u>	<u>4,102,212</u>	<u>62,212</u>
EXPENDITURES:				
Debt Service	<u>4,040,002</u>	<u>4,040,002</u> (1)	<u>4,263,541</u>	<u>(223,539)</u>
Total Expenditures	<u>4,040,002</u>	<u>4,040,002</u>	<u>4,263,541</u>	<u>(223,539)</u>
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	-	-	91,674	91,674
Transfers Out	<u>-</u>	<u>-</u> (1)	<u>(31,513)</u>	<u>(31,513)</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>60,161</u>	<u>60,161</u>
Net Change in Fund Balance	(2)	(2)	(101,168)	(101,166)
Beginning Fund Balance	<u>141,000</u>	<u>141,000</u>	<u>512,698</u>	<u>371,698</u>
Ending Fund Balance	<u>\$ 140,998</u>	<u>\$ 140,998</u>	<u>\$ 411,530</u>	<u>\$ 270,532</u>

(1) Appropriation Level

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2023

CAPITAL PROJECTS - SEISMIC REHAB

	<u>BUDGET</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
State Sources	\$ 24,000	\$ 24,000	\$ -	\$ (24,000)
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>(24,000)</u>
EXPENDITURES:				
Facilities Acquisition	<u>24,000</u>	<u>24,000 (1)</u>	<u>-</u>	<u>24,000</u>
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2023

<u>ENTERPRISE FUND</u>				
	<u>BUDGET</u>			VARIANCE TO
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
EXPENDITURES:				
Support Services	27,273	27,273 (1)	22,752	4,521
Facility Acquisition	767,727	767,727 (1)	473,224	294,503
Total Expenditures	795,000	795,000	495,976	299,024
OTHER FINANCING SOURCES, (USES)				
Transfers In	450,000	450,000	450,000	-
Sale of Capital Assets	340,000	340,000	405,158	65,158
Total Other Financing Sources, (Uses)	790,000	790,000	855,158	65,158
Net Change in Fund Balance	(5,000)	(5,000)	359,182	364,182
Beginning Fund Balance	5,000	5,000	798,009 (2)	793,009
Ending Fund Balance	\$ -	\$ -	\$ 1,157,191	\$ 1,157,191

(1) Appropriation Level

(2) Restated Beginning Fund Balance. See footnote 18.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2023

INSURANCE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXPENDITURES:				
Support Services	\$ 50,000	\$ 50,000 (1)	\$ 8,270	\$ 41,730
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>8,270</u>	<u>41,730</u>
Net Change in Fund Balance	(50,000)	(50,000)	(8,270)	41,730
Beginning Fund Balance	<u>237,400</u>	<u>237,400</u>	<u>240,782</u>	<u>3,382</u>
Ending Fund Balance	<u>\$ 187,400</u>	<u>\$ 187,400</u>	<u>\$ 232,512</u>	<u>\$ 45,112</u>

(1) Appropriation Level

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2023

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2022	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR INSEGREGATED, 6/30/2023
<u>GENERAL FUND:</u>						
Current:						
2022-23	\$ 12,653,115	\$ 339,125	\$ (11,725)	\$ 3,960	\$ 12,052,989	\$ 253,236
Prior Years:						
2021-22	226,733	162	(18,787)	8,352	104,150	111,986
2020-21	108,228	(163)	(14,181)	7,521	36,759	64,972
2019-20	62,543	(209)	(17,787)	9,812	28,501	26,276
2018-19	26,537	(186)	(14,240)	7,126	14,246	5,363
Prior Years:	22,938	-	(4,505)	3,120	5,427	16,126
Total Prior	446,979	(396)	(69,500)	35,931	189,083	224,723
Total General Fund	\$ 13,100,094	\$ 338,729	\$ (81,225)	\$ 39,891	\$ 12,242,072	\$ 477,959

	GENERAL FUND
RECONCILIATION TO REVENUE:	
Cash Collections by County Treasurer Above	\$ 12,242,072
Accrued at June 30, 2022	(212,840)
Accrued at June 30, 2023	42,001
Changes from Prior year Unavailable Revenue, see page 6	201,819
In Lieu of Property Taxes	596
Total Revenue	\$ 12,273,648

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2023

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/22	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 06/30/23
<u>DEBT SERVICE FUND:</u>						
Current:						
2022-23	\$ 4,248,217	\$ 113,859	\$ (3,936)	\$ 1,329	\$ 4,046,728	\$ 85,023
Prior Years:						
2021-22	78,325	56	(6,489)	2,885	35,979	38,686
2020-21	37,846	(57)	(4,959)	2,630	12,854	22,720
2019-20	22,669	(76)	(6,447)	3,557	10,331	9,524
2018-19	9,940	(70)	(5,334)	2,669	5,336	2,009
Prior Years:	9,398	-	(1,904)	1,268	2,206	6,556
Total Prior	158,178	(147)	(25,133)	13,009	66,706	79,495
Total Debt Svc Fund	\$ 4,406,395	\$ 113,712	\$ (29,069)	\$ 14,338	\$ 4,113,434	\$ 164,518

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 4,113,434
Accrued at June 30, 2022	(71,699)
Accrued at June 30, 2023	14,408
Changes from Prior year Unavailable Revenue, see page 6	63,631
Total Revenue	\$ 4,119,774

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

OTHER INFORMATION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

OTHER INFORMATION

As Required by The Oregon Department of Education
For the Year Ended June 30, 2023

A. Energy bills for heating, fuel, water and sewage - all funds:

Objects 325, 326 and 327

Function 2540	\$	915,438
Function 2550		-

B. Replacement of equipment - General Fund:

All General Fund expenditures in Object 542:

Object 542

\$ 82,007

These functions are Excluded:

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

AUDIT REVENUE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

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	\$12,071,233		\$4,056,143				
1120 Local Option Ad Valorem Taxes Levied by District		\$247,143					
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes	\$596						
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals	\$7,058						
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$604,566	\$43,354	\$13,268				
1600 Food Service		\$11,693					
1700 Extracurricular Activities		\$986,810					
1800 Community Services Activities							
1910 Rentals	\$2,178						
1920 Contributions and Donations From Private Sources		\$257,242					
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	\$6,500						
1970 Services Provided Other Funds							
1980 Fees Charged to Grants	\$42,803						
1990 Miscellaneous	\$334,846	\$145,485	\$32,801				\$490
Total Revenue from Local Sources	\$13,069,780	\$1,691,727	\$4,102,212	\$0	\$0	\$0	\$490
Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$27,380						
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue	\$196,250	\$159,359					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$223,630	\$159,359	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$33,301,010						
3102 State School Fund - School Lunch Match							
3103 Common School Fund	\$773,780						
3104 State Managed County Timber	\$332,920						
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$337,669	\$1,213,934					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid		\$6,179,082					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$34,745,380	\$7,393,016	\$0	\$0	\$0	\$0	\$0
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							
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government	\$77,546	\$42,533					
4500 Restricted Revenue From the Federal Government Through the State		\$5,425,098					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$132,246					
4801 Federal Forest Fees	\$160,194						
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		\$218,594					
Total Revenue from Federal Sources	\$237,739	\$5,818,472	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources			\$91,674				
5200 Interfund Transfers	\$0	\$1,872,845			\$450,000		
5300 Sale of or Compensation for Loss of Fixed Assets	\$3,600				\$405,158		
5400 Resources - Beginning Fund Balance	\$6,108,409	\$5,763,388	\$512,698		\$798,009	\$240,782	\$2,879
Total Revenue from Other Sources	\$6,112,009	\$7,636,233	\$604,371	\$0	\$1,653,167	\$240,782	\$2,879
Grand Total	\$54,388,538.26	\$22,698,806	\$4,706,583	\$0	\$1,653,167	\$240,782	\$3,369

**DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9**

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$9,465,495	\$5,692,305	\$3,513,420	\$199,940	\$59,830			
1113	Elementary Extracurricular	\$11,700	\$8,500	\$3,200					
1121	Middle/Junior High Programs	\$3,705,849	\$2,201,312	\$1,409,806	\$70,742	\$23,989			
1122	Middle/Junior High School Extracurricular	\$46,731	\$35,304	\$11,427					
1131	High School Programs	\$5,309,253	\$3,158,707	\$1,854,024	\$217,585	\$74,919		\$4,018	
1132	High School Extracurricular	\$81,529	\$59,013	\$22,516					
1140	Pre-Kindergarten Programs	\$61,020			\$61,020				
1210	Programs for the Talented and Gifted	\$50,828	\$23,049	\$8,781	\$2,586	\$15,633		\$779	
1220	Restrictive Programs for Students with Disabilities	\$2,467,209	\$1,318,509	\$1,049,639	\$91,992	\$7,069			
1250	Less Restrictive Programs for Students with Disabilities	\$3,061,161	\$1,596,485	\$1,193,211	\$256,674	\$14,791		\$0	
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$34,012	\$17,551	\$16,461					
1280	Alternative Education	\$3,541,584	\$611,871	\$395,811	\$2,517,977	\$15,668		\$256	
1291	English Second Language Programs	\$360,651	\$213,012	\$136,993	\$6,335	\$4,311			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$24,559			\$24,559				
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$28,221,581	\$14,935,618	\$9,615,290	\$3,449,410	\$216,210	\$0	\$5,053	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$851,819	\$454,044	\$273,347	\$123,485	\$943		\$0	
2120	Guidance Services	\$1,005,369	\$636,171	\$364,358	\$4,016	\$824			
2130	Health Services	\$376,403	\$200,010	\$148,261	\$22,756	\$4,921		\$455	
2140	Psychological Services	\$258			\$258				
2150	Speech Pathology and Audiology Services	\$467,548	\$292,161	\$168,536	\$4,189	\$1,408		\$1,255	
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$538,551	\$303,252	\$179,680	\$36,812	\$18,771		\$36	
2210	Improvement of Instruction Services	\$442,465	\$206,984	\$100,783	\$45,518	\$88,231		\$950	
2220	Educational Media Services	\$404,839	\$204,138	\$171,874	\$2,874	\$25,954		\$0	
2230	Assessment & Testing	\$50,426			\$1,371	\$38,133		\$10,923	
2240	Instructional Staff Development	\$122,382	\$20,403	\$7,307	\$74,012	\$1,093		\$19,568	
2310	Board of Education Services	\$71,754			\$63,284	\$1,217		\$7,253	
2320	Executive Administration Services	\$758,431	\$421,412	\$285,715	\$20,176	\$15,908		\$15,220	
2410	Office of the Principal Services	\$3,392,620	\$2,050,560	\$1,196,521	\$48,605	\$75,677	\$15,173	\$6,083	
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$857,885	\$515,844	\$284,594	\$28,798	\$22,833		\$5,816	
2540	Operation and Maintenance of Plant Services	\$4,718,329	\$1,349,677	\$833,609	\$1,644,762	\$475,340	\$68,084	\$346,858	
2550	Student Transportation Services	\$2,044,372	\$805,031	\$540,237	\$298,823	\$323,499		\$76,781	
2570	Internal Services	\$23,422	\$13,546	\$7,132		\$2,744			
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$0							
2630	Information Services	\$225,736	\$123,850	\$62,731	\$21,342	\$17,813			
2640	Staff Services	\$610,301	\$340,050	\$199,735	\$13,581	\$49,247		\$7,689	
2660	Technology Services	\$725,930	\$261,233	\$132,683	\$97,232	\$226,982		\$7,800	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$5,374	\$4,000	\$1,374					
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$24,587		\$24,587					
Total Support Services Expenditures		\$17,718,801	\$8,202,366	\$4,983,062	\$2,551,893	\$1,391,537	\$83,257	\$506,685	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$9,240	\$9,073	\$168					
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$9,240	\$9,073	\$168	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$2,291,332							\$2,291,332
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$2,291,332	\$0	\$0	\$0	\$0	\$0	\$0	\$2,291,332
Grand Total		\$48,240,954	\$23,147,057	\$14,598,520	\$6,001,303	\$1,607,747	\$83,257	\$511,738	\$2,291,332

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 200 Special Revenue Funds

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures									
1111	Elementary, K-5 or K-6	\$1,923,439	\$829,903	\$670,525	\$52,424	\$370,587			
1113	Elementary Extracurricular	\$46,873			\$4,114	\$42,588		\$171	
1121	Middle/Junior High Programs	\$318,109	\$62,267	\$28,257	\$118,783	\$108,802			
1122	Middle/Junior High School Extracurricular	\$97,695	\$43,823	\$11,649	\$21,223	\$19,171		\$1,830	
1131	High School Programs	\$581,475	\$218,481	\$145,434	\$26,276	\$105,988	\$84,113	\$1,184	
1132	High School Extracurricular	\$1,241,151	\$232,520	\$84,570	\$451,474	\$414,494	\$8,163	\$49,930	
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$22,785	\$16,200	\$6,108		\$477			
1250	Less Restrictive Programs for Students with Disabilities	\$900,801	\$524,461	\$366,392	\$9,601	\$348			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$28,777	\$2,588	\$995	\$798	\$24,397			
1272	Title I	\$1,185,127	\$685,796	\$479,799	\$2,613	\$16,919			
1280	Alternative Education	\$891,701	\$177,126	\$90,793	\$623,482	\$300			
1291	English Second Language Programs	\$169,300	\$94,805	\$57,389		\$17,106			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$577,831	\$268,480	\$94,021	\$186,880	\$28,450			
Total Instruction Expenditures		\$7,985,064	\$3,156,449	\$2,035,931	\$1,497,669	\$1,149,626	\$92,276	\$53,114	\$0
Support Services Expenditures									
2110	Attendance and Social Work Services	\$416,733	\$226,307	\$151,134	\$0	\$39,291			
2120	Guidance Services	\$187,637	\$106,521	\$63,292	\$1,871	\$15,953			
2130	Health Services	\$9,967	\$6,113	\$1,074		\$2,780			
2140	Psychological Services	\$291,304	\$180,013	\$103,172	\$354	\$7,765			
2150	Speech Pathology and Audiology Services	\$2,202	\$1,600	\$602					
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$162,135	\$103,859	\$58,276	\$0				
2210	Improvement of Instruction Services	\$329,582	\$129,862	\$61,366	\$107,133	\$31,221			
2220	Educational Media Services	\$12,277	\$2,800	\$1,043		\$8,434			
2230	Assessment & Testing	\$12,113				\$12,113			
2240	Instructional Staff Development	\$132,389	\$42,737	\$15,537	\$63,375	\$740		\$10,000	
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$13,791	\$800	\$314	\$79	\$12,598			
2410	Office of the Principal Services	\$994,645	\$622,587	\$357,794		\$14,264			
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$56,017	\$2,400	\$928				\$52,689	
2540	Operation and Maintenance of Plant Services	\$51,020	\$10,800	\$4,268	\$21,529	\$14,423			
2550	Student Transportation Services	\$552,896	\$35,281	\$13,433	\$90,460		\$413,722		
2570	Internal Services	\$1,563				\$1,563			
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$551	\$400	\$151					
2640	Staff Services	\$202,047	\$67,238	\$11,942	\$68,444	\$54,424			
2660	Technology Services	\$416,540	\$1,200	\$452	\$37,094	\$186,453	\$189,114	\$2,228	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$75,071	\$33,456	\$28,485	\$13,130				
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$129,180	\$120,000	\$9,180					
Total Support Services Expenditures		\$4,049,660	\$1,693,973	\$882,444	\$403,469	\$402,022	\$602,835	\$64,917	\$0
Enterprise and Community Services Expenditures									
3100	Food Services	\$2,626,114	\$790,209	\$601,910	\$19,488	\$1,047,140	\$141,878	\$25,489	
3200	Other Enterprise Services	\$0							
3300	Community Services	\$19,503	\$159	\$59	\$6,785	\$12,500			
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$2,645,617	\$790,368	\$601,969	\$26,273	\$1,059,640	\$141,878	\$25,489	\$0
Facilities Acquisition and Construction Expenditures									
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$407,416					\$407,416		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$407,416	\$0	\$0	\$0	\$0	\$407,416	\$0	\$0
Other Uses Expenditures									
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							\$0
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$15,087,757	\$5,640,789	\$3,520,343	\$1,927,411	\$2,611,288	\$1,244,406	\$143,520	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 300 Debt Service Funds

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures									
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures									
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures									
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures									
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures									
5100	Debt Service	\$4,263,541						\$4,263,541	
5200	Transfers of Funds	\$31,513							\$31,513
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$4,295,054	\$0	\$0	\$0	\$0	\$0	\$4,263,541	\$31,513
Grand Total		\$4,295,054	\$0	\$0	\$0	\$0	\$0	\$4,263,541	\$31,513

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9**

Fund: 500 Enterprise Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$22,752	\$16,171	\$6,581					
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$22,752	\$16,171	\$6,581	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$473,224			\$0		\$473,224		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$473,224	\$0	\$0	\$0	\$0	\$473,224	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$495,976	\$16,171	\$6,581	\$0	\$0	\$473,224	\$0	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9**

Fund: 600 Internal Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$8,270			\$8,270				
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$8,270	\$0	\$0	\$8,270	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$8,270	\$0	\$0	\$8,270	\$0	\$0	\$0	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9**

Fund: 700 Trust and Agency Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$261				\$261			
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$261	\$0	\$0	\$0	\$261	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$261	\$0	\$0	\$0	\$261	\$0	\$0	\$0

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT
June 30, 2023

GENERAL OBLIGATION BONDS

<u>YEAR Ending June 30</u>	G.O. Bonds - 2005 Issue		
	PRINCIPAL	INTEREST	TOTAL
2024	\$ -	\$ 636,162	\$ 636,162
2025	160,000	636,163	796,163
2026	1,635,000	628,962	2,263,962
2027	2,000,000	543,125	2,543,125
2028	2,260,000	433,125	2,693,125
2029	2,615,000	308,824	2,923,824
2030	3,000,000	165,000	3,165,000
TOTALS	<u>\$ 11,670,000</u>	<u>\$ 3,351,361</u>	<u>\$ 15,021,361</u>

<u>YEAR Ending June 30</u>	QSCB School Construction Bonds - 2011 Issue		
	PRINCIPAL	INTEREST	TOTAL
2024	\$ -	\$ 97,213	\$ 97,213
2025	-	97,214	97,214
2026	1,895,000	97,213	1,992,213
TOTALS	<u>\$ 1,895,000</u>	<u>\$ 291,640</u>	<u>\$ 2,186,640</u>

<u>YEAR Ending June 30</u>	G.O. Bonds - 2019 Issue		
	PRINCIPAL	INTEREST	TOTAL
2024	\$ 3,150,000	\$ 364,168	\$ 3,514,168
2025	3,160,000	297,356	3,457,356
2026	1,875,000	223,824	2,098,824
2027	1,760,000	177,380	1,937,380
2028	1,765,000	133,046	1,898,046
2029	1,700,000	87,880	1,787,880
2030	1,625,000	43,696	1,668,696
TOTALS	<u>\$ 15,035,000</u>	<u>\$ 1,327,350</u>	<u>\$ 16,362,350</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcpcpas.com

December 12, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Lebanon Community School District No. 9 as of and for the year ended June 30, 2023, and have issued our report thereon dated December 12, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

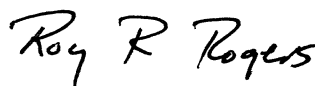
In connection with our testing nothing came to our attention that caused us to believe the Lebanon Community School District No. 9 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, for the year ended June 30, 2023, except for:

1. Expenditures were within authorized appropriations except as noted on page 17.

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.

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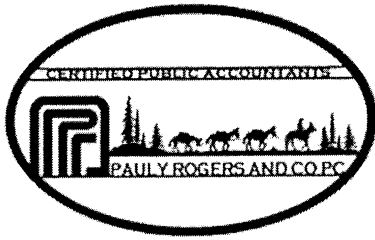
ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

GRANT COMPLIANCE REVIEW

Lebanon Community School District #9
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Grantor	Program Title	Fund #	Grant Period	AL Number	Pass through #	Grant Amount	2022-23 Revenues	2022-23 Expenditures	Passed-through to Sub Recipients
U.S. Department of Education:									
Passed through Oregon State Department of Education:									
Title I-A :									
	22-23 Grant	228	7/1/22 - 9/30/23	84.010	72547	\$ 1,119,542	\$ 896,164	\$ 896,164	\$ -
	21-22 Grant	228	7/1/21 - 9/30/22	84.010	67007	1,129,260	351,841	351,841	-
						2,248,802	1,248,005	1,248,005	\$ -
IDEA Part B Children w/ Disabilities:									
	Section 611: 22-23	259	7/1/22 - 9/30/24	84.027	74059	\$ 829,026	\$ 829,026	\$ 829,026	\$ -
	Section 611: 21-22	259	7/1/21 - 9/30/23	84.027	68663	806,614	165,874	165,874	-
						\$ 1,635,640	\$ 994,900	\$ 994,900	\$ -
Section 619: 22-23									
		257	7/1/22 - 9/30/24	84.173	74246	5,994	5,994	5,994	-
						\$ 5,994	\$ 5,994	\$ 5,994	\$ -
Total (IDEA Cluster)						1,641,634	1,000,894	1,000,894	-
Title III English Language Acquisition:									
	278	7/1/22 - 9/30/23	84.365	73102	\$ 12,098	\$ 11,567	\$ 11,567	\$ -	
	278	7/1/21 - 9/30/22	84.365	67143	11,278	8,856	8,856	-	
					\$ 23,376	\$ 20,423	\$ 20,423	\$ -	
Title II-A Improving Teacher Quality:									
	271	7/1/22 - 9/30/23	84.367	72744	\$ 167,874	\$ 80,511	\$ 80,511	\$ -	
	271	7/1/21 - 9/30/22	84.367	67440	182,664	49,417	49,417	-	
					\$ 350,538	\$ 129,928	\$ 129,928	\$ -	
Title IV-A Student Support and Academic Enrichment									
	228	7/1/22 - 9/30/23	84.424	72941	\$ 87,845	\$ 87,845	\$ 87,845	\$ -	
					\$ 87,845	\$ 87,845	\$ 87,845	\$ -	
COVID-19 - LEA ESSER II Fund									
	902	5/13/20 - 9/30/23	84.425	64615	\$ 3,721,625	\$ 383,674	\$ 383,674	\$ -	
					\$ 3,721,625	\$ 383,674	\$ 383,674	\$ -	
COVID-19 - LEA ESSER III Fund									
	903	5/13/20 - 9/30/24	84.425	64920	\$ 8,358,242	\$ 764,775	\$ 493,714	\$ 271,061	
					\$ 8,358,242	\$ 764,775	\$ 493,714	\$ 271,061	
COVID-19 - Homeless Children & Youth									
	907	5/13/20 - 9/30/24	84.425W	69363	\$ 62,786	\$ 13,630	\$ 13,630	\$ -	
					\$ 62,786	\$ 13,630	\$ 13,630	\$ -	
Total (ESSER)						12,142,653	1,162,079	891,018	\$ 271,061
Total Passed Through Oregon Department of Education						16,494,848	3,649,174	3,378,113	\$ 271,061
Direct from the Federal Government:									
	Emergency Connectivity	906	7/1/22 - 6/30/23	32.009	N/A	\$ -	\$ 42,533	\$ 42,533	\$ -
						\$ -	\$ 42,533	\$ 42,533	\$ -
Linn Benton Community College:									
	Carl Perkins Grant	293	7/1/22 - 6/30/23	84.048	N/A	\$ 69,755	\$ 69,755	\$ 69,755	\$ -
						\$ 69,755	\$ 69,755	\$ 69,755	\$ -
Department of Human Services:									
	Youth Transition Program	248	7/1/19 - 6/30/23	84.126a	160725	\$ 268,271	\$ 62,492	\$ 62,492	\$ -
						\$ 268,271	\$ 62,492	\$ 62,492	\$ -
US Department of Defense:									
	JROTC	100-4300	7/1/22 - 6/30/23	12.000	N/A	\$ 77,546	\$ 77,546	\$ 77,546	\$ -
						\$ 77,546	\$ 77,546	\$ 77,546	\$ -
U.S. Department of Agriculture:									
Passed through Oregon State Department of Education:									
	Fresh Fruit & Vegetables	297	7/1/22 - 6/30/23	10.582	N/A	\$ -	\$ 36,680	\$ 36,680	\$ -
	NSLP School Breakfast	299	7/1/22 - 6/30/23	10.553	N/A	-	509,008	509,008	-
	NSLP School Lunch	299	7/1/22 - 6/30/23	10.555	N/A	-	1,163,923	1,163,923	-
	Supply Chain Assistance	299	7/1/22 - 6/30/23	10.555	N/A	-	70,308	70,308	-
	Commodity NSLP	299	7/1/22 - 6/30/23	10.555	N/A	-	209,014	209,014	-
	Summer Food Program	299	7/1/22 - 6/30/23	10.559	N/A	-	71,812	71,812	-
	Commodity SFSP	299	7/1/22 - 6/30/23	10.559	N/A	-	9,580	9,580	-
	Total					\$ -	\$ 2,070,325.00	\$ 2,070,325.00	\$ -
Child & Adult Care									
		299	7/1/22 - 6/30/23	10.558	N/A	-	2,789	2,789	-
CACFP Cash in Lieu									
		299	7/1/22 - 6/30/23	10.558	N/A	-	208	208	-
						\$ -	\$ 2,997	\$ 2,997	\$ -
Direct Award:									
	Federal Forest Fees	100-4801	7/1/22 - 6/30/23	10.666		\$ -	\$ 160,193	\$ 160,193	\$ -
						\$ -	\$ 160,193	\$ 160,193	\$ -
Total U.S. Department of Agriculture						\$ -	\$ 2,233,515	\$ 2,233,515	\$ -
Total Federal Financial Assistance						16,910,420	6,135,015	5,863,954	\$ 271,061
RECONCILIATION TO REVENUE									
Total From Above							\$ 6,135,015		
Accruals/Deferrals							78,804		
							\$ 6,056,211		



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December 12, 2023

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, and each major fund and the aggregate remaining fund information of Lebanon Community School District No. 9 (the District) as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 12, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

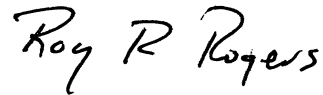
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

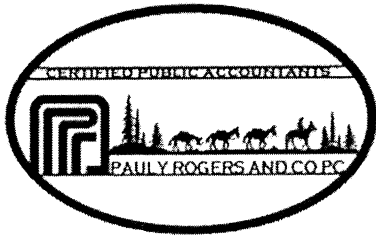
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive style with a large, stylized "R" in the middle.

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



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December 12, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lebanon Community School District No. 9 (the District)'s compliance with the types of compliance requirements identified as subject to audit 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, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

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.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

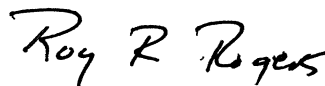
Report on Internal Control over Compliance

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized "R" at the beginning.

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in
accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance
with section 200.516(a) of the Uniform Guidance?

☐ yes ☒ no

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

IDENTIFICATION OF MAJOR PROGRAMS

<u>AL NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
COVID-19, 84.425, 84.425W	American Rescue Plan – Elementary & Secondary School Emergency Relief
84.027, 84.173	IDEA

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows, of the District

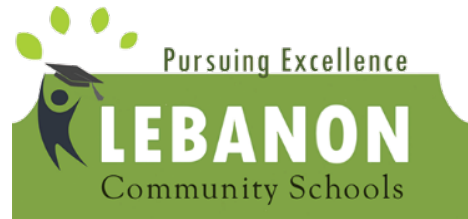
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Agenda Item 4

Feeder School to LHS Data

BOARD MEMORANDUM



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

From: Jennifer Meckley, Superintendent

Date: April 5, 2024 **Meeting Date:** April 11, 2024

Re: Feeder School to LHS Data, In reference to the Charter School Presentation at the March 14, 2024 Board Meeting.

In reference to a discussion which took place during the March Sand Ridge Charter presentation, this data provides GPA for current freshman and seniors who were 8th grade students at one of our feeder schools, or a school outside of LCSD.

#N/A = From Out of District

FRESHMAN SEMESTER 1 GPA

Student Count		4.00 GPA	
Feeder	COUNT of Perm ID	Feeder	COUNT of GPA
HCR	27	HCR	5
LAC	24	LAC	6
SOK	205	SOK	17
SRC	16	SRC	4
#N/A	30	#N/A	1
Grand Total	302	Grand Total	33
3.75 and above GPA		AVERAGE GPA	
Feeder	COUNT of GPA	Feeder	AVERAGE of GPA
HCR	6	HCR	2.43
LAC	8	LAC	3.00
SOK	33	SOK	2.40
SRC	5	SRC	2.84
#N/A	4	#N/A	2.43
Grand Total	56	Grand Total	2.48

SENIORS SEMESTER 1 GPA

Student Count		4.00 GPA	
Feeder	COUNT of Perm ID	Feeder	COUNT of GPA
HCR	25	HCR	7
LAC	17	LAC	5
SOK	136	SOK	38
SRC	11	SRC	5
#N/A	55	#N/A	11
Grand Total	244	Grand Total	66
3.75 and above GPA		AVERAGE GPA	
Feeder	COUNT of GPA	Feeder	AVERAGE of GPA
HCR	3	HCR	2.63
LAC	3	LAC	2.72
SOK	20	SOK	2.87
SRC	3	SRC	3.18
#N/A	10	#N/A	2.36
Grand Total	39	Grand Total	2.74

Agenda Item 5

Board Self Evaluation

OSBA Board Self Evaluation Overview

- Includes an anonymous online survey that consists of 12 standards for effective boardsmanship based on the ongoing research of Dr. Tom Alsbury on "Balanced Governance."
- Includes a facilitated board self-evaluation survey analysis/discussion.
- Allows board members to reflect on their performance and set professional development goals/commitments.

BSAS Process

1. OSBA facilitator will send survey link to the board. The survey is based on 12 board standards for effective boardsmanship based on the ongoing research of Dr. Tom Alsbury on "Balanced Governance." Survey contains 84 questions and may take approximately 20-25 minutes to complete. Responses are anonymous; board members will be asked in the survey to provide a unique self-identifying word or number.
2. Board will receive a copy of the survey results prior to the work session and guidance for work session preparation.
3. At the work session, board development specialist will facilitate a discussion of the survey results and help the board create board goals/commitments that align with the results and discussion.

Cost of Service:

- BSAS detailed analysis/facilitation of results: \$725
- Clerical Services \$45/hour
- Travel Time \$72/hour
- Mileage (calculated from the consultant's location) IRS Rate
- Meals, lodging and other expenses (if applicable) Actual Cost

Agenda Item 7

Consent Agenda

A. March 14, 2024

Board Meeting Minutes



**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING
MARCH 14, 2024, 6:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

MEETING MINUTES

<u>BOARD MEMBERS PRESENT:</u>	<u>EXECUTIVE STAFF PRESENT:</u>
Tom Oliver, Chair, via Zoom	Jennifer Meckley, Superintendent
Clyde Rood, Member	Kim Grousbeck, Human Resources Director
Melissa Baurer, Member	Steven Prososki, Business Director
Nichole Piland, Member	William Lewis, Chief Operations Officer

The meeting minutes were recorded by Executive Secretary Jessica Woody.

1. WELCOME AND CALL TO ORDER

Board Chair Tom Oliver called the meeting to order at 6:01 PM and led the flag salute.

2. PUBLIC COMMENTS

Micky Washburn, the President at ABC Roofing, speaks to the board via zoom, explaining the timeline that they have been working with the district on regarding the Lacombe roof project, and some possible miscommunications from their perspective. Noting that they would still be willing to sit on the contract that was provided to them on February 26th.

3. SAND RIDGE CHARTER SCHOOL CONTRACT PRESENTATION

Mary Northern, Director of Operations and Founder of Sand Ridge Charter School, and three Sand Ridge board members, Jerry Workman, Jay Jackson, and Jolene Watson, introduce themselves and speak to the LCSD Board providing background information about the Charter School and what exactly it means to be a Charter School.

Mary provides informational packets to the board members with basic school information and student proficiency rates, and announces that Sand Ridge is currently #2 in size and academics, out of approximately 136 Charter Schools in Oregon, according to the US News Education.

Discussion takes place between the Sand Ridge members and the LCSD members, with various questions and answers relating to waitlists, building locations, elective opportunities, advanced learning opportunities, enrollment, and expansion.

Discussion also takes place regarding feeder school data to LHS, and an LCSD Board Member, Nichole, shares that she would like to see the data showing Sand Ridge students and other feeder schools, and how they are doing academically at LHS comparatively.

The Charter School members also share that they look forward to working with the district on the charter renewal, and Mary shares that the contract can go anywhere from 5-10 years.

The newest members of the LCSD School Board express interest in touring the Sand Ridge facilities, and Jessica Woody will assist in coordinating the tours.

Sand Ridge thanks the district for their time.

4. LACOMB ROOF

William shares the Lacombe Roofing Timeline with the group. He explains that the district is in the process of shifting from the first awarded company (ABC Roofing), and now awarding Roof Toppers. He explains that this would change the roof to a single ply roof, and the district is feeling very comfortable about the decision, and are in contact with their attorney daily regarding the legal aspect.

Tom explains the costs with each company, and of the single ply roof, and inquires whether this roof would be fully adhered or mechanically fastened. He notes that he would not be interested in anything other than a fully adhered roof.

Discussion takes place regarding what will now be a 20-year single ply roof with Roof Toppers, and the original roof with ABC roofing was planned to be a 30-year built up roof – and the difference between the two.

Discussion also takes place whether the district should move forward with the construction this year, or hold. HMK, the district's construction manager shares that pricing will continue to rise and does not see a reason to delay.

Melissa believes that Lacombe needs to be prioritized and is long overdue, relating the issue to the focus areas of effective facilities, and safety and belonging.

Tom would like to know whether the single ply roof that the district is currently pursuing is a fully adhered roof, and William shares that he will get that information.

The board's consensus is that they are comfortable moving forward with Roof Toppers, and would like the district to research the fully adhered roof vs. the mechanically fastened- with preference of the fully adhered roof option.

5. BOARD MEMBER ZONE 3 VACANCY

Tom explains to the members that the board will need to declare the vacancy of Zone 3, since former member Mike Martin has submitted his resignation.

Nichole motions, and Melissa seconds the motion. All in favor with a unanimous vote, the board declares vacancy on Zone 3.

Tom also explains that Mike served as Vice-Chair on the board, and the board would need to vote for a new Vice Chair.

Melissa motioned to appoint Nichole as Vice Chair, and Tom seconded the motion. All in favor with a unanimous vote, Nichole is appointed Vice Chair.

6. LBL ESD LOCAL SERVICE PLAN

It is stated that Jennifer can help to answer any questions that the board may have regarding the LBL ESD Local Service Plan.

Tom asks whether Jennifer has any concerns with the plan and Jennifer shares that she has none whatsoever.

With no further discussion, Nichole motions to approve, and Melissa seconds the motion. All in favor with a unanimous vote, the LBL ESD Local Service Plan is approved by the board.

7. SUPERINTENDENT'S REC. FOR RENEWAL & NONRENEWAL

The board receives the recommendations for renewal and nonrenewal, and does not present any questions.

Nichole motions to approve, and Melissa seconds the motion. Clyde has abstained. With 3 votes to approve and 1 abstained, the superintendent's recommendation for renewal and nonrenewal is approved.

8. 2024-25 & 2025-26 CERTIFIED CALENDAR

Jennifer shares that other surrounding districts have been creating two calendar years at a time, and she is pleased that the board was open to reviewing two years. Jennifer explains the calendar development process to the board, consisting of creating a draft calendar, meeting with the calendar team, and discussing potential changes, all in accordance with the certified bargaining contract.

The board did not present questions.

Clyde motioned to approve, and Nichole seconded the motion. All in favor with a unanimous vote, the board approves both 2024-25 and 2025-26 Certified Calendars.

9. SNOW DAYS MAKE UP

Jennifer shares that there were two no school days resulting from the weather in January. She inquires if the board is interested in making those days up, and she notes that the district does have enough instructional minutes per Division 22 standards, without making those days up.

Tom does not feel compelled to add a day at the end of the year, but would be okay either way.

Jennifer believes that if the district doesn't have to make it up, it will be better for families and for staff planning wise, and she feels that had it been 5 days for example, it would be significantly different.

Tom notes that if additional weather is to take place resulting in cancelled school days, they will revisit the conversation.

Nichole motions to not make up the days, and Clyde seconds the motion. All in favor with a unanimous vote, the board votes not to make up the missed instructional days.

10. HIGH SCHOOL DATA

Jennifer shares a lot of encouraging data which is outlined in the memo, including the increase in 9th grade on track and on time graduation, and staffing data consisting of 85% teacher retention and 79% of teachers with at least 3 years of experience-- all making for higher achievement rates.

Jennifer also references the graduation rate, which is higher than it has been in many years.

She explains the process of students with incomplete grades and how teachers can continue to work with those students to help recover and pass their class, if needed. 298 incompletes were assigned at Semester 1, and of those, 198 grades improved to passing grades. She reiterates that this is not something to rely on, but it is something to commend teachers for, for their additional efforts to help those students who need extra support to pass a particular class.

She also explains how Ralston Academy has significantly helped with the graduation rates for the high school, and shares that approximately 20% of LHS' graduating class has finished at Ralston Academy. Jennifer shares additional Ralston Academy data, referenced in the packet. Tom clarifies that the high school graduation rates also reflect Ralston Academy students.

Despite any misconceptions, it is communicated that standards and requirements for graduation have not lessened, and Lebanon appears to have a higher expectation for the number of credits required to graduate.

Tom acknowledges the push for increased parental connections with students' academics, which has played a role in the successes as well.

The group also discusses the importance of building the connection with the student, and Melissa adds that Ralston is doing a great job of the supporting the student and allowing them the time and space that they may need to be successful.

Jennifer notes that it appears that the high school is on track for another great graduation rate this year.

There is no further discussion.

11. POLICY PROCESS

In reference to a discussion at the February meeting, Jennifer shares a flow chart with the board which explains the current policy process. Jennifer notes that she researched what other districts were doing, and found that some were very similar, and some had small differences.

Tom notes that there have been tweaks to the process over time, and how the policies are presented to the board. He notes that most policy updates are related to legislative policy, and

some are recommendations from the OSBA. He explains that he is comfortable with the current process, and has concerns with policy changes by committee because changes are generally very technical and he would like to rely on Jennifer and the district staff regrading those changes.

Nichole believes that the updates are of responsibility of the board, and Clyde believes that the committee would allow an extra set of eyes from appropriate stakeholders, for further suggestions.

Further discussion takes place with the board regarding the terms of a policy committee.

Jennifer shares that a new OSBA policy update is coming, and the board will have the opportunity to review and provide further input at that time, and that the board can always make suggestions for change.

The consensus of the board is to make no change to the process at this time, and may discuss further at a later date if applicable.

12. CONSENT AGENDA

Clyde motions to approve and Melissa seconds the motion. All in favor with a unanimous vote, the consent agenda made up of the February 8, 2024 Board Meeting Minutes, and New Hire Serene Mellenthin is approved in its entirety.

13. DEPARTMENT REPORTS

A. Operations

William speaks to the board sharing an update on the Seven Oak project and shares a photo of the new building. He clarifies that this building was built using federal funding which cannot be used for roof updates, etc. He reminds the group that this building will help with the goal of moving all 6th grade in-town students over to Seven Oak Middle School.

He also provides an update on the LHS Kitchen/Cafeteria project, which will help to make lunches more efficient at the high school. He shares a drawing of the new plan, and states that equipment has been ordered.

William also presents a proposed plan of the Facilities and Maintenance Warehouse, where the district is proposing to build a new pole building attached to the new Seven Oak building, that can be used for delivery and warehouse space, and to store equipment, etc. This could entail a future expansion where all facilities and maintenance could be housed in the future. He notes that this building will be built in house, which will save the district a large amount of money.

He also notes that with these updates, the district should start seeing significant operational improvements and efficiencies.

B. Human Resources

Nothing to report.

C. Finance

Steven speaks to the board providing an update on the athletics fund and the increase to coaching stipends. He acknowledges the increase in middle school sports this year. He is not asking for a

board approval, but wanted to be transparent about the transfer which was needed for the 10% increase on stipends, after processing spring coaching.

Steven also shares that the auditors are wrapping things up and are planned to join the April Board Meeting.

14. COMMUNICATION

A. Board

Melissa states that it is amazing to see the number of students who are involved in sports or extra-curricular activities this year.

Tom notes the importance of sports, and that engagement is key.

A. Superintendent

Jennifer explains the efforts that the district has been making regarding the Indian Education Program. She notes that the district will be applying for a federally funded grant next year. She explains that the district has held meetings with Cascades Instructional Assistant, Laurie Regalado, and the initiated team, who have already begun activities for the program. She also notes that the district is already doing all of the required things for the grant, ahead of time, so when it comes time to apply for the grant those systems and practices are already in place. Jennifer is working with surrounding superintendents and the LBL ESD, to apply as a consortium.

Jennifer also shares her Jen's Zens, starting with the success of the LHS construction students. She describes the newly built beautiful home, and quotes teacher Eric Frazier who states that 15-25% of his students go on to careers related to construction directly out of high school. She notes that this is one of the many examples of a career and technical education program that is truly making a difference and bringing hands on learning and professional skills to students. The newly built house will be on the market as of April 1st.

Jennifer also highlights, Read Across American, a program which started in 1988 as a large celebration of reading. Our schools celebrate this during a week in March that coincides with Dr. Suess' birthday. Jennifer thanks the title teachers, and specifically Julie Ragan, who orchestrated and coordinated, with the help of library assistants and many other staff, a very special reading event at Hamilton Creek and Lacombe schools.

Jennifer also highlights the boys' basketball team who for their fourth year, visited the Oaks Retirement and Assisted Living Center, to be Valentine's dates for the ladies who live there. The boys dress up and so do the residents, and dance, visit, and enjoy refreshments together. This has become a beloved tradition and they have already booked it on their 2025 calendar for Valentine's Day. She expresses their appreciation for Coach Vandenbos for creating this opportunity.

The recent apple award winners were acknowledged, consisting of John Carey- High School Math Teacher, Debby Carlson- Food Service Assistant, Jodi Leopard-Behavior Support Professional, Stefanie Trask-4th Grade Teacher, Matthew Clark-Music Teacher, and Linda Barr-Special Education Teacher. She thanks the Gillott Home Team, Adam Kirkpatrick Dentistry, and 1847 Bar and Grill for their generous contributions which make these awards possible.

15. PUBLIC COMMENTS

Brady Blatchley, Former LCSD Teacher, speaks to the board regarding his experience with his recent employment with the district, and his concerns with his final evaluation prior to his resignation.

Josilyn Sharp, Parent and Community Member, speaks to the board sharing her support for former LCSD teacher, Mr. Blatchley, and reads a letter from a 7th grade student at Hamilton Creek School. Josilyn asks the board to please review what is happening at Hamilton Creek School.

Stephanie Breshears, Parent and Community Member, speaks to the board regarding the departure of a particular educator who she has had a great experience with. She expresses her appreciation for former LCSD teacher, Mr. Blatchley, and his roles and impact with the district. She asks that if it is possible, that the board allows him to return to the district. Stephanie reads a letter from another parent.

Michelle Krantz, Parent and Community Member, begins speaking to the board regarding the administrator at Hamilton Creek School. Michelle is reminded by the board chair that you may not speak about specific district personnel during public comments. Michelle instead reads two letters from the community regarding former LCSD teacher, Mr. Blatchley.

Don Blatchley, Community Member and Father of former LCSD teacher Brady Blatchley, speaks to the board asking that they reconsider the employment for his son Mr. Blatchley. He shares that his son really enjoys his job and his students.

Mandy Seibert, 26-Year Teacher at Hamilton Creek School, speaks to the board regarding her and other staff member's support of the administrator at Hamilton Creek School. Mandy is reminded by the board chair that you may not speak about specific district personnel during public comments. Mandy shares the increased moral in their school building, and some of the great things that are going on at their school, consisting of encouragement, peer collaboration, feedback provided to better their craft, emphasis on mental health, staff wellness days, and more. She shares that in her 26 years of teaching, she has seen more positive change in 3 years, than in her entire career.

Jason Sandquist, Community Member and former student at Cottage Grove High School, speaks to the board regarding his opinions on roof construction and building new schools within various districts. Jason also speaks upon other various concerns.

16. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 8:10 PM.

Tom Oliver, Board Chair

Jennifer Meckley, Superintendent

Agenda Item 7

Consent Agenda

B. March 14, 2024

Budget Meeting Minutes



BUDGET COMMITTEE MEETING MINUTES

<u>BOARD MEMBERS PRESENT:</u>	<u>EXECUTIVE STAFF PRESENT:</u>
Tom Oliver, Board Chair Clyde Rood, Member Nichole Piland, Member Roger Maurer, Budget Committee Member	Jennifer Meckley, Superintendent William Lewis, Chief Operations Officer Steven Prososki, Business Director

The meeting minutes were recorded by Executive Secretary Jessica Woody.

1. WELCOME AND CALL TO ORDER

Board Chair Tom Oliver called the meeting to order at 5:30 PM.

Business Director, Steven Prososki, goes through introductions of the present members.

2. BOARD FOCUS AREAS AND BUDGET BASICS

Steven reviews the focus areas and goals, and introduces the budget. He explains to the group the revenue and expenditures, and where those come from. He notes that the main general fund revenue comes from state school fund and property taxes. He also notes particular expenditure increases that they can expect to see within the budget.

3. ENROLLMENT PROJECTIONS AND TRENDS

Steven also explains to the group the state school revenue and what that entails. He notes that it is coming in at about \$400,000 less than anticipated. He explains that the district receives about \$10,000 per student, and enrollment is the driving tool. He notes that other resources are also utilized, such as, SIA, HSS, and Title Grants. He also explains how enrollment is projected, and that things from birth rates to building permits can all affect enrollment projections. He shares that there has been a drop in birth rates, but an increase in building permits.

Steven shares a graph showing that Special Education numbers continue to rise, with Lebanon Community School District being at 18%, which is over the 11% cap for extra funding calculation, for the state school fund.

4. REVENUE RESOURCES

Steven shares a graph with actual FTE in both certified and classified positions, noting that extra support staff had been needed the last couple years since the pandemic, and ESSER funds have been used to support this, and he shows how the remaining ESSER funds will be spent.

He goes over the SIA and HSS (High School Success) grants sharing the amount that the district received from both of those, which come from corporate tax. He notes that there has not yet been a projection shared for these regarding the 2024-25 school year.

He also references a data table which shows the history of staff and how they have been funded historically.

Steven shares information regarding Revenue and Expenditure trends, specifically explaining employee insurance and PERS, and how the district plans around those changes and additions.

He notes that the next PERS rate increase is expected to be approximately 1.25%, with increased utilities, supplies, food, fuel, and insurance premiums as well – utilities are expected to increase around 16.9% in the upcoming year.

He explains that the district is short about 2 million dollars on the revenue side, and will be maintaining a close eye on corporate tax from the state and staffing, and to recognize that some positions may not be back filled throughout 2024-25.

5. KEY DATES AND FUTURE MEETINGS

A. BUDGET CALENDAR

Steven notes that the Budget Committee meetings will take place on May 16, 2024 and May 23, 2024.

B. QUESTIONS/CLARIFICATION/REQUESTS

Tom asks whether there is anything that Steven needs from the board at this point. Steven asks that the group begin to think about where the district is going to go next year with ending fund balance.

6. ADJOURNMENT

The meeting is adjourned at 5:42 PM.

Tom Oliver, Board Chair

Jennifer Meckley, Superintendent

Agenda Item 7

Consent Agenda

C. First Reading Policy Updates

APRIL 2024 POLICY UPDATES – REVIEW AND RECOMMENDATIONS

Code	Title	OSBA Recommendation	DO Staff Lead(s)	Changes/DO Staff Comments	Recommended Adoption? (Yes/No)
DJC	Bidding Requirements	Highly Recommended	William	Recommend deleting the current versions and adopting the new version, reflective of changes from House Bill 1047	Yes
DJC- AR	Bidding Requirements	Highly Recommended	William	Recommend deleting the current versions and adopting the new version, reflective of changes from House Bill 1047	Yes



Watch for information
coming soon for a
Policy Update
webinar.

Summer Board Conference

August 9–11, 2024
Salem, OR

Annual Convention

Nov. 7-9, 2024
Portland, OR

CONTENTS

AC – Nondiscrimination, Required
BBF – Board Member Standards of Conduct (*Version 1 or 2*), Highly Recommended
BBFC – Reporting of Suspected Abuse of a Child, Optional
BCBA – Student Representative(s) on the Board, Optional
BCBA-AR – Student Representative(s) on the Board, Optional, *New*
CB – Superintendent, Highly Recommended
CBC – Superintendent’s Contract, Optional
CBG – Evaluation of the Superintendent, Required
CCG – Evaluation of Administrators, Required
DJC - Bidding Requirements (*Versions 1 & 2*), Delete
DJC - Bidding Requirements, Highly recommended, New
DJC-AR – Exemptions from Competitive Bidding and Special Procurements, Delete
DJC-AR – Exemptions from Competitive Bidding and Special Procurements, Optional, New
DJCA – Personal Service Contracts, Delete
DJCA-AR – Personal Service Contracts, Delete
EBBA – First Aid**, Delete
EBBA – Student Health Services**, Highly Recommended, *New*
EBBA-AR – First Aid - Infection Control, Delete
EBBAA – Infection Control and Bloodborne Pathogens, Optional
EBBB – Injury or Illness Reports, Required
EBC – Emergency Plan and First Aid**, Highly Recommended, *New*
EBC/EBCA – Emergency Procedures and Disaster Plans, Delete
EBCA – Safety Threats**, Required, *New*
EBCB – Emergency Procedure Drills and Instruction, Highly Recommended
GBEB – Communicable Diseases in Schools, Highly Recommended
GBEB-AR – Communicable Diseases in Schools, Highly Recommended
GBEBA – Staff – HIV, AIDS, and HBV, Delete
GBN/JBA – Sexual Harassment, Required
GBNAB/JHFE – Suspected Abuse of a Child Reporting Requirements**, Required
GBNAB/JHFE-AR(1) – Reporting of Suspected Abuse of a Child, Required
GBNAB/JHFE-AR(2) – Abuse of a Child Investigations Conducted on District Premises, Highly Recommended, (no updates)
GCDA/GDDA – Criminal Records Checks and Fingerprinting *, Delete
GCDA/GDDA – Criminal Records Checks and Fingerprinting *, Required, *New*
GCDA/GDDA-AR – Criminal Records Checks and Fingerprinting, Delete
IGBAF – Special Education – Individualized Education Program (IEP)**, Required
IGBAF-AR – Special Education: Individualized Education Program (IEP)**/*, Required

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This publication is designed to provide accurate and authoritative information regarding the subject matter covered. It is furnished with the understanding that policies should be reviewed by the district’s legal counsel.

IGBAG – Special Education – Procedural Safeguards**, Required
 JBA/GBN – Sexual Harassment, Required
 JBAA – Section 504 – Students**, *Version 1 and 2*, Highly Recommended
 JBAA-AR – Section 504 – Students**/, Highly Recommended
 JEA – Compulsory Attendance**, Highly Recommended
 JEA-AR – Compulsory Attendance Notices[and Citations]**, Highly Recommended
 JGA – Corporal Punishment**, Optional
 JGAB – Use of Restraint or Seclusion**, Required
 JGAB-AR – Use of Restraint or Seclusion**, Required
 JH – Student Welfare**, Optional
 JHC – Student Health Services and Requirements**, Delete (in lieu of new EBBA)
 JHCA/JHCB – Immunization and School Sports Participation**, Highly Recommended
 JHCC – Communicable Diseases - Students, Delete
 JHCC-AR – Communicable Diseases - Students, Delete
 JHCCA – Students - HIV, HBV and AIDS**, Delete
 JHCCF – Pediculosis (Head Lice), *Version 1*, Delete
 JHCCF – Pediculosis (Head Lice), *Version 2*, Delete
 JHCCF – Pediculosis (Head Lice), was *Version 3*, now stand-alone, Optional
 JHCCF-AR – Pediculosis (Head Lice), *Version 1*, Delete
 JHCCF-AR – Pediculosis (Head Lice), *Version 2*, Delete
 JHFE/GBNAB – Suspected Abuse of a Child Reporting Requirements**, Required
 JHFE/GBNAB-AR(1) – Reporting of Suspected Abuse of a Child, Required
 JHFE/GBNAB-AR(2) – Abuse of a Child Investigations Conducted on District Premises,
 Highly Recommended, (no updates)
 KBA-AR – Public Records Request, Highly Recommended

CIVIL RIGHTS COORDINATOR

Summary

[House Bill 2281](#) (2023), effective January 1, 2024, requires a district school board to designate one or more civil rights coordinators for the district. According to HB 2281, the civil rights coordinator may be an employee of the district or the district may contract with an ESD for the services of a civil rights coordinator.

HB 2281, Section 1 (see page 2 of the bill specifically) outlines the minimum responsibilities of a civil rights coordinator. Of note is the requirement to comply with rules adopted by the State Board of Education so OSBA is watching for news about these rules. Additionally, the bill includes use of the term “discrimination” which is defined further by ORS 659.850 and is used in the new bill. The bill further outlines a requirement for the Department of Education to make training available annually for these coordinators.

Finally, ORS 659.855, which allows the Superintendent of Public Instruction to sanction a public elementary or secondary school program if found in noncompliance with ORS 659.850 and 659.852, has been updated to include noncompliance with ORS 332.505(2) – Civil Rights Coordinator.

The bill can be read in its entirety with the link provided above.

There is no current requirement for language to be added to board policy or administrative regulation. The district may choose to add the proposed language to policy AC – Nondiscrimination. Oregon Administrative Rules from the Oregon State Board of Education are anticipated later this year, which will likely prompt another update to policy.

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The district should consider posting notice of the designated civil rights coordinator and contact information together with the notice of nondiscrimination (and other notices) on the district's website.

Collective Bargaining Impact

None

Local District Responsibility

Review the recommendations for policy changes and present them to the board for adoption.

Policy(ies) and AR(s) Impacted by these Revisions

AC – Nondiscrimination, Required

STUDENT REPRESENTATIVE(S) ON THE BOARD

Summary

The practice of installing student representative(s) on local school boards has increased, and therefore a desire for more policy and administrative regulation options has been voiced. OSBA policy services staff present the model policy and administrative regulation published herein as options for establishing a student representative on a local school board. Oregon does not mandate a student representative, it is up to local decision makers.

Collective Bargaining Impact

None

Local District Responsibility

Review the proposed policy and/or administrative regulation to determine whether it is appropriate for the board. The policy requires adoption by the board to enact and the administrative regulation may be submitted to the board for their review. A policy and administrative regulation is recommended, although not required.

Policy(ies) and ARs Impacted by these Revisions

BCBA – Student Representative(s) on the Board, Optional
BCBA-AR – Student Representative(s) on the Board, Optional, *New*

SUPERINTENDENT'S CONTRACT

Summary

With the passage of [Senate Bill 283](#) (2023), the law was revised regarding superintendent contracts to remove mention of laws relevant to education service district boards added by Senate Bill 1521 in 2022 to ORS 332.505.

Collective Bargaining Impact

None

Local District Responsibility

Update policies with the recommended revisions if they are present in the board's policy manual and submit to the board for readoption.

Policy(ies) and ARs Impacted by these Revisions

CB – Superintendent, Highly Recommended
CBC – Superintendent’s Contract, Optional

EVALUATION OF THE SUPERINTENDENT AND ADMINISTRATOR(S)

Summary

There are not significant changes to policy on evaluation of the superintendent and administrators. However, it has been included in this update as a reminder to the board to review policy on evaluation of the superintendent to ensure current practice and contract language align, and for the superintendent to review administrator contract language with the same lens. If needed, revise policy language if different terms now apply.

Collective Bargaining Impact

None

Local District Responsibility

If the board has adopted a version of required policy CBG – Evaluation of the Superintendent or CCG – Evaluation of Administrators (as listed herein), take time to review the superintendent and administrator contracts to ensure there is not conflicting language adopted in board policy regarding the regularity of an evaluation. Revise board policy as needed and readopt.

Policy(ies) and ARs Impacted by these Revisions

CBG – Evaluation of the Superintendent, Required
CCG – Evaluation of Administrators, Required

PROCUREMENTS

Summary

OSBA recommends deleting the current versions of DJC – Bidding Requirements, DJC-AR – Exemptions from Competitive Bidding and Special Procurements, DJCA – Personal Service Contracts and DJCA-AR – Personal Service Contracts, and replacing them with the new proposed versions of DJC and DJC-AR. The proposed DJC outlines the procurement requirements for Small Procurement, Intermediate Procurement, Regular Procurement, Emergency Procurement, Sole-Source Procurement and Personal Services Contracts.

Additionally, the proposed policy DJC – Bidding Requirements, reflects the new amounts for the procurement levels passed in House Bill 1047 (2023) and went into effect January 1, 2024. The policy also defines “public improvements” for purposes of the procurement levels, defines “community benefit contract” and the “Construction Manager/General Contractor procurement.”

The proposed administrative regulation, DJC-AR – Exemptions from Competitive Bidding and Special Procurements, has been updated and continues to provide guidance for procurements which are exempt from competitive bidding or are special procurements.

Collective Bargaining Impact

None

Local District Responsibility

Revise and readopt highly recommended policy DJC – Bidding Requirements and consider whether to also add optional DJC-AR – Exemptions from Competitive Bidding and Special Procurements.

Policy(ies) and ARs Impacted by these Revisions

DJC – Bidding Requirements (*Versions 1 & 2*), Delete

DJC – Bidding Requirements, Highly recommended, *New*

DJC-AR – Exemptions from Competitive Bidding and Special Procurements, Delete

DJC-AR – Exemptions from Competitive Bidding and Special Procurements, Optional,

New DJCA – Personal Service Contracts, Delete

DJCA-AR – Personal Service Contracts, Delete

HEALTH SERVICES

Summary

The State Board of Education adopted revisions to Oregon Administrative Rule (OAR) 581-022-2220 on health services. The changes result in a requirement to develop “a written prevention-oriented health services plan for all students” (OAR 581-022-2220(1)). The plan requirements include a variety of topics, including but not limited to, plan for health care space, communicable disease prevention, communication strategies, health screenings, and hearing, vision and dental screenings.

As a result of these changes there is a list of policies and administrative regulations (AR’s), included herein, which have been revised. Recommendations may include to delete or rescind policy or AR, recoding, and reassigning some policy content to a new section or policy of the policy manual.

The entire rule can be accessed here: [OAR 581-022-2220](#). Reach out to the Oregon Department of Education with additional questions regarding plan requirements and/or implementation.

ODE [resources](#) and [School Health Services](#) include tools to support some requirements.

Collective Bargaining Impact

Review any terms and conditions of an applicable agreement.

Local District Responsibility

Review the recommendations regarding board policy changes and make decisions regarding same. Any policy revisions or recommendation to rescind a policy should be submitted to the board for action. An AR may be submitted to the board for review for either removing or keeping and revising as recommended.

Policy(ies) and ARs Impacted by these Revisions

EBBA – First Aid**, Delete

EBBA – Student Health Services**, Highly Recommended, *New*

EBBA-AR – First Aid - Infection Control, Delete

EBBAA – Infection Control and Bloodborne Pathogens, Optional

EBBB – Injury or Illness Reports, Required

GBEB – Communicable Diseases in Schools, Highly Recommended

GBEB-AR – Communicable Diseases in Schools, Highly Recommended

GBEBA – Staff – HIV, AIDS, and HBV, Delete

JH – Student Welfare**, Optional

JHC – Student Health Services and Requirements**, Delete (in lieu of new EBBA)

JHCA/JHCB – Immunization and School Sports Participation**, Highly Recommended

JHCC – Communicable Diseases - Students, Delete

JHCC-AR – Communicable Diseases - Students, Delete

JHCCA – Students - HIV, HBV and AIDS**, Delete

EMERGENCY PROCEDURES, FIRST AID and SAFETY THREATS

Summary

[House Bill 3584](#) was passed in the 2023 legislative session. The bill requires districts to adopt policy language about using electronic communication to notify parents, guardians and employees within 24 hours of a safety threat action that was not a drill. The bill states the communication should be “provided in a manner that communicates relevant facts and details as necessary and useful.” (HB 3584, Section 1., (3)(b)) More detail can be found by reading the entire bill.

This update includes a revision of other policies identified herein, resulting from recommendations on reorganization and may include recoding and/or reassigning content to a different policy or policy section.

Collective Bargaining Impact

None

District Responsibility

Review the recommendations regarding board policy changes and make decisions regarding new and updated policy. Any policy revisions, additions or recommendation to rescind a policy should be submitted to the board for action.

Policy(ies) and ARs Impacted by these Revisions

EBC/EBCA – Emergency Procedures and Disaster Plans, Delete

EBC – Emergency Plan and First Aid**, Highly Recommended, *New*

EBCA – Safety Threats**, Required, *New*

EBCB – Emergency Procedure Drills and Instruction, Highly Recommended

SEXUAL HARASSMENT DEFINITION

Summary

House Bill 2280 (2023 Legislature) modified the definition of sexual harassment affecting schools and has since been followed up with new rule revisions. The revised definition changes the meaning of assault within the sexual harassment context and adds a section describing the meaning of “without consent,” which is also a new definition added to the law. When considering these recommended revisions, please review the designated names and positions listed for receiving such reports and amend as needed.

Collective Bargaining Impact

None

Local District Responsibility

Review recommended changes and board-adopt revisions to required policy GBN/JBA (JBA/GBN) – Sexual Harassment, in the board’s policy manual.

Policy(ies) and ARs Impacted by these Revisions

GBN/JBA – Sexual Harassment, Required

JBA/GBN – Sexual Harassment, Required

REPORTING CHILD ABUSE

Summary

The Oregon Department of Human Services (DHS) reports the purpose of Senate Bill 231 (2023) was to align state law with the agency’s current process for receiving child abuse reporting, through a centralized child abuse reporting system established by DHS. Reports must still be submitted to DHS as directed or to a law enforcement agency.

The form found in **GBNAB/JHFE-AR(2) (JHFE/GBNAB-AR(2))** – Abuse of a Child Investigations Conducted on District Premises, is included for convenience and reference; **no updates were made.**

Collective Bargaining Impact

None

Local District Responsibility

The district should recommend board adoption of revised policy and reissue an updated administrative regulation to the board for review.

Policy(ies) and ARs Impacted by these Revisions

BBF – Board Member Standards of Conduct (*Version 1 or 2*), Highly Recommended
BBFC – Reporting of Suspected Abuse of a Child, Optional
GBNAB/JHFE – Suspected Abuse of a Child Reporting Requirements**, Required
GBNAB/JHFE-AR(1) – Reporting of Suspected Abuse of a Child, Required
GBNAB/JHFE-AR(2) – Abuse of a Child Investigations Conducted on District Premises, Highly Recommended, (no updates)
JHFE/GBNAB – Suspected Abuse of a Child Reporting Requirements**, Required
JHFE/GBNAB-AR(1) – Reporting of Suspected Abuse of a Child, Required
JHFE/GBNAB-AR(2) – Abuse of a Child Investigations Conducted on District Premises, Highly Recommended, (no updates)

FINGERPRINTING

Summary

Newly revised rules regarding fingerprint collection offer the addition of a statewide vendor identified by DAS as an authorized fingerprint collector and removed the option for volunteers to appeal to ODE on a fitness determination issued by ODE. The other resulting changes come from a decision to have a stand-alone board policy.

Collective Bargaining Impact

None

Local District Responsibility

Review the recommended changes and issue them to the board for readoption. To clean up duplicate language, a new version of model policy GCDA/GDDA – Criminal Records Checks and Fingerprinting * has been developed and eliminates the need for an administrative regulation. Consider a complete delete/rescind of the old policy version and adopt the revised version to implement new policy language for GCDA/GDDA, before adopting, refer to the board's existing version for direction on choosing brackets in the new version; make changes to reflect current practices as needed.

Policy(ies) and ARs Impacted by these Revisions

GCDA/GDDA – Criminal Records Checks and Fingerprinting *, Delete
GCDA/GDDA – Criminal Records Checks and Fingerprinting *, Required, *New*
GCDA/GDDA-AR – Criminal Records Checks and Fingerprinting, Delete

SPECIAL EDUCATION and ABBREVIATED SCHOOL DAY

Summary

Board policy IGBAG – Special Education – Procedural Safeguards** and administrative regulations IGBAF-AR – Special Education – Individualized Education Program (IEP)**/* and JBAA-AR – Section 504 – Students**/* are being updated.

Changes in IGBAF-AR – Special Education: Individualized Education Program (IEP)**/* and JBAA-AR – Section 504 – Students**/* are due to the passage of Senate Bill 756 (2023) which requires district employees who are assigned to work with students who are on an IEP or 504 Plan, be invited to attend the student's IEP meeting or 504 Plan meeting. The section

of the administrative regulation (AR) “Individualized COVID-19 Recovery Services” is deleted since the provision has sunset (see OAR 581-015-2229). IGBAF-AR is also updated to include information regarding abbreviated school days.

Changes in Board policy IGBAG are due to the passage of SB 758 (2023) to add language to the Independent Educational Evaluations section stating parents are entitled to examine their student’s record pertaining to identification, evaluation and educational placement, and the provisions of a free appropriate public education (FAPE) and setting a 10 business day timeline.

The legal references to IGBAF – Special Education – Individualized Education Program (IEP**) and JBAA – Section 504 – Students** (version 1 and 2) are updated to add references to the new laws.

Collective Bargaining Impact

Consider impact of requirement that certain staff be allowed to attend IEP and 504 meetings and be compensated for attendance.

District Responsibility

Revise and readopt required Board policy IGBAG – Special Education – Procedural Safeguards**; revise required administrative regulations IGBAF-AR – Special Education – Individualized Education Program (IEP)**/* and JBAA-AR – Section 504 – Students**/* if present in the board’s policy manual. Also, update the legal references to IGBAF – Special Education – Individualized Education Program (IEP)** and JBAA – Section 504 – Students** as noted in the documents attached.

Policy(ies) and ARs Impacted by these Revisions

IGBAF – Special Education – Individualized Education Program (IEP)**, Required
IGBAF-AR – Special Education: Individualized Education Program (IEP)**/*, Required
IGBAG – Special Education – Procedural Safeguards**, Required
JBAA – Section 504 – Students**, *Version 1 and 2*, Highly Recommended
JBAA-AR – Section 504 – Students**/*, Highly Recommended

COMPULSORY ATTENDANCE AND HOMESCHOOL REQUIREMENTS

Summary

School districts are still required to monitor for nonenrollment and irregular attendance issues and to send related notices in accordance with ORS 339.080, however, as the Oregon Department of Education has recently noticed, citations for compulsory attendance are no longer issued.

However, after collaboration with their ESD about which entity will be responsible for tracking whether any students who are homeschooled have registered with the ESD or are complying with ORS 339.035, a district may choose to issue a citation. After discussion with the ESD, if the district will be responsible for tracking such students, the district may choose to add bracketed language in JEA-AR – Compulsory Attendance Notices[and Citations]**, regarding their actions concerning citations related to violation of homeschool statute (ORS 339.035) for registration and testing. A school district or ESD superintendent may issue a citation for violations of ORS 339.035. Before doing so, there must be specific notice given, as provided by law, and proposed model language is included in JEA-AR.

Additionally, a violation of compulsory attendance law is no longer a Class C violation, however violation of ORS 163.577 (1)(c) (failing to supervise a child) is still a Class A violation.

The model policy and administrative regulation have been revised and updated to reflect changes.

ODE staff anticipates some upcoming changes to the Uniform Citation Form and will communicate as soon as it is available.

Collective Bargaining Impact

None

Local District Responsibility

If the district has highly recommended policy JEA – Compulsory Attendance**, review and adopt revised and updated language resulting from changes to rules, and suggested revisions to highly recommended JEA-AR – Compulsory Attendance Notices[and Citations]** may be made and issued to the board for review.

Policy(ies) and ARs Impacted by these Revisions

JEA – Compulsory Attendance**, Highly Recommended

JEA-AR – Compulsory Attendance Notices[and Citations]**, Highly Recommended

RESTRAINT OR SECLUSION RECORD AND CORPORAL PUNISHMENT

Summary

The procedures for responding to an incident of restraint or seclusion are found in ORS 339.294 and were amended by [Senate Bill 1024](#) (2023; see Section 3 which begins on page 5 of the SB). These amended procedures are represented in the recommended changes to model administrative regulation, JGAB-AR – Use of Restraint or Seclusion** and policy JGAB – Use of Restraint or Seclusion**. There are several changes to highlight of which two are: 1) addition of immediate notice to the parent or guardian of any existing record, including audio or video, of the incident (which will be preserved in the original format without alternation), and 2) such record shall be reviewed at the debriefing meeting, to which parents shall be invited.

Additional information regarding the preservation and disclosure of such records, which have record retention and disclosure implications, are outlined in the new [SB](#), subsection 9 and 10.

The changes are a result of the adopted language from the bill and related, revised OARs recently adopted by the State Board.

A change to ORS 161.205 on issues of corporal punishment was put into effect by Senate Bill 577; also effective now.

Collective Bargaining Impact

None

Local District Responsibility

The district's responsibility is to update the current board policies and administrative regulation (AR) and comply with the new procedural requirements related to incidents of use of restraint or seclusion. The revised AR should be implemented and submitted to the board for review; recommended policy revisions should be submitted to the board for review and readoption.

Policy(ies) and ARs Impacted by these Revisions

JGA – Corporal Punishment**, Optional

JGAB – Use of Restraint or Seclusion**, Required

JGAB-AR – Use of Restraint or Seclusion**, Required

HEAD LICE (PEDICULOSIS)

Summary

Guidance on exclusion of students found with head lice has changed in recent years. There is now a consensus from other agencies, i.e., National Association of School Nursesⁱ, Center for Disease Control and Preventionⁱⁱ, Oregon School Nurses Association, which recommends against excluding students with head lice or nits from the classroom. Additionally, a rule, originally found in an Oregon Health Authority rule (OAR 333-019-0010), which allowed schools to create exclusionary practices for head lice, has since been repealed. Refer to [Communicable Disease Guidance for Schools](#) published by Oregon Health Authority and Oregon Department of Education for instructions on management.

As a result, OSBA is removing versions 1 and 2 of its model policy JHCCF – Pediculosis (Head Lice) and administrative regulations, leaving only what was a third version of the policy JHCCF – Pediculosis (Head Lice), which keeps a student in the classroom. See the *Communicable Disease Guidance for Schools* for more information.

ⁱ NASN – [Head Lice Management in Schools](#)

ⁱⁱ CDC – [Head Lice Information for Schools](#)

Collective Bargaining Impact

None

Local District Responsibility

Review the district's policy regarding management of head lice, if applicable, and update or rescind.

Policy(ies) and ARs Impacted by these Revisions

JHCCF – Pediculosis (Head Lice), *Version 1*, Delete

JHCCF-AR – Pediculosis (Head Lice), *Version 1*, Delete

JHCCF – Pediculosis (Head Lice), *Version 2*, Delete

JHCCF-AR – Pediculosis (Head Lice), *Version 2*, Delete

JHCCF – Pediculosis (Head Lice), was *Version 3*, now stand-alone, Optional

PUBLIC RECORDS

Summary

The purpose of this summary is to make schools aware of some minor changes to the definition of public records under ORS 192.005, which describes any information generated by the school in course of business “necessary to satisfy the legal, administrative, fiscal, **tribal cultural** or historical policies, requirements or needs of the state agency or political subdivision.” (ORS 192.005 (5) as amended by House Bill 2112 (2023)) Other changes made in ORS 192, specifically 192.050 include updating terminology to how terms are used in today’s public operations, e.g., analog or digital audio and video tape technology changing to **audio or video technology** or **audio recording and video recording**. Additionally, in ORS 192.060, any records made under ORS 192.040 and 192.050 “shall be properly indexed and **filed so as to facilitate access and retrieval.**” (ORS 192.060 as amended by House Bill 2112 (2023)) There are no policy changes resulting from this bill.

However, there are some other implications on appropriate administrative regulation (AR) language which are discussed herein under ‘district’ below.

Collective Bargaining Impact

None

Local District Responsibility

Review the district’s written procedures related to submitting public records requests. If there are separate written procedures made available which name the person or persons, and their address(es), for submitting public records requests, no modifications may be necessary. If the school operates under KBA-AR – Public Records Request, and if the AR does not name the person or persons to which a public records request should be submitted, make the addition using recommended bracketed language included herein and issue a revised AR for implementation and submit to the board for review.

Policy(ies) and ARs Impacted by these Revisions

KBA-AR – Public Records Request, Highly Recommended

ABOUT *POLICY UPDATE*

Policy Update is a subscription newsletter providing a brief discussion of current policy issues of concern to Oregon school districts, education service districts, community colleges, and public charter schools.

Sample model policies reflecting these issues and changes in state and federal law, if applicable, are part of this newsletter. These samples are offered as a starting point for drafting local policy and may be modified to meet particular local needs. They do not replace district legal counsel advice.

To make the best use of *Policy Update*, we suggest you discuss the various issues it presents and use the sample model policies to determine which policies your district should develop or revise, get ideas for what a policy should contain, and as a starting point for editing, modifying and discussing your district’s policy position.

If you have questions about *Policy Update*, sample policies or policy in general, call OSBA Policy Services, 800-578-6722 or 503-588-2800.

TRY OUR ONLINE POLICY DEMO

OSBA's online policy service has a demo site for districts interested in a public online policy manual. This service saves time, resources and reams of paper. With one centrally located policy manual updated electronically, you have instant access to current district policies.

Go to policy.osba.org and select "Policy Online Demo." The online manual includes a subscription to *Policy Update* and policy manual maintenance service to help keep policies current.

OSBA offers several options. Contact Policy Services to determine the best option for you, 800-578-6722 or 503-588-2800.

Lebanon Community Schools

Code: **DJC**
Adopted: 6/20/05
Readopted: 5/6/10, 1/23/14
Orig Code(s): DJC

Bidding Requirements (Version 1)

The Board is the Local Contract Review Board (LCRB) for the district. All public contracts shall be invited in accordance with applicable competitive procurement provisions of Oregon Revised Statutes and adopted public contracting rules.

The Board, acting as its own LCRB, adopts¹ the *Oregon Attorney General's Model Public Contract Rules*, OAR Chapter 137, Divisions 046 through 049 in effect at the time this policy is adopted.

The district shall procure the construction manager/general contractor services in accordance with model rules the Attorney General adopts under ORS 279A.065(3).

Additionally, the Board may include as part of its rules portions of the Oregon Department of Administrative Services rules governing Public Contract Exemptions, OAR Chapter 125, Divisions 246-249 in effect at the time this policy is adopted.

Where necessary, the Board has made the written findings required by law for exemptions from competitive bidding. Such findings shall be maintained by the district and made available on request.

The district shall review its rules each time the Attorney General adopts a modification of the model rules, as required by ORS 279A.065 (5)(b), to determine whether any modifications need to be made to district rules to ensure compliance with statutory changes. New rules, as necessary, shall be adopted by the Board. In the event it is unnecessary to adopt new rules, Board minutes will reflect that the review process was completed as required.

The Board recognizes that a public contracting agency that has not established its own rules of procedure as permitted under ORS 279A.065 (5) is subject to the model rules adopted by the Attorney General, including all modifications to the model rules that the Attorney General may adopt.

Small Procurements, defined by ORS 279B.065 as any procurement of goods or services not exceeding \$10,000, may be awarded in any manner deemed appropriate by the superintendent and/or his/her designee. The Board also authorizes a contract for Small Procurements to be amended up to 5% if deemed appropriate and still fall within the parameters of a small procurement.

¹Public Contracts shall be governed by ORS Chapter 279, 279A, 279B and 279C. Additionally, the Board may, as provided by ORS 279A.065, adopt the Oregon Attorney General's Model Public Contract Rules, OAR Chapter 137 governing purchasing/bid procedures. The Board may also adopt the Oregon Department of Administrative Services rules governing Public Contract Exemptions, OAR Chapter 125. The Board may adopt portions of those rules or adopt its own rules. A Board that has not established its own rules of procedure for public contracts is subject to the model rules (OAR Chapter 137) adopted by the Attorney General.

Procurements estimated to be in excess of \$250,000 shall go through the cost analysis and feasibility process described in ORS 279B.

END OF POLICY

Legal Reference(s):

[ORS Chapters 279A, 279B and 279C](#) [OAR Chapter 125](#), Divisions 246-249

OR. DEP'T OF JUSTICE, OR. ATT'Y GENERAL'S MODEL PUBLIC CONTRACT RULES MANUAL.

DELETED

OSBA Model Sample Policy

Code: DJC
Adopted:

Bidding Requirements

{Highly recommended policy. The Board serves as the Local Contract Review Board (LCRB) and has the ability to adopt its own procurement rules. Many districts choose to use the *Oregon Attorney General's Model Public Contracting Rules* in OAR Chapter 137, Divisions 045 - 049. If the LCRB does not adopt rules, the Attorney General's Model Public Contracting Rules apply. This policy is based on those rules. The LCRB may also include as part of its rules portions of the Oregon Department of Administrative Services administrative rules in OAR Chapter 125, Divisions 269 - 249. If the LCRB adopts its own rules, delete portions of this policy that are inconsistent with those rules.}

~~{The Board is the Local Contract Review Board (LCRB) for the district. [The LCRB has not adopted its own rules of procurement. Consequently, the *Oregon Attorney General's Model Public Contracting Rules*¹ shall apply to the district.²]} }~~

OR

[The Board is the Local Contract Review Board (LCRB) for the district. The LCRB has adopted its own rules of procedure that will govern district purchasing.³ Consequently, the model rules⁴ adopted by the Attorney General shall not apply to the district. The district shall review its rules each time the Attorney General adopts a modification of the model rules to determine whether any modifications need to be made to district rules, as required by ORS 279A.065(6)(b). New rules, as necessary, shall be adopted by the LCRB. In the event it is unnecessary to adopt new rules, Board minutes will reflect that the review process was completed as required.]

Additionally, the district may include as part of its procedures portions of the Oregon Department of Administrative Services administrative rules governing Public Contract Exemptions, OAR Chapter 125, Divisions 246 - 249.

The LCRB may make the written findings required by law for exemptions from competitive bidding. Such findings shall be maintained by the district and made available on request.

The district may not artificially divide or fragment a procurement to reduce the procurement requirements.

The superintendent may develop administrative regulations or procedures to assist with the implementation of this policy and applicable procurement rules.

Goods and Services

¹ Oregon Administrative Rules (OAR) 137-045 - 049

² See ORS 279A.065(5). {The LCRB can formally adopt the AG rules. If the LCRB formally adopts the rules, the district is required to review the AG rules each time there is a modification.}

³ [The district should insert date of adoption of such rules and their location here and remove brackets.]

⁴ Oregon Administrative Rules (OAR) 137-045 - 049

The district will purchase goods and services through the following procedures, unless an exception applies:

1. **Small Procurement.** For purchases of goods and services with a contract price not exceeding \$25,000, the district can use any manner deemed practical or convenient, including direct selection or award. Amendments to a contract awarded through small procurement must be in accordance with OAR 137-047-0800.
2. **Intermediate Procurement.** For purchases of goods and services with a contract price exceeding \$25,000, but not exceeding \$250,000, the district shall seek at least three informally solicited competitive price quotes or competitive proposals from prospective contractors. The district will keep record of the request and quotes. If three quotes are not reasonably available, fewer will suffice, but the district will make a written record of the effort made. The district may negotiate with a prospective contractor to clarify the quote or offer, or to effect modifications. Amendments to a contract awarded through intermediate procurement must be in accordance with OAR 137-047-0800.
3. **Regular Procurement.** For purchases exceeding \$250,000, the district will use competitive sealed bids (OAR 137-047-0255) or competitive sealed proposals (OAR 137-047-0260). Amendments to contracts awarded through regular procurement must be in accordance with OAR 137-047-0800.
4. **Emergency Procurements.** In situations of emergency⁵, the LCRB or designee may authorize an emergency procurement. In an emergency procurement, the district is not required to follow general procurement requirements. The district must ensure competition for the contract that is reasonable and appropriate under the circumstances. The district must document the nature of the emergency and the method used for the selection of the contractor.
5. **Sole-source Procurements.** If the LCRB or designee determines that the goods or services are available from only one source, the district may award a contract without competition. To the extent reasonably practicable, the district shall negotiate with the sole source to obtain contract terms that are advantageous to the district. The determination of sole source must be based on written findings and may include:
 - a. That the efficient utilization of existing goods requires acquiring compatible goods or services;
 - b. That the goods or services required to exchange software or data with other public or private agencies are available from only one source;
 - c. That the goods or services are for use in a pilot or experimental project; or
 - d. Other findings that support the conclusion that the goods or services are available from only one source.⁶
6. **Special Procurements.** “Special procurement” means a contract or class of contracts that use a contracting procedure other than competitive sealed proposals, competitive sealed bidding, small procurement or intermediate procurement. Special procurements require LCRB approval and will be

⁵ “Emergency” means circumstances that:

1. Could not have been foreseen;
2. Create a substantial risk of loss, damage or interruption of services or a substantial threat to property, public health, welfare or safety; and
3. Require prompt execution of a contract to remedy the condition.

⁶ If the contract does not exceed \$250,000, using intermediate procurement is likely less burdensome than sole source.

conducted in accordance with ORS 279B.085, OAR 137-047-0285[, and] this policy [and administrative regulation DJC-AR - Exemptions from Competitive Bidding and Special Procurement].{⁷}

7. Personal Services Contracts. “Personal services contract,” as used in this policy, means a contract whose primary purpose is to acquire specialized skills, knowledge and resources in the application of technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment.⁸ Unless otherwise designated by the LCRB, personal services contracts will be procured in accordance with applicable procurement laws. The LCRB may designate certain service contracts or classes of service contracts as personal services contracts and exempt them from competitive bidding.{⁹} All personal services contracts shall be based on demonstrated qualifications and competence to perform the required services, encourage competition, discourage favoritism and obtain services at a fair and reasonable price. Personal service contractors may be required to qualify as independent contractors in accordance with applicable laws.¹⁰

Procurements for services estimated to be in excess of \$250,000 shall go through the cost analysis and feasibility process in accordance with ORS 279B.030.

Public Improvements

“Public improvement” means a project for construction, reconstruction or major renovation on real property by or for the district.¹¹ The district will contract for public improvements using the following procedures, unless an exception applies.

1. Public improvements contracts with a value of less than \$25,000 are exempt from competitive bidding.
2. Intermediate Procurements. For public improvement contracts not exceeding \$100,000, the district may utilize three quotes¹²:

⁷ {If the LCRB has designated contracts or classes of contracts as special procurements, include this information along with reference to the LCRB action.}

⁸ This includes, but is not limited to, contracts for the services of an accountant, physician or dentist, educator, consultant (including a provider under an Architectural and Engineering Service Contract), broadcaster, or artist (including a photographer, filmmaker, painter, weaver or sculptor (OAR 137-045-0010(19)). Also includes architectural, engineering, photogrammatic mapping, transportation planning or land surveying services procured under ORS 279C.105 (ORS 279C.100) and related services procured under ORS 279C.120 (ORS 279C.100(5)).

⁹ {If the LCRB has designated contracts or classes of contracts as personal services contracts, include this information along with reference to the LCRB action.}

¹⁰ See ORS 670.600 and OAR 459-005-0020.

¹¹ Public improvement does not include:

1. Projects for which no funds of the district are directly or indirectly used, except for participation that is incidental or related primarily to project design or inspection; or
2. Emergency work, minor alternation, ordinary repair or maintenance necessary to preserve a public improvement.

¹² If three quotes are not reasonably available, the district shall make a written record of the effort made to obtain these quotes.

- a. The request for the quotes shall be in writing (unless not reasonably practicable)¹³;
- b. The request for quotes shall include the selection criteria and if the criteria are not of equal value, their relative value or ranking.

The district shall award the contract to the prospective contractor whose quote will best serve the interest of the district, based on the selection criteria. If the award is not made to the offeror and quote with the lowest price, the district will make a written record of the basis for the award. Amendments to a contract awarded via intermediate procurement may be increased in accordance with OAR 137-049-0160(6)-(7).

3. Regular Procurements. For purchases exceeding \$100,000, the district will use invitation to bid or request for proposals except as otherwise allowed by law. See OAR 137-049-0130 and OAR 137-049-0640. Amendments to contracts awarded through regular procurement must be in accordance with OAR 137-049-0910.
4. Emergency Procurements. Emergency contracts for construction services are not considered public improvement contracts and will be procured in accordance with OAR 137-049-0140 and OAR 137-049-0150.
5. Community Benefit Contracts. “Community benefit contract” means a public improvement contract that includes, but is not limited to, terms and conditions that require the contractor to:
 - a. Qualify as a training agent, as defined in ORS 660.010, or provide apprenticeship training that meets applicable federal and state standards for apprenticeship training;
 - b. Employ apprentices to perform a specified percentage of work hours that workers in apprenticeable occupations perform on the community benefit project;
 - c. Provide employer -paid family health insurance; and
 - d. Meet any other requirements that the LCRB sets forth.

Community benefits contracts may be procured in accordance with ORS 279C.308.

6. Construction Manager/General Contractor (CM/GC) Procurement. The district shall procure CM/GC services in accordance with model rules the Attorney General adopts under Oregon Revised Statute (ORS) 279A.065(3) and OAR 137-049-0690, which requires “the assistance of legal counsel with substantial experience and necessary expertise in using the CM/GC Method, as well as knowledgeable staff, consultants or both staff and consultants who have demonstrated capability of managing the CM/GC process in the necessary disciplines of engineering, construction scheduling and cost control, accounting, legal, Public Contracting and project management.”

END OF POLICY

Legal Reference(s):

[ORS Chapter 279](#)
[ORS Chapter 279A](#)
[ORS Chapter 279B](#)

[ORS Chapter 279C](#)
[ORS 670.600](#)

[OAR Chapter 125](#), Divisions 246 -
249

¹³ For Public Works Contracts, oral quotations may only be utilized in the event that written copies of prevailing wage rates are not required by the Bureau of Labor and Industries.

[OAR Chapter 137](#), Divisions 045 -
049

[OAR 459-005-0020](#)

[OREGON PROCUREMENT MANUAL](#), Oregon Department of Administrative Services.

Special Procurements and Exemptions from Competitive Bidding

SPECIAL PROCUREMENTS

The Board, acting as the Local Contract Review Board (LCRB) for the district, has made the findings necessary to support each special procurement request. These findings include market research or other documentation that the special procurement will be unlikely to encourage favoritism in the awarding of public contract or substantially diminish competition for public contracts and will either: (A) Result in substantial cost savings to the district or to the public, or (B) Otherwise substantially promote the public interest in a matter that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065, 279B.070 or under any related rules. Public notice of the approval of a special procurement must be given in the same manner as provided in ORS 279B.055(4). If the district intends to award a contract through special procurements that calls for competition among prospective contractors, the district shall award the contract to the contractor it determines to be most advantageous to the district. When the LCRB approves a class special procurement the district may award contracts to acquire goods and services within the class of goods and services in accordance with the terms of the approval without making a subsequent request for a special procurement.

BRAND NAMES OR PRODUCTS, "OR EQUAL," SINGLE SELLER AND SOLE SOURCE

1. The district may purchase brand names or products from a single seller or sole source without competitive bidding subject to the limitations of this rule.
2. Solicitation specifications for public contracts of the district shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections c. and d. of this rule.
3. The district may specify a particular brand name, make or product suffixed by "or equal," "or approved equal," "or equivalent," "or approved equivalent" or similar language if doing so is advantageous to the district because the brand name describes the standard of quality, performance functionality and other characteristics of the product needed by the district.
 - a. A brief description of the solicitation(s) to be covered, including contemplated future purchases;
 - b. The brand name, mark or product to be specified; and
 - c. The reasons the district is seeking this procurement method, which shall include any of the following findings:
 - (1) It is unlikely that specification of the brand name, mark or product will encourage favoritism in the award of the public contracts or substantially diminish competition; or
 - (2) Specification of the brand name, mark or product would result in cost savings to the

- agency; or
 - (3) There is only one manufacturer or seller of the product of the quality performance or functionality required; or
 - (4) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment or supplies;
4. The district may purchase a particular product or service available from only one source, after documenting the procurement file with the district's findings of current market research to support the determination that the product is available from only one seller or source. The district's findings shall include:
- a. A brief description of the contract or contracts to be covered, including contemplated future purchases;
 - b. Description of the product or service to be purchased; and
 - c. The reasons the district is seeking this procurement method, which shall include any of the following:
 - (1) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment, supplies or services; or
 - (2) The goods or services required for the exchange of software or data are available from only one source or
 - (3) The particular product is for use in a pilot or an experimental project.
5. The district may specify a product or service available from only one manufacturer but available through multiple sellers after documenting the procurement file with the following information:
- a. If the total purchase is over \$10,000 but does not exceed \$150,000, and a comparable product or service is not available under an existing state cooperative purchasing contract, competitive quotes shall be obtained by the district and retained in the procurement file;
 - b. If the purchase does not exceed \$150,000, and the comparable product or service is available under an existing state cooperative purchasing contract, authorization from DAS, Central Purchasing, to proceed with the acquisition shall be first requested and obtained. The acquisition process would then be subject to the requirements and documentation in this rule; or
 - c. If the amount of the purchase exceeds \$150,000, the product or service shall be obtained through competitive bidding unless a specific exception is granted by the LCRB.
6. If the district intends to make several purchases of the product of a particular manufacturer or seller for a period not to exceed five years, the district will so state in the solicitation file and in the solicitation document, if any. Such documentation shall be sufficient notice as to subsequent purchases. If the total purchase amount is estimated to exceed \$150,000, this shall be stated in the advertisement for bids or proposals.

Findings of Fact/Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts and is reasonably expected to result in substantial cost savings of the district under ORS 279B.005, 279B.060, 279B.065 or 279B.070 as required by ORS

29B085(4). ORS 279B.055(4) requires the district to make a good faith effort to determine that no other sources are available for the specified products. The district maintains open lists from which vendors are contacted for quotations and utilizes electronic means of determining new vendors on an ongoing basis. In addition, the awarding of a contract as described in this special procurement should result in substantial cost savings by virtue of the ability to reduce solicitation costs when it is known that comparable products are not available, or when specifying another product solely to meet a competition requirement might lead to lower initial cost but longer lifetime cost. This special procurement of a class of contracts complies with the requirements of the law.

ADVERTISING CONTRACTS, PURCHASE OF

1. The district may purchase advertising in any media, regardless of dollar amount, without competitive bidding.
2. . The procurement file shall document the reasons why a competitive process was deemed impractical and the resulting contract must be in writing.
3. If the anticipated purchase exceeds \$10,000, the district will publish notice on the Oregon Procurement Information Network (ORPIN)

Findings of Fact

The district traditionally purchases advertising in newspapers. The following findings relate primarily to newspapers and written publications; however, the district may also purchase advertising for student activities or educational programs in other media, such as radio or television, where these findings apply:

- a. By their nature, media sources are generally unique. Advertisements are placed in a particular source because of the specific audience that source serves;
- b. Competition to furnish advertising space in daily newspapers of general, trade or business circulation in the vicinity of the district is limited;
- c. Cost savings are difficult to quantify where the sources are unique and not interchangeable;
- d. Advertisements may be placed to satisfy legal notice or Board policy requirements;
- e. Other published advertisements or notices, such as routine public notices, personnel recruitment information, etc., are placed in one or more of the publications of general circulation in the local area and other publications, as appropriate;
- f. The communities served by the district rely upon its use of the local daily newspaper as a central source of news and information regarding district activities;
- g. It is unknown whether contracts for advertisements placed with radio, television or other broadcast media are going to result in cost savings if not placed for competitive bid or request for proposal (RFP). If possible savings could be obtained through competitive means, the district would attempt to obtain competitive quotes or bids, as appropriate.

Conclusion of Compliance with Law

Due to limited competition and unique nature of sources, it is unlikely that this class special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Further, any contracts awarded under this class special procurement would result in a cost

savings available to the district where the district can achieve volume savings through contracts for advertising with a particular media source, or otherwise substantially promote the public interest.

ADVERTISING CONTRACTS, SALE OF

The district may sell advertising for district publications and activities, regardless of dollar amount, without competitive bidding, including school newspapers, yearbooks, athletic programs, drama or music programs and the like.

Findings of Fact

Sales of advertising for student activities are generally other fund revenues, where student groups solicit advertisements from local businesses to help with the cost of the activity itself. A common example is the sale of advertising in school newspapers and yearbooks. The circulation of the newspaper and yearbook is limited to the students, teachers, parents and interested members of the community associated with the activities of that particular school. Due to the limited circulation and audience, the businesses that participate by purchasing advertising do so partly in the spirit of good will. Any business is welcome to place an advertisement in the school newspaper or yearbook; all it needs to do is to contact any district school which publishes one. The district itself would not achieve any increased revenue to the general fund by seeking competitive bids or proposals for such advertising. This holds true for other student activities, such as athletics, drama or music events and the like.

Conclusion of Compliance with Law

These findings indicate that it is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Any business or individual who wishes to advertise in this manner may do so by simply contacting the student group responsible for the activity.

The sale of advertising for student activities such as school newspapers, yearbooks, athletic, drama or music programs would not benefit from competitive procurement. Such a requirement would place an unnecessary burden on the student group's activity and there is no financial advantage to the district in doing so. Consequently, the cost savings test is not an issue.

EQUIPMENT REPAIR AND OVERHAUL

1. The district may enter into a public contract for equipment repair or overhaul without competitive bidding, subject to the following conditions:
 - a. Service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing; or
 - b. Service or parts required are for sophisticated equipment for which specially trained personnel are required and such personnel are available from only one source; and
 - c. The purchase is made within the limits and pursuant to the methods in subsection B. of this rule.
2. The following limitations apply to this rule:

- a. If the contract is less than or equal to \$150,000, the school or department shall submit in writing to the superintendent or designee the reasons why competitive bids or quotes are deemed to be impractical. The superintendent or designee will accordingly document in its procurement file and may enter directly into the contract;
- b. If the school or department official thinks the contract may exceed \$150,000, he/she shall submit in writing to the superintendent or designee the reasons why competitive bidding is deemed to be impractical and a description of the cost savings to be obtained by an special procurement. The superintendent or designee may prepare a specific request for the anticipated contract to be obtained through special procurement procedures to submit to the LCRB for approval.

Findings of Fact

- a. The need for equipment repair or overhaul cannot be anticipated by district staff. If a piece of equipment is broken or not working properly, the district incurs cost of downtime, possible replacement equipment rental fees, staff time and other inconveniences or liabilities to its programs.
- b. Generally, there are a limited number of vendors who are able to perform repair or overhaul on a particular piece of equipment because of its make or manufacture. Sophisticated equipment may require specially trained personnel available from only one source. Often, a piece of equipment will have a partial warranty in place which will guarantee some savings to the district in the parts and/or labor needed to do the repair or overhaul. This warranty savings may only be achieved if the original manufacturer or provider of the equipment performs the necessary repair or overhaul.
- c. The dollar limits on the use of this special procurement procedure ensure that when the cost of the equipment repair or overhaul is expected to exceed \$150,000, the district will either seek formal competitive bids or, if that is not practical or cost effective, obtain a specific special procurement procedure from the LCRB to proceed with the purchase of the needed repair or overhaul.

Conclusion of Compliance with Law

It is unlikely that this special procurement procedure will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts because the dollar limits incorporated into this special procurement when the anticipated costs exceed \$150,000, insure the district will seek formal competitive bids and proposals. If the formal process is not practical, the district will obtain a specific exemption from the LCRB to proceed with the purchase of the needed repair or overhaul.

The awarding of public contracts under this special procurement will result in a cost savings to the district, as required by ORS 279B.085 (3)(b), because the district incurs direct and indirect costs from the moment equipment breaks down or becomes unusable. This special procurement only applies to equipment already owned by the district and does not provide for the purchase of new equipment. The district must be able to purchase necessary services and parts as quickly as possible in order to minimize equipment downtime and potential costs during that downtime.

COPYRIGHTED MATERIALS

The district may, without competitive bidding and regardless of dollar amount, purchase copyrighted materials where there is only one known supplier available for such goods. Examples of copyrighted materials covered by this special procurement procedure may include, but are not necessarily limited to, newly adopted textbooks/instructional materials, workbooks, curriculum kits, reference materials, audio and visual media and non-mass-marketed software from a particular publisher or their designated distributor.

Findings of Fact

1. By their nature, copyrighted materials are protected for the use of a single owner. Copyrighted materials may not be duplicated by others without the copyright owner's permission or license. Copyrights are established and regulated under federal law.
2. Often, copyrighted materials are produced by only one supplier who may be the owner of the copyright or his/her licensee. Textbooks/Instructional materials are examples of copyrighted materials that the District purchases through a sole source. Textbooks/Instructional materials are adopted through a statewide process under the authority of the Oregon Department of Education. A textbook/instructional material adoption defines the various materials which the district will purchase for use in its educational programs.

The district purchases its textbooks/instructional materials through the Northwest Textbook Depository. This practice enables the regional textbook depository to purchase and warehouse textbooks/instructional materials in conformance with adoptions made in the states of their region. The result is that savings are achieved through the depository's combined purchases on behalf of member districts. Freight costs for individual districts are reduced by the bulk purchases of the depository and the depository takes on the cost of stocking and warehousing enough to meet each member district's needs.

The system of textbook/instructional materials distribution enables the district to participate in the largest possible bulk purchasing activity of adopted textbooks/instructional materials in the region. This ensures a cost savings to the district. A savings that would be jeopardized if the district was to act as an individual purchaser.

Conclusion of Compliance with Law

This special procurement will not encourage favoritism or substantially diminish competition in the awarding of public contracts. The production and distribution of copyrighted materials is controlled by the owner of the copyright and may only be permitted through a sole source. The district has no control over this.

The awarding of contracts pursuant to this special procurement will result in a cost savings to the district when it needs to purchase copyrighted materials and there is only one known supplier for such goods, or otherwise substantially promote the public interest.

PRODUCT PREQUALIFICATION

1. When specific design or performance specifications must be met or such specifications are impractical to create or reproduce for a type of product to be purchased, the district may specify a list of approved or qualified products by reference to the prequalified product(s) of particular manufacturers or vendors in accordance with the following product prequalification procedure:
 - a. The district will make reasonable efforts to notify all known manufacturers and vendors of competing products of the district's intent to compile a list of prequalified products. The notice will explain the opportunity manufacturers and vendors of competing products will have to apply to have their product(s) included on the district's list of prequalified products. At its discretion, the district may provide notice by advertisement in a trade paper of general statewide circulation or other appropriate trade publication; or instead of advertising, the district may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the district; and
 - b. The district will accept manufacturer and vendor applications to include products in the district's list of prequalified products up to 15 calendar days prior to the initial advertisement for bids or proposals for the type of product to be purchased, unless otherwise specified in the advertisement or in the district's written notice.
2. If the district denies an application for including a product on a list of prequalified products, the district shall promptly provide the applicant with a written notice of the denial and include the reason for denial. The applicant may submit a written appeal within seven calendar days to the district business manager to request review and reconsideration of the denial.

Findings of Fact

1. There are occasions when the district needs to establish a list of prequalified products before it invites bids or proposals to furnish the products. The district may have a specific performance or design need, but it is impractical for the district to create a specification for the type of products to be purchased. An example is audiovisual equipment. There is a tremendous variety of audiovisual products offered in the market. The equipment technology is complex and constantly changing. It would be very burdensome and time consuming for the district to generate nonbrand name, generic performance specifications for such equipment every time it wants to make a purchase.

Also, competition would be poorly served because bidders and proposers would not know in advance whether their offered product would meet the general specification substantially enough to be considered a responsive offer. The decision to make an award would be slow, because each product offered would have to be analyzed against the district's specification. Slowdown in the award process affects both bidders, who are asked to hold their bids open until award is made, and district programs, because staff are not able to order the equipment they need until the contract is awarded.

In this case, it might be more cost effective and efficient for the district to prequalify products and establish a list of approved products before invitations to bid are sent out. The prequalification process can be done some time before the need for a new contract. Once the prequalified product list is established, the bidding and contract award process can go quickly and smoothly.

2. A second occasion when prequalification of products will be useful is when the specific design or performance specifications for a product are so exacting that the district must have time to carefully consider what is offered in the market that may or may not meet the specifications and, if necessary, reconsider its options before issuing an invitation to bid.
3. This rule sets out a process of prequalification which requires the use of advertisement or other appropriate means to notify vendors of competing products of their opportunity to submit items for prequalification. The district maintains vendor mailing lists which are open to all interested vendors. The district uses these lists routinely to notify vendors of its intentions to prequalify products or to invite bids on products.
4. This includes a 15-day time limit between the closure of a prequalification list and a related invitation to bid. This time factor ensures that vendors have a reasonable time to apply to include their products on a prequalified product list.
5. Subsection B. of this rule provides vendors with an appeal process to follow if their application for prequalification is denied.

Conclusion of Compliance with Law

Where prequalification of products is appropriate, it is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or diminish competition for such contracts. There are several safeguards in the rule to prevent this, including notice, advertising, time and appeal process requirements to ensure that vendors are given a fair and open opportunity to participate in the prequalification process.

The prequalification of products process is a time-consuming effort for the district. It is not a shortcut procurement method. The district would use this method only after balancing cost-saving considerations, such as the ability of the district to create or generate nonbrand name generic specifications for types of products or the need for lengthy product evaluation prior to contract award. If the prequalification method is chosen, it will result in a cost savings to the district because the normal method of product selection is too cumbersome and costly to pursue, or otherwise substantially promote the public interest.

REQUIREMENTS CONTRACTS (BLANKET PURCHASE ORDERS, PRICE AGREEMENTS)

1. The business manager, on behalf of the district, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining district requirements for volume discounts, standardization among schools and departments and reducing lead time for ordering.
2. The district may enter into a requirements contract (also known as a blanket purchase order or price agreement) whereby it is agreed to purchase goods or services for an anticipated need at a predetermined price or price discount from a price list, provided the contract is let by a competitive procurement process pursuant to the requirements of the public contracting code and these rules.
3. Once a requirements contract is established, schools and departments may purchase the goods and services from the awarded contractor without first undertaking additional competitive solicitation.

4. Schools and departments shall use requirements contracts established by the district, unless otherwise specified in the contract, allowed by law or these rules or specifically authorized by the superintendent or designee.
5. Under the authority of ORS 279A.025 and 279B.085, the district may use the requirements contract entered into by another Oregon public agency when:
 - a. The original contract met the requirements of public contracting code; and
 - b. The original contract allows other public agency usage of the contract; and
 - c. The original public contracting agency concurs and this is documented by a written interagency agreement between the district and the agency.
6. The term of any district requirements contract, including renewals, shall not exceed five years unless otherwise permitted under the public contracting code.

Findings of Fact

1. This rule permits the district to enter into requirements contracts, in which the vendor agrees to provide specified goods and services over the term of the contract at the bid price or discount rate. A requirements contract is useful when the purchase of the goods or services are routine and repetitive. For example, school, office, custodial and facilities maintenance supplies are customarily purchased through requirements contracts.
2. Requirements contracts are a common method of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, obtaining volume discounts, standardizing usage among schools and departments and reducing lead time for ordering.
3. The district establishes requirements contracts as a result of open competitive bidding or RFP processes, unless otherwise permitted under the public contracting code.
4. The district limits the term of requirements contracts, including all renewal options, to a maximum of five years before competitive rebidding must be done, unless otherwise permitted under the public contracting code.
5. The district may use the requirements contracts established by other public agencies, subject to certain conditions of state law, Board policy and administrative regulation.

Conclusion of Compliance with Law

It is unlikely that this special procurement will result in favoritism in the awarding of public contracts or diminish competition for such contracts. The district will only enter into requirements contracts which result from open competitive bidding processes. This condition applies also to the use of requirements contracts established by other public contracting agencies.

The awarding of district requirements contracts will result in a cost savings to the district, or otherwise substantially promote the public interest. It would be costly and inefficient to make routine, repetitive purchases of goods and services through individual transactions. Also, the guaranteed volume of a requirements contract allows the District to get better prices from bidders.

USED PERSONAL PROPERTY OR EQUIPMENT, PURCHASE

1. Subject to the provisions of this rule, the district may purchase used property or equipment without obtaining competitive bids or quotes, if the district has determined that the purchase will result in cost savings to the district and will not diminish competition or encourage favoritism. "Used personal property or equipment" is property or equipment which has been placed in its intended use by a previous owner or user for a period of time recognized in the relevant trade or industry as qualifying the personal property or equipment as "used" at the time of district purchase. Used personal property or equipment generally does not include property or equipment if the District was the previous user, whether under a lease, as part of a demonstration, trial or pilot project or similar arrangement.
2. For purchases of used personal property or equipment costing less than or equal to \$150,000, the district shall, where feasible, obtain three competitive quotes unless the district has determined and documented that a purchase without obtaining competitive quotes will result in cost savings to the district and will not diminish competition or encourage favoritism.
3. For purchases of used personal property or equipment totaling \$150,000 or more, the district shall attempt to obtain three competitive quotes. The district will keep a written record of the source and amount of quotes received. If three quotes are not available, a written record must be made of the attempt to obtain quotes.

Findings of Fact

1. The district is responsible to manage expenditures in the best interests of the public. Cost savings can be achieved through the procurement of used property and equipment. The district purchases used property and equipment when it meets the district's needs and is cost effective. Considerations include type, quality, quantity and estimated useful life of the used item.
2. Used equipment and property becomes available sporadically and without notice. Used equipment and property is generally sold on a first-come, first-served basis. When used property or equipment does become available, the district must be able to respond immediately in order to obtain the property or equipment.
3. Some types of property or equipment may not be readily available in the new goods market. The district may have to look for used items to fill the need.
4. Competition to provide used property and equipment may be very limited and inconsistent, depending on the type of product.
5. The district maintains vendor lists which include information on whether a vendor provides used property or equipment. These lists are open to all vendors.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the award of public contracts or substantially diminish competition for such contracts. The purchase of used property or equipment depends on an inconsistent, sporadic market. When a used item is available, there is often little competition available. Sources for used items of the type, quality and quantity required by the district are inconsistent. This rule requires the district to attempt to obtain and document quotes as appropriate to the dollar amount of the purchase. If the anticipated purchase is over \$150,000, the district will advertise its need.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. The cost of used equipment or property is generally substantially less than that of new. Savings of 20 percent to 50 percent are not uncommon. Used equipment can provide good value to the district and help ensure the continuation of district services and programs.

INFORMATION TECHNOLOGY CONTRACTS

The district may enter into a contract to acquire information technology hardware and software without competitive bidding subject to the following conditions:

1. If the contract amount does not exceed \$150,000, the district shall attempt to obtain three competitive quotes pursuant to the rules governing Intermediate Procurements. The quotes, reasons why three quotes were not available and the justification for award shall be documented and retained in the procurement file.
2. If the contract amount exceeds \$150,000, the district shall determine and use the best procurement method, pursuant to the public contracting code and these rules, and shall solicit written proposals in accordance with the requirements of the Attorney General's Model Public Contract Rules. The district shall document the evaluation and award process, which will be part of the public record justifying the award;
3. If the amount of the contract is estimated to exceed \$150,000, the district shall provide proposers an opportunity to review the evaluation of their proposals before final selection is made.

Findings of Fact

1. Rapid changes in technology make it necessary for the district to be able to purchase needed computer equipment quickly.
2. Pricing for high-technology equipment also changes rapidly. It is frequently possible to take advantage of frequent price changes in the marketplace in the purchase of computer equipment.
3. There is generally sufficient competition among vendors of information technology hardware and software for district business.
4. The district will follow rules governing special procurements and obtain at least three informally solicited quotes for purchases less than or equal to \$150,000.
5. If the district requires a brand name or sole source product, the district will follow its rule governing

Brand Names or Products, “Or Equal,” Single Seller and Sole Source, Section I., to procure it.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the award of district contracts or substantially diminish competition for district contracts. The purchase of information technology hardware and software will be made in accordance with other competitive bidding rules contained in this administrative regulation. If the anticipated purchase is over \$150,000, the district will advertise its need.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of information technology hardware and software. This rule gives the district some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur.

TELECOMMUNICATIONS SYSTEMS - HARDWARE AND SOFTWARE CONTRACTS

1. The district may enter into a contract to acquire telecommunications system hardware and software, without competitive bidding, subject to the following conditions:
 - a. If the contract amount does not exceed \$150,000, the district shall attempt to obtain three competitive quotes pursuant to the rules governing Intermediate Procurements. The quotes, reasons why three quotes were not available and the justifications for award shall be documented and retained in the procurement file.
 - b. If the contract amount exceeds \$150,000, the district shall determine and use the best procurement method, pursuant to the public contracting code and these rules and shall solicit written proposals in accordance with the requirements of Chapter 137, Divisions 047 and 049 of the Attorney General’s Model Public Contract Rules.
2. The telecommunications solicitation authorized in subsection 1.a. of these rules shall:
 - a. State the contractual requirements in the solicitation document;
 - b. State the evaluation criteria to be applied in awarding the contract and the role of any evaluation committee. Criteria that would be used to identify the proposal that best meets the district’s needs may include, but are not limited to, cost, quality, service and support, compatibility, product or system reliability, vendor viability and financial stability, operating efficiency and expansion potential;
 - c. State the provisions made for bidders or proposers to comment on any specifications which they feel limit competition;

Findings of Fact

1. Rapid changes in technology make it necessary for the district to be able to purchase needed telecommunications hardware and software quickly.
2. Since deregulation, there is generally adequate competition among vendors of telecommunication hard-ware and software to allow the district to make competitive purchases.
3. Pricing for telecommunications hardware and software also changes frequently. It is important for the district to take advantage of price competition in the marketplace.
4. The district will follow procedures governing special procurements and document reasonable efforts to obtain at least three informally solicited quotes for purchases over \$5,000 but less than or equal to \$150,000.
5. If a purchase of telecommunications hardware or software is expected to cost more than \$150,000, the district will use a formal competitive bidding or proposal process in accordance with these rules and the Attorney General's Model Public Contract Rules.
6. There are also times when the district needs to purchase specific items that are compatible with current equipment. On these occasions, the district will follow its rule governing Brand Names or Products, "Or Equal," Single Seller and Sole Source, Section I., to make the purchase.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. The purchase of telecommunications hardware and software will be made in accordance with other competitive bidding rules herein. If the anticipated purchase is over \$150,000, the district will advertise its need.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of telecommunications hardware and software. This rule gives the district some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur.

TELECOMMUNICATIONS SERVICES

1. The district shall secure the most competitive, cost-effective telecommunications services of the quality needed to meet all service performance requirements while minimizing administrative and service delivery costs. The district will use routine purchasing procedures whenever possible, but if necessary, the district can consider alternative procurement methods in accordance with this rule.

The district will generally follow the normal competitive procurement processes in obtaining telecommunications services. This process will only be used if necessary where there is a lack of sufficient competition to furnish needed services.

2. In determining the appropriate procurement method for telecommunications services, the district shall comply with the requirements of ORS 291.038 and determine whether competition exists. In determining whether competition exists, the district may consider the following factors:
 - a. The extent to which alternative providers exist in the relevant geographic and service market; the greater area of Linn County;
 - b. The extent to which alternative services offered are comparable or substitutable in technology, service provided and performance. For example, if the district requires digital services, analog services are not comparable or substitutable. If the district requires fiber optic technology, then copper, microwave or satellite transmission technology may not be comparable or substitutable;
 - c. The extent to which alternative providers can respond to the district's interest in consistency and continuity of services throughout its service area, volume discounts, equitable service for all users, centralized management and limiting district liability. For example, to be considered as the district's long-distance service provider, any long-distance service vendor must be able to meet, support and interface with the district's centralized automated billing requirements. The district must document for the record its findings on these factors or any other factors used in determining whether competition exists. In developing its findings, the district may solicit the information either through informal telephone or written contacts or through a formal solicitation such as an RFP.
3. If the district determines that competition does not exist in the area for the relevant service, the district may proceed to secure the service on a sole source basis, as described in the district's rule governing Brand Names or Products, "Or Equal," Single Seller and Sole Source, Section I.

Findings of Fact

1. Since deregulation, there is generally adequate competition among vendors of telecommunication services to allow the district to make competitive procurements.
2. Since there is competition, price competition exists in the marketplace. It is important for the district to take advantage of existing competition.
3. The district will follow its rules governing special procurements and document reasonable efforts to obtain at least three informally solicited quotes for purchases less than or equal to \$150,000.
4. If a purchase of service is expected to cost more than \$150,000, the district will use a formal competitive bidding or proposal process in accordance with these rules and the Attorney General's Model Public Contract Rules.
5. There may be occasions where there is limited competition that can furnish telecommunications services of the quality and extent required by district operations. In such instances, the district will follow this rule and also its rule governing Brand Names or Products, "Or Equal," Single Seller and Sole Source, Section I., to procure needed services from the sole source.

Conclusion of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. Routinely, the purchase of telecommunications services will be made in accordance with other competitive bidding rules contained in this administrative regulation. If the anticipated purchase is over \$150,000, the district will advertise its need, issue a written solicitation document and invite written bids or proposals to be furnished in response.

There may be circumstances, however, where sufficient competition does not exist in the relevant geographic and service market area. In such cases, the district will follow this rule in determining whether sufficient competition exists to make a competitive procurement.

The use of this special procurement will result in a cost savings to the district, or otherwise substantially promote the public interest. Competition will be encouraged at all dollar levels of purchase of telecommunications hardware and software. This rule gives the district some flexibility in selecting the method of competitive procurement but requires adherence to the rule on brand name or sole source acquisitions if those situations occur. The rule also states the steps to be taken to document situations where sufficient competition may not exist and a sole source purchase needs to be made.

HAZARDOUS MATERIAL REMOVAL; OIL CLEANUP

1. The district may enter into public contracts without competitive bidding, regardless of dollar amount, when ordered to clean up oil or hazardous waste pursuant to the authority granted to the Oregon Department of Environmental Quality (DEQ) under ORS Chapter 466, especially ORS 466.605 through 466.680. In exercising its authority under this exemption, the district shall:
 - a. To the extent reasonable under the circumstances, encourage competition by attempting to make informal solicitations or to obtain informal quotes from potential suppliers of goods and services;
 - b. Make written findings describing the circumstances that require the cleanup or maintain a copy of the DEQ order for the cleanup;
 - c. Record the measures taken under A.1. of this rule to encourage competition, the amount of the quotes or proposals obtained, if any, and the reason for selecting the contractor to whom award is made.
2. The district shall not contract pursuant to this special procurement in the absence of an order from the DEQ to clean up a site which includes a time limit that would not allow the district to hire a contractor under normal competitive bidding procedures. Goods and services to perform other hazardous material removal or cleanup will be purchased in accordance with normal competitive bidding procedures as described in Board policy with this administrative regulation.

Findings of Fact

1. When the DEQ orders a public agency to remove or clean up hazardous material or oil, the public agency must respond within a very short time, which is stated in the DEQ order. This time period does not generally allow the agency to take the time necessary to solicit written bids or proposals for the work to be performed. The district would be liable for any delay in responding to DEQ orders to perform hazardous material removal or cleanup.

2. This exemption will not be used in those situations where there is no DEQ order to remedy the situation. Routine competitive procurement methods will be used where there is no DEQ order to act immediately. The district maintains open lists of vendors who are interested in providing hazardous material removal and cleanup services. Whenever it needs hazardous material removal or disposal, the district makes use of these lists to solicit quotes, bids or proposals as needed, in addition to advertising the procurement as required.
3. Cost savings are achieved through this exemption because the district can be liable for DEQ penalties and fines if it does not timely remove hazardous materials or oil as ordered. There is also serious risk in these situations that property damage or personal injury could result if the district is slow to act.

Conclusions of Compliance with Law

It is unlikely that this special procurement will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279B.085 (3)(a). If it is under DEQ order to act immediately, the district will still attempt to obtain competitive quotes for the work to be performed as it has the ability and time to do so. Unless the district is faced with the quasi-emergency situation of a DEQ order to remove or clean up hazardous waste or oil, it will follow normal competitive procedures to obtain these services.

The award of public contracts pursuant to this special procurement will result in a cost savings to the district in these situation, as required by ORS 279B.085 (3)(b), because the district must comply with the law and avoid and minimize risk to persons and property. Where possible, it will seek competitive quotes for the work to be performed and will award the contract to the lowest, responsive and responsible bidder.

RENEGOTIATION OF EXISTING CONTRACTS

1. The district may amend or renegotiate contracts with existing vendors, service providers or other parties subject to the limitations of this rule.
2. The district has determined that value engineering, specialized expertise required, public safety or technical complexity, generally do not apply to this special procurement procedure.
3. The renegotiated contract falls within a current special procurement procedure, but if not the LCRB must approve a separate special procurement.
4. The district may renegotiate certain terms, but they must not unreasonably alter the scope of the original contract.

Findings of Fact

1. The LCRB may amend contracts when it is in the best interest of the district. The superintendent and/or other designee, acting on behalf of the LCRB, may renegotiate certain provisions, including:
 - a. Price;
 - b. Term;
 - c. Delivery and shipping;
 - d. Order size;
 - e. Substitution;
 - f. Warranties;
 - g. On-line ordering systems;
 - h. Price adjustments;
 - i. Produce availability;
 - j. Product quality; or
 - k. Reporting requirements, or
 - l. Discounts.

Any contract amendment will be supported by legal consideration when necessary to validate the amended provision.

2. The amended terms must be within a reasonable scope of the original contract, but not fundamentally alter the agreement or nature of goods or services. Districts may, however, request functionally equivalent substitutes for goods or services in the original contract.
3. The contract as a whole must be more favorable to the individual needs of the district to justify renegotiation. Cost may be a factor in determining what is a favorable change to the original contract, but the district may use factors other than cost that demonstrate that the amended contract is more favorable to the unique needs of the district.

Conclusion of Compliance with Law

This special procurement will not encourage favoritism or substantially diminish competition in awarding public contracts because it already exists as a contract awarded in compliance with the district's special procurement and public contracting code.

The awarding of contracts under this special procurement will result in cost savings to the district when it need to renew its original contract with vendors, service providers or other parties, or otherwise substantially promote the public interest.

EXEMPTIONS FROM COMPETITIVE BIDDING

All public contracts shall be based upon competitive bids or proposals, except the following:

1. Contracts which have been specifically exempted under ORS 279A.025 and 279C.335; and
2. Contracts covered by the class exemptions in the following set of rules developed pursuant to ORS 279C.335 (2) and (5) and based on Oregon Administrative Rules, Chapter 137, Divisions 46 through 49.

The Board, acting as the Local Contract Review Board (LCRB) for the district, has made the findings required by ORS 279C.330 , ORS 279C.335 and ORS 279C.345 and determined that awarding a contract under this exemption is unlikely to encourage favoritism or substantially diminish competition for the public contract and will result in a cost savings to the district and other substantial benefits. Only these findings are required for each class or individual contract exemption, unless the LCRB specifically excludes a finding or includes an additional finding.

In approving a finding under this section, the local contract review board shall consider the type, cost and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:

1. How many persons are available to bid;
2. The construction budget and the projected operating costs for the completed public improvements;
3. Public benefits that may result from granting the exemption;
4. Whether value engineering techniques may decrease the cost of the public improvement;
5. The cost and availability of specialized expertise that is necessary for the public improvement;
6. Any likely increases in public safety;
7. Whether granting the exemption may reduce risks to the district or the public that are related to the public improvement;
8. Whether granting the exemption will affect the sources of funding for the public improvement;
9. Whether granting the exemption will better enable the district to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;
10. Whether granting the exemption will better enable the district to address the size and technical complexity of the public improvement;
11. Whether the public improvements involves new construction or renovates or remodels an existing structure;
12. Whether the public improvement will be occupied or unoccupied during construction;

13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and
14. Whether the district has or has retained under contract, and will use district personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the district will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

BRAND NAMES OR PRODUCTS, “OR EQUAL,” SINGLE SELLER AND SOLE SOURCE

1. The district may purchase brand names or products from a single seller or sole source without competitive bidding subject to the limitations of this rule.
2. The district has determined that value engineering, specialized expertise required, public safety or technical complexity, generally do not apply to this exemption.
3. Solicitation specifications for public contracts of the district shall not expressly or implicitly require any product of any particular manufacturer or seller except as expressly authorized in subsections D. and E. of this rule.
4. The district may specify a particular brand name, make or product suffixed by “or equal,” “or approved equal,” “or equivalent,” “or approved equivalent” or similar language if there is no other practical method of specification after documenting the procurement file with the following:
 - a. A brief description of the solicitation(s) to be covered, including contemplated future purchases;
 - b. The brand name, mark or product to be specified; and
 - c. The reasons the district is seeking this procurement method, which shall include any of the following findings:
 - (1) It is unlikely that specification of the brand name, mark or product will encourage favoritism in the award of the public contracts or substantially diminish competition; or
 - (2) Specification of the brand name, mark or product would result in cost savings to the agency;
 - (3) There is only one manufacturer or seller of the product of the quality, performance or functionality required; or
 - (4) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment or supplies.
 - d. The district shall make reasonable effort to notify all known suppliers of the specified product and invite such vendors to submit competitive bids or proposals.
5. The district may purchase a particular product or service available from only one source, after documenting the procurement file with the district’s findings of current market research to support the determination that the product is available from only one seller or source. The district’s findings shall include:
 - a. A brief description of the contract or contracts to be covered, including contemplated future purchases;

- b. Description of the product or service to be purchased; and
 - c. The reasons the district is seeking this procurement method, which shall include any of the following:
 - (1) Efficient utilization of existing equipment or supplies requires the acquisition of compatible equipment, supplies or services; or
 - (2) The required product is data processing equipment which will be used for research where there are requirements for exchange of software and data with other research establishments; or
 - (3) The particular product is for use in a pilot or an experimental project.
 - (4) The goods or services are available from only one source.
6. The district may specify a product or service available from only one manufacturer but available through multiple sellers, after documenting the procurement file with the following information:
- a. If the total purchase is over \$10,000 but does not exceed \$100,000, and a comparable product or service is not available under an existing state cooperative purchasing contract, competitive quotes shall be obtained by the district and retained in the procurement file;
 - b. If the purchase does not exceed \$100,000, and the comparable product or service is available under an existing state cooperative purchasing contract, authorization from DAS, Central Purchasing, to proceed with the acquisition shall be first requested and obtained. Once authorization has been received the district may proceed with the acquisition subject to the requirements of this rule; or
 - c. If the amount of the purchase exceeds \$100,000, the product or service shall be obtained through competitive bidding unless a specific exemption is granted by the LCRB.
7. If the district intends to make several purchases of the product of a particular manufacturer or seller for a period not to exceed five years, the district will so state in the solicitation file and in the solicitation document, if any. Such documentation shall be sufficient notice as to subsequent purchases. If the total purchase amount is estimated to exceed \$100,000, this shall be stated in the advertisement for bids or proposals.

Findings of Fact/Conclusion of Compliance with Law

It is unlikely that this process will encourage favoritism in the award of public contracts or substantially diminish competition for such contracts, as required by ORS 279C.335 (2)(a).

This class exemption applies only to contracts under a limited dollar amount, and then, only after efforts to obtain competitive quotes are made, or other methods have been employed to ensure that competitive means are used if available. The district maintains open lists from which vendors are contracted for quotations. In addition, as required by ORS 279C.335 (2)(b) award of a public contract subject to the above described exemption should result in substantial cost savings or other substantial benefits to the district by virtue of the ability to reduce solicitation costs when it is known that comparable products are not available, or when specifying another product solely to meet a competition requirement might lead to lower initial cost but longer lifetime cost.

PRODUCT PREQUALIFICATION

1. When specific design or performance specifications must be met or such specifications are impractical to create or reproduce for a type of product to be purchased, the district may specify a list of approved or qualified products by reference to the prequalified product(s) of particular manufacturers or vendors in accordance with the following product prequalification procedure:
 - a. The district will make reasonable efforts to notify all known manufacturers and vendors of competing products of the district's intent to compile a list of prequalified products. The notice will explain the opportunity manufacturers and vendors of competing products will have to apply to have their product(s) included on the district's list of prequalified products. At its discretion, the district may provide notice by advertisement in a trade paper of general statewide circulation or other appropriate trade publication; or instead of advertising, the district may provide written notice to those manufacturers and vendors appearing on the appropriate list maintained by the district; and
 - b. The district will accept manufacturer and vendor applications to include products in the district's list of prequalified products up to 15 calendar days prior to the initial advertisement for bids or proposals for the type of product to be purchased, unless otherwise specified in the advertisement or in the district's written notice.
2. The district has determined that special expertise required, generally, does not apply to this rule.
3. If the district denies an application for inclusion of a product on its list of prequalified products, the district shall promptly provide the applicant with a written notice of the denial and include the reason for denial. The applicant may submit a written appeal within 7 calendar days to the district business manager to request review and reconsideration of the denial.

Findings of Fact

1. There are occasions when the district needs to establish a list of prequalified products before it invites bids or proposals to furnish the products. The district may have a specific performance or design need, but it is impractical for the district to create a specification for the type of products to be purchased. An example is audiovisual equipment. There is a tremendous variety of audiovisual products offered in the market. The equipment technology is complex and constantly changing. It would be very burdensome and time consuming for the district to generate nonbrand name, generic performance specifications for such equipment every time it wants to make a purchase.

Also, competition would be poorly served because bidders and proposers would not know in advance whether their offered product would meet the general specification substantially enough to be considered a responsive offer. The decision to make an award would be slow, because each product offered would have to be analyzed against the district's specification. Slowdown in the award process affects both bidders, who are asked to hold their bids open until award is made, and district programs, because staff are not able to order the equipment they need until the contract is awarded.

In this case, it might be more cost effective and efficient for the district to prequalify products and establish a list of approved products before invitations to bid are sent out. The prequalification process can be done some time before the need for a new contract. Once the prequalified product list is established, the bidding and contract award process can go quickly and smoothly.

2. A second occasion when prequalification of products will be useful is when the specific design or performance specifications for a product are so exacting that the district must have time to carefully consider what is offered in the market that may or may not meet the specifications and, if necessary, reconsider its options before issuing an invitation to bid.
3. This rule sets out a process of prequalification which requires the use of advertisement or other appropriate means to notify vendors of competing products of their opportunity to submit items for prequalification. The district maintains vendor mailing lists which are open to all interested vendors. The district uses these lists routinely to notify vendors of its intentions to prequalify products or to invite bids on products.
4. This includes a 15-day time limit between the closure of a prequalification list and a related invitation to bid. This time factor ensures that vendors have a reasonable time to apply to include their products on a prequalified product list.
5. Subsection 3. of this rule provides vendors with an appeal process to follow if their application for prequalification is denied.

Conclusion of Compliance with Law

Where prequalification of products is appropriate, it is unlikely that this exemption will encourage favoritism in the awarding of public contracts or diminish competition for such contracts as required by ORS 279C.335 (2)(a). There are several safeguards in the rule to prevent this, including notice, advertising, time and appeal process requirements to ensure that vendors are given a fair and open opportunity to participate in the prequalification process.

The prequalification of products process is a time-consuming effort for the district. It is not a shortcut procurement method. The district would use this method only after balancing cost-saving considerations, such as the ability of the district to create or generate nonbrand name generic specifications for types of products or the need for lengthy product evaluation prior to contract award. If the prequalification method is chosen, it will result in a cost savings and other substantial benefits to the district as required by ORS 279C.335 (2)(b) because the normal method of product selection is too cumbersome and costly to pursue.

REQUEST FOR PROPOSAL

The district may, at its discretion, use RFP competitive procurement methods subject to the following conditions:

1. The procurement is advertised and a written solicitation document is issued that invites the submission of sealed, written offers to be opened publicly at a designated time and place; and
2. Contractual requirements are stated clearly in the solicitation document; and
3. Evaluation criteria and weighting factors to be applied in awarding the contract and the role of an evaluation committee are stated clearly in the solicitation document. Criteria used to identify the proposal that best meets the district's needs may include, but are not limited to, cost, quality, service and support, compatibility, product or system reliability, financial stability, operating efficiency, proposer qualifications and experience; and
4. The solicitation document clearly states all complaint processes and remedies available; and
5. The solicitation document states the provisions for proposers to comment on any specifications that they feel limit competition.

Findings of Fact/Conclusion of Compliance with Law

As the RFP process is an alternate method of competitive selection and not an exemption from the competitive procurement requirements of law, the district has determined that findings of fact are not required. It is unlikely that this process will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). The awarding of contracts pursuant to this process will result in optimal value to the district based on selection by the district of the best competitive proposal that meets the stated evaluative criteria. This meets the test of ORS 279C.335 (2)(b).

REQUIREMENTS CONTRACTS (BLANKET PURCHASE ORDERS, PRICE)

1. The business manager, on behalf of the district, may establish requirements contracts for the purposes of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, combining district requirements for volume discounts, standardization among schools and departments and reducing lead time for ordering.
2. The district has determined that value engineering, specialized expertise required or technical complexity, generally, do not apply to this rule.
3. The district may enter into a requirements contract (also known as a blanket purchase order or price agreement) whereby it is agreed to purchase goods or services for an anticipated need at a predetermined price or price discount from a price list, provided the contract is let by a competitive procurement process pursuant to the requirements of the public contracting code and these rules.
4. Once a requirements contract is established, schools and departments may purchase the goods and services from the awarded contractor without first undertaking additional competitive solicitation.
5. Schools and departments shall use requirements contracts established by the district, unless otherwise specified in the contract, allowed by law or these rules or specifically authorized by the superintendent or designee.
6. Under the authority of ORS 279A.025 and 279C.335, the district may use the requirements contract entered into by another Oregon public agency when:
 - a. The original contract met the requirements of the public contracting code; and
 - b. The original contract allows other public agency usage of the contract; and
 - c. The original public contracting agency concurs and this is documented by a written interagency agreement between the district and the agency.
7. The term of any district requirements contract, including renewals, shall not exceed five years unless otherwise exempted pursuant to ORS 279C.335.

Findings of Fact

1. This rule permits the district to enter into requirements contracts, in which the vendor agrees to provide specified goods and services over the term of the contract at the bid price or discount rate. A requirements contract is useful when the purchase of the goods or services are routine and repetitive. For example, school, office, custodial and facilities maintenance supplies are customarily purchased through requirements contracts.
2. Requirements contracts are a common method of minimizing paperwork, achieving continuity of product, securing a source of supply, reducing inventory, obtaining volume discounts, standardizing usage among schools and departments and reducing lead time for ordering.
3. The district establishes requirements contracts as a result of open competitive bidding or RFP processes, unless otherwise exempted.

4. The district limits the term of requirements contracts, including all renewal options, to a maximum of five years before competitive rebidding must be done, unless otherwise exempted.
5. The district may use the requirements contracts established by other public agencies, subject to certain conditions of state law, Board policy and administrative regulation.

Conclusion of Compliance with Law

It is unlikely that this exemption will result in favoritism in the awarding of public contracts or diminish competition for such contracts, as required by ORS 279C.335 (2)(a). The district will only enter into requirements contracts which result from open competitive bidding processes. This condition applies also to the use of requirements contracts established by other public contracting agencies.

The awarding of district requirements contracts will result in a cost savings and other substantial benefits to the district, as required by ORS 279C.335 (2)(b). It would be costly and inefficient to make routine, repetitive purchases of goods and services through individual transactions. Also, the guaranteed volume of a requirements contract allows the district to get better prices from bidders.

WAIVER OF BID SECURITY REQUIREMENTS (PUBLIC IMPROVEMENT CONTRACTS UNDER \$100,000)

The LCRB may, at its discretion, waive the bid security requirements of ORS 279C.390, if the amount of the contract for the public improvement is less than \$100,000. Although the bid security requirements of ORS 279C.390 are waived for public improvement contracts under \$100,000, the district may impose a bid or quote security requirements for projects under \$100,000, when deemed to be in the best interest of the district.

Findings of Fact/Conclusion of Compliance with Law

This rule allows the LCRB to waive bid security requirements for certain public improvement contracts. Waiver of the bid security is provided for by statute without a requirement for findings.

WAIVER OF PERFORMANCE AND PAYMENT SECURITY REQUIREMENTS (PUBLIC IMPROVEMENT CONTRACTS UNDER \$25,000 \$100,000)

The LCRB may, at its discretion, waive the performance/payment security requirements of ORS 279C.390 if the amount of the contract for the public improvement is less than \$100,000. Although the performance/payment security requirements of ORS 279C.390 are waived for public improvement contracts less than \$100,000, the district may impose a performance/payment security requirement for projects less than \$100,000 when deemed to be in the best interest of the district.

Findings of Fact/Conclusion of Compliance with Law

This rule allows the LCRB to waive performance/payment security requirements for certain public improvement contracts. Waiver of the performance/payment security is provided for by statute without a requirement for findings.

PROJECTS WITH COMPLEX SYSTEMS OR COMPONENTS

1. For contracts for public improvements with significant components that are inherently complex and are also complex to procure through competitive bid, the District may, at its discretion, use RFP competitive procurement methods subject to the conditions described in ORS 279C.400 and conditions enumerated in this exemption.
2. Definitions. For purposes of this exemption only: “Complex Systems” are defined as those systems which incorporate the procurement of materials or other components which are difficult, if not impossible, to create in an “equal” specifications basis for competitive bid. Examples of such systems include but are not limited to, contracts for supplying and installing computerized controls for building heating, venting, air conditioning systems; and contracts for artificial surface outdoor multipurpose athletic fields. “Significant” is intended to mean something more than de minimus, but not necessarily the majority of the project as determined by cost.

Finding of Fact/Conclusion of Compliance with the Law

It is unlikely that this exemption will encourage favoritism in the awarding of the public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). Contracts for public improvements occasionally incorporate the procurement of systems, materials, or other components (complex systems) for which it is extremely difficult to design bid specifications. In these situations, utilization of an RFP process where each of the systems can be evaluated utilizing a number of factors, in addition to price, will result in costs savings and other substantial benefits to the district as required by ORS 279C.335 (2)(b).

ORS 279C enumerates how RFP's are to be used if authorized by the LCRB. This criteria, ensures that competitive means will be used and selection will be fair and impartial. As a result, it is unlikely that this process will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts as required by ORS 279C.335 (2)(a). The awarding of contracts pursuant to this process will result in optimal value to the district based on selection by the district of the best competitive proposal that meets the stated evaluative criteria.

This class exemption is intended to be used for the types of procurements describe in the findings, where the specific system, materials or components represent a significant portion of the project. This class exemption is not intended to be used for CM/GC projects or other methods of alternative procurement unless these projects meet the requirements of this class exemption. The CM/GC and others, not meeting the requirements of this class exemption, may still be procured by RFP, provided that a project or contract specific exemption is promulgated by the LCRB.

OSBA Model Sample Administrative Regulation

Code: DJC-AR

Revised/Reviewed:

Exemptions from Competitive Bidding and Special Procurements

{This optional administrative regulation is intended to provide guidance for the district in preparing a request for special procurement to the Local Contract Review Board (LCRB). This administrative regulation is not intended as procurement rules in place of the *Attorney General's Model Public Contracting Rules* or rules adopted by the LCRB.}

All public contracts shall be based upon competitive bids or proposals, except the following:

1. Contracts below threshold levels in accordance with ORS 279B.065 (small procurements for goods and services), 279B.070 (intermediate procurements for goods and services) and 279C.412 (intermediate procurements for public improvements);
2. Special procurements for goods and services in accordance with ORS 279B.085 and OAR 137-047-0285;¹
3. Contracts which have been exempted under ORS 279A.025 and 279C.335; and
4. Any other contract exempted by law.

SPECIAL PROCUREMENTS FOR GOODS AND SERVICES

To proceed with a special procurement, the district shall submit a written request to the Board, acting as the Local Contract Review Board (LCRB). This request shall describe the contracting procedure, the goods and services or class of goods and services that are the subject of the special procurement, and circumstances that justify the use of a special procurement.

The special procurement must be unlikely to encourage favoritism in the awarding of a public contract or to substantially diminish competition for public contracts; and (A) must be reasonably expected to result in substantial cost savings to the district or to the public; or (B) must substantially promote the public interest in a matter that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065, 279B.070 or any related rules.

After LCRB approval, the district may proceed with a special procurement. Public notice of the approval of a special procurement must be given in the same manner as provided in ORS 279B.055(4). If the district intends to award a contract through special procurements that calls for competition among prospective contractors, the district shall award the contract to the contractor it determines to be most advantageous to the district.

When the LCRB approves a class special procurement the district may award contracts to acquire goods and services within the class of goods and services in accordance with the terms of the approval without making a subsequent request for a special procurement.

¹ Procurement law for goods and services uses the term "special procurement." Procurement law for public improvement contracts does not use the term "special procurement," but a comparable exemption is allowed under ORS 279C.335.

The following are additional considerations and requirements for specific types of special procurements. The request submitted to the LCRB should address these provisions and satisfy any requirements.

Brand Names or Equal²

1. “Brand name or equal specification” means a specification that uses one or more manufacturers’ names, makes, catalog numbers or similar identifying characteristics needed to meet the district’s requirements and that authorizes bidders or proposers to offer goods or services that are equivalent or superior to those named or described in the specification.
2. “Brand name specification” means a specification limited to one or more products, brand names, makes, manufacturer’s names, catalog numbers or similar identifying characteristics.”
3. “Specification” means any description of the physical or functional characteristics of, or of the nature of, goods or services to be procured by a contracting agency.³

A brand name or equal specification may be used when the use of a brand name or equal specification is advantageous to the district because the brand name describes the standard of quality, performance, functionality and other characteristics of the product needed by the district. The district is entitled to determine what constitutes a product that is equal or superior to the product specified, and any such determination is final. Nothing in the law or this administrative regulation may be construed as prohibiting the district from specifying one or more comparable products as examples of the quality, performance, functionality or other characteristics of the product needed by the contracting agency.

A brand name specification may be prepared and used only if the district determines for a solicitation or class of solicitations that only the identified brand name specification will meet the needs of the district based on one or more of the following written determinations:

1. That use of the brand name specification is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts;
2. That use of a brand name specification would result in substantial cost savings to the contracting agency;
3. That there is only one manufacturer or seller of the product of the quality, performance or functionality required; or
4. That efficient utilization of existing goods requires the acquisition of compatible goods or services.

Advertising Contracts, Purchase of⁴

The district traditionally purchases advertising in newspapers, however, the district may also purchase advertising in other media, such as radio, television or the internet. Advertising contracts may be procured without competitive procurement based on findings of:

² For additional guidance, see OAR 125-247-0691.

³ Specification may include a description of any requirement for inspecting, testing or preparing goods or services for delivery.

⁴ See OAR 125-247-0288(5) for additional guidance.

1. Advertisements are placed in a particular source because of the specific audience that source serves;
2. Competition to furnish advertising space in daily newspapers of general, trade or business circulation in the vicinity of the district is limited;
3. Cost savings are difficult to quantify where the sources are unique and not interchangeable;
4. Advertisements may be placed to satisfy legal notice or Board policy requirements;
5. Other published advertisements or notices, such as routine public notices, personnel recruitment information, etc., are placed in one or more of the publications of general circulation in the local area and other publications, as appropriate;
6. The communities served by the district rely upon its use of the local daily newspaper as a central source of news and information regarding district activities; or
7. It is unknown whether contracts for advertisements placed with radio, television, the internet or other media are going to result in cost savings if not placed for competitive bid or request for proposal (RFP). If possible, savings could be obtained through competitive means, the district would attempt to obtain competitive quotes or bids, as appropriate.

Advertising Contracts, Sale of

The district may sell advertising for district publications and activities, regardless of a dollar amount, without competitive bidding, including school newspapers, yearbooks, athletic programs, drama or music programs and the like.

Sales of advertising for student activities are generally other fund revenues, where student groups solicit advertisements from local businesses to help with the cost of the activity itself. A common example is the sale of advertising in school newspapers and yearbooks. The district itself would not achieve any increased revenue to the General Fund by seeking competitive bids or proposals for such advertising. This holds true for other student activities, such as athletics, drama or music events and the like.

Equipment Repair and Overhaul⁵

The district may enter into a public contract for equipment repair or overhaul without competitive bidding when competitive procurement is not practical. This may include when service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing, or service or parts required are for sophisticated equipment for which specially trained personnel are required and such personnel are available from only one source. The district will use a competitive procedure to the extent practicable.

If the repair or overhaul qualifies as an emergency, the district may use emergency procurement procedures.

Copyrighted Materials

⁵ For additional guidance, see OAR 127-247-0288(6).

Contracts for the procurement or distribution of textbooks are exempt from public procurement requirements. Purchase of copyrighted materials available from only one source may be procured through the sole source procedures. Requests for special procurement approval for the purchase of other copyrighted materials may be submitted to the LCRB with supporting information.

Used Personal Property or Equipment, Purchase⁶

The district may purchase used property or equipment without obtaining competitive bids or quotes, if at the time of purchase, the LCRB has determined that the purchase will result in substantial cost savings to the district or promote the public interest and will unlikely diminish competition or encourage favoritism. “Used personal property or equipment” is property or equipment which has been placed in its intended use by a previous owner or user for a period of time recognized in the relevant trade or industry as qualifying the personal property or equipment as “used,” at the time of district purchase.

Information Technology and Telecommunication Contracts⁷

The district may enter into a contract to acquire information technology hardware and software and services (including telecommunications) without competitive bidding if, the LCRB has determined that the purchase will result in substantial cost savings to the district or promote the public interest and will unlikely diminish competition or encourage favoritism.

Renegotiation of Existing Contracts with Incumbent Contractors

The district may amend or renegotiate contracts with existing vendors, service providers or other parties in accordance with OAR 137-047-0800.

EXEMPTIONS FOR PUBLIC IMPROVEMENT CONTRACTS

Oregon law⁸ allows for exceptions to competitive bidding for public improvement contracts or classes of contracts when the LCRB approves findings that:

1. The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts; and
2. Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the district.

In approving a finding, the LCRB shall consider the type, cost and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, the following:

⁶ For additional guidance, see OAR 125-247-0288(10). When contracting with another governmental entity, a district has a statutory exception under ORS 279A.025. The district may purchase state/federal surplus property through the Department of Administrative Services, State Services Division for Surplus Property. For more information on this program, contact DAS at 503-378-4714.

⁷ For additional guidance, see OAR 127-247-0185.

⁸ See ORS 279C.335.

1. How many persons are available to bid;
2. The construction budget and the projected operating costs for the completed public improvement;
3. Public benefits that may result from granting the exemption;
4. Whether value engineering techniques may decrease the cost of the public improvement;
5. The cost and availability of specialized expertise that is necessary for the public improvement;
6. Any likely increases in public safety;
7. Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement;
8. Whether granting the exemption will affect the sources of funding for the public improvement;
9. Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;
10. Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement;
11. Whether the public improvement involves new construction or renovates or remodels an existing structure;
12. Whether the public improvement will be occupied or unoccupied during construction;
13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and
14. Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

In granting this exemption, the LCRB shall:

1. If appropriate, direct the use of alternative contracting methods that take account of market realities and modern practices and are consistent with the public policy of encouraging competition;
2. Require and approve or disapprove written findings by the district that support awarding a particular public improvement contract or a class of public improvement contracts, without the competitive bidding requirements. The findings must show that the exemption complies with the requirements outlined in this administrative regulation; and
3. If the procurement involves construction manager/general contractor services, require the district conduct the procurement in accordance with OAR 137-049-0690.

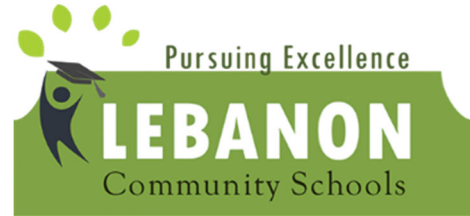
Notification of a proposed exemption under this section must be published in at least one trade newspaper of general statewide circulation a minimum of 14 days before the date on which the LCRB intends to take action to approve or disapprove the exemption. The notice must state that in response to a written request, the district will hold a public hearing for the purpose of taking comments on the draft findings for an exemption from the competitive bidding requirement.⁹ If a hearing is held, the district shall offer an opportunity for any interested party to appear and comments. If the district must act promptly because of circumstances beyond the district's control that do not constitute an emergency, notification of the proposed exemption may be published simultaneously with the district's solicitation of contractors, as long as responses to the solicitation are due at least five days after the agency intends to take action to approve or disapprove the proposed exemption.

⁹ The district may hold a hearing even if there is no written request.

Agenda Item 8

C. Finance
Financial Reports

BOARD MEMORANDUM



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

From: Steven Prososki, Director of Financial Services

Date: April 11, 2024 **Meeting Date:** April 11, 2024

Re: Financial Report and Fiscal Updates

Financial Report

The 2023-2024 Financial Board Report included in this packet reflects all revenues and expenditures for 2019-2023 and the budgeted YTD expenditures, plus encumbered amounts for 2023-2024 as of 04/04/2024.

	19/20 Actual	20-21 Budget	21-22 Budget	22-23 Budget	23-24 Budget	04-04-24 YTD	04-04-24 Balance
General Fund - Revenue							
SSF Formula	42,038,081	43,560,057	44,440,549	45,499,998	49,402,642	41,614,214	7,788,428
SSF Adjustment	-	-	-	-	-	-	-
State Fiscal Stabilization Fund	-	-	-	-	-	-	-
Federal Ed Jobs	-	-	-	-	-	-	-
School Year SubAccount	-	-	-	-	-	-	-
Loan Receipts	-	-	-	-	-	-	-
Interest	320,317	250,000	150,000	250,000	500,000	547,178	(47,178)
Third Party Billing	-	-	-	-	-	-	-
TMR	212,376	210,000	210,000	210,000	210,000	145,294	64,706
JROTC	77,982	65,000	65,000	65,000	65,000	51,269	13,731
Other	325,816	387,500	368,266	580,500	335,500	176,651	158,849
Interfund Transfer	850,000	-	-	-	-	-	-
BFB	2,126,603	3,784,307	5,065,000	5,180,500	5,400,000	6,134,889	(734,889)
Total	45,951,175	48,256,864	50,298,816	51,785,998	55,913,142	48,669,495	7,243,647
=====	=====	=====	=====	=====	=====	=====	=====
General Fund - Expenses							
Salaries	21,896,193	21,680,883	22,526,487	23,036,272	23,247,263	22,978,817	268,446
Benefits	14,481,355	15,086,873	14,597,973	15,115,726	15,553,189	14,489,994	1,063,195
P. Services	5,349,577	5,299,827	5,686,551	5,877,223	6,073,148	4,801,794	1,271,354
Supplies	1,569,846	1,530,133	1,606,583	1,882,175	2,063,656	1,312,306	751,350
Capital Outlay	54,500	90,000	100,000	70,000	40,000	36,737	3,263
Other Objects	441,468	469,147	501,776	520,603	773,943	564,023	209,920
Transfers	1,185,000	2,100,000	2,279,446	2,284,000	2,184,000	2,249,000	(65,000)
Contingency	1,750,000	2,000,000	3,000,000	3,000,000	5,977,944	-	5,977,944
Total	46,727,940	48,256,864	50,298,816	51,785,998	55,913,142	46,432,671	9,480,471
=====	=====	=====	=====	=====	=====	=====	=====

2023-24 General Fund Expenditure Report

Description	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	23/24 Budget	04-04-24 YTD	04-04-24 Encumb	04-04-24 Balance
Certified salaries	12,665,056	12,540,564	12,871,079	13,169,912	13,134,095	7,240,499	5,645,583	248,013
Classified salaries	6,227,931	6,008,791	6,250,523	6,233,686	6,041,456	3,861,985	2,168,768	10,703
Administrative salaries	1,873,807	1,863,955	2,059,820	2,151,593	2,327,571	1,703,793	568,065	55,713
Managerial - classified	154,577	289,051	299,689	511,189	557,806	452,628	151,400	(46,222)
Retirement stipends	91,904	133,413	120,000	0	0	0	0	0
Confidential salaries	162,808	284,898	343,800	485,197	465,767	360,916	117,168	(12,317)
Certified subs	2,000	0	14,294	0	0	0	0	0
Classified subs	1,500	23,975	0	0	0	0	0	0
Temp certified	82,264	45,425	0	625	0	2,122	0	(2,122)
Temp classified	8,000	21,658	481	11,086	14,300	30,230	0	(15,930)
Student helpers salaries	21,000	16,654	5,748	9,173	15,098	11,518	0	3,580
Overtime	0	91,513	57,127	38,449	53,074	44,728	2,785	5,561
Compensation time	52,300	44,207	71,883	8,946	18,597	8,250	0	10,347
Extra duty	279,579	128,295	230,761	83,537	216,434	178,893	0	37,541
Classified extra hrs	208,000	0	0	0	0	0	0	0
Vacation Payoff	29,817	24,292	28,240	43,273	25,244	0	97	25,147
Mentor teacher pay	0	0	0	822	0	0	0	0
Department Head Extra Duty	6,000	30,000	0	0	0	0	0	0
Taxable Meal Reimbursement	0	809	2,000	396	1,158	1,318	0	(161)
Cell Phone Stipend	0	1,080	1,080	450	450	338	113	(1)
Travel Stipend	0	11,400	0	30,500	25,950	24,487	8,163	(6,700)
Club/Coach Stipends	29,650	120,904	169,964	257,438	350,265	265,344	129,626	(44,705)
Total Salaries	21,896,193	21,680,883	22,526,487	23,036,272	23,247,263	14,187,049	8,791,768	268,446
PERS	7,398,130	7,286,664	6,797,646	6,994,709	7,309,631	4,264,012	2,594,000	451,619
Social Security	1,655,388	1,642,024	1,627,475	1,759,624	1,768,022	1,053,291	643,731	71,000
Worker's Comp	293,025	275,747	189,328	196,035	216,535	67,671	33,501	115,363
OR Paid Leave	0	0	0	0	92,132	51,119	33,644	7,369
Employee Ins - Admin	215,642	275,263	283,669	325,403	344,633	264,339	84,745	(4,451)
Employee Ins - Certified	2,449,421	2,756,998	2,840,563	3,029,490	2,897,802	1,583,795	1,281,022	32,985
Employee Ins - Classified	2,327,520	2,596,579	2,598,694	2,651,363	2,766,210	1,508,507	892,256	365,447
Employee Ins - Other	33,429	65,298	92,498	110,502	101,226	76,091	24,155	980
Employee Ins - Retired	83,600	52,700	120,000	0	0	4,115	0	(4,115)
TSA	25,200	45,600	45,600	48,600	57,000	22,500	7,500	27,000
Staff Tuition Reimbursement	0	90,000	2,500	0	0	0	0	0
Total Benefits	14,481,355	15,086,873	14,597,973	15,115,726	15,553,189	8,895,440	5,594,554	1,063,195

2023-24 General Fund Expenditure Report

Description	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	23/24 Budget	04-04-24 YTD	04-04-24 Encumb	04-04-24 Balance
Instructional Services	103,800	76,375	66,000	161,000	181,500	91,320	0	90,180
Instr Prog Improve Service	53,000	67,750	87,750	56,200	26,817	24,456	0	2,361
Data Processing SVCS	0	0	3,000	5,000	7,500	5,962	0	1,538
Professional and Improvement Cc	0	0	15,000	5,000	5,000	321	0	4,679
Other Instr-Prof-Tech SVCS	20,000	10,000	11,500	16,000	16,000	11,166	0	4,834
Repairs & Maintenance	190,300	227,612	258,500	286,050	331,850	421,150	18,043	(107,343)
Radio Service	11,100	11,100	15,000	4,500	17,500	11,892	0	5,608
Rentals	129,400	88,286	86,300	89,105	112,801	52,358	19,719	40,724
Electricity	502,620	465,700	451,500	450,500	415,000	339,686	122,848	(47,534)
Fuel	223,135	217,800	208,100	233,000	290,000	180,503	29,381	80,116
Water & Sewer	153,520	142,500	146,700	134,000	150,000	127,495	0	22,505
Garbage	102,400	87,000	106,500	104,500	110,000	84,873	250	24,877
Other Property Services	20,000	0	0	0	15,000	0	0	15,000
Reimb. Student Transportation	10,200	29,900	34,500	9,000	0	0	0	0
Reimb. Student Transportation				150,390	167,158	74,121	0	93,037
Non-ReimbStudentTransportation						165	0	(165)
Travel	158,263	150,513	153,011	168,395	78,660	29,384	1,696	47,580
Travel - Student - Out of Dist.	5,300	4,500	3,500	0	0	0	0	0
Meals/Transportation	200	350	350	0	0	341	0	(341)
Staff Tuition	47,000	2,000	72,000	72,500	22,500	41,158	0	(18,658)
Telephone	73,165	65,100	52,300	73,250	63,825	42,085	13,059	8,681
Postage	26,074	28,900	32,117	31,500	27,050	17,360	8,043	1,647
Advertising	4,300	2,650	3,500	5,500	3,500	710	0	2,790
Printing & Binding	29,400	30,950	31,700	44,500	26,850	2,674	0	24,176
Charter School Payments	2,195,000	2,300,000	2,400,000	2,540,000	2,655,000	2,167,425	0	487,575
Tuition Pay Private School	5,000	0	0	0	0	0	0	0
Other Tuition	92,500	90,000	115,000	95,600	10,000	4,157	0	5,843
Audit Services	30,000	39,000	36,000	45,000	45,000	41,150	0	3,850
Legal Services	35,000	35,000	35,000	30,000	75,000	51,197	0	23,803
Negotiation Services	10,000	5,000	1,000	1,000	0	0	0	0
Data Processing SVCS	89,600	65,000	57,500	57,000	56,000	26,160	3,125	26,715
Election Services	5,000	5,000	18,000	5,000	0	0	0	0
Other Non_instr Pro/Tech	363,700	351,450	402,650	379,154	513,457	290,667	12,417	210,373
Physical Exams - Drivers	4,400	5,750	5,500	8,000	8,500	6,200	0	2,300
Drug Tests Drivers	3,000	2,250	3,000	2,500	1,500	773	0	727
Child Care Services	15,000	0	0	0	0	0	0	0
Sub calling service	15,000	12,000	7,500	7,500	500	0	0	500
Classified subs	194,000	228,600	251,500	191,831	140,331	124,044	0	16,287
Criminal History checks	3,200	3,500	3,500	500	3,000	2,202	0	798
Fingerprinting	1,000	2,500	1,000	1,000	3,000	1,331	0	1,669
Licensed Subs	425,000	445,791	510,573	413,248	493,349	298,727	0	194,622
Total P. Services	5,349,577	5,299,827	5,686,551	5,877,223	6,073,148	4,573,213	228,581	1,271,354

2023-24 General Fund Expenditure Report

Description	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	23/24 Budget	04-04-24 YTD	04-04-24 Encumb	04-04-24 Balance
Gas Oil & Lubricants	190,500	189,100	192,000	248,000	239,000	141,175	31,693	66,132
Supplies & Materials	648,024	651,837	698,023	996,751	1,011,442	467,541	29,419	514,482
Vehicle repair parts	52,800	50,500	50,500	61,500	76,500	51,764	5	24,731
Transportation operations	15,000	25,000	25,000	25,000	25,000	47,314	0	(22,314)
Textbooks	28,033	9,933	5,433	21,500	107,550	40,691	154	66,705
Library Books	15,694	8,200	11,700	12,750	11,625	6,913	61	4,651
Periodicals	6,000	10,800	12,100	12,150	16,250	12,183	12,268	(8,201)
Equipment under 5K	178,842	146,100	125,550	72,800	73,500	17,037	0	56,463
Computer software	264,360	257,398	323,918	339,174	406,914	383,493	27,592	(4,171)
Computer hardware	170,593	181,265	162,359	92,550	95,875	36,754	6,249	52,872
Total Supplies & Materials	1,569,846	1,530,133	1,606,583	1,882,175	2,063,656	1,204,865	107,441	751,350
Buildings Acquisition	0	0	25,000	25,000	0	0	0	0
Equipment	54,500	25,000	45,000	0	0	0	0	0
New Equipment over 5K	0	45,000	10,000	22,500	20,000	28,737	0	(8,737)
Replace of Equip over 5K	0	20,000	20,000	22,500	20,000	8,000	0	12,000
Total Capital Outlay	54,500	90,000	100,000	70,000	40,000	36,737	0	3,263
Regular Interest	500	0	0	0	0	0	0	0
UnrecoverableBadDebtWrite-Off	0	0	0	0	0	4,986	0	(4,986)
Dues & Fees	175,180	159,726	148,076	122,303	117,843	96,275	0	21,568
Insurance & Judgments	265,588	306,221	350,000	395,000	463,000	461,025	0	1,975
Fidelity Bond Premiums	0	0	0	0	100	100	0	0
Judgments & Settlements	0	2,500	3,000	2,500	0	0	0	0
Taxes & Licenses	200	700	700	800	1,000	1,637	0	(637)
Grant Matching				0	192,000	0	0	192,000
Total Other Objects	441,468	469,147	501,776	520,603	773,943	564,023	0	209,920

2023-24 General Fund Expenditure Report

Description	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget	23/24 Budget	04-04-24 YTD	04-04-24 Encumb	04-04-24 Balance
Transfer - Vocational House Fun	0	70,000	250,000	450,000	200,000	200,000	0	0
Transfer - Technology	0	80,000	100,000	100,000	100,000	100,000	0	0
Transfer - Classroom Furniture	0	10,000	35,000	35,000	60,000	60,000	0	0
Transfer - Textbook Adoption	400,000	200,000	350,000	550,000	350,000	350,000	0	0
Transfer - Capital Improvement		200,000	300,000	50,000	200,000	200,000	0	0
Transfer - Track and Turf Fund	10,000	0	0	0	0	0	0	0
Transfer - Athletic Fund	450,000	475,000	475,000	475,000	475,000	550,000	0	(75,000)
Transfer - Bus Replacement	150,000	225,000	225,000	225,000	225,000	225,000	0	0
Transfer - Unemploy Ins	25,000	250,000	0	0	0	0	0	0
PERS Reserve	0	450,000	300,000	154,000	154,000	154,000	0	0
Transfer - Food Service	100,000	120,000	224,446	225,000	200,000	200,000	0	0
Transfer - Music/Band Replaceme	0	20,000	20,000	20,000	20,000	10,000	0	10,000
Transfer - Debt Service	50,000	0	0	0	200,000	200,000	0	0
Transfer - Academic Achievemer	0	0	0	0	0	0	0	0
Total Transfers	1,185,000	2,100,000	2,279,446	2,284,000	2,184,000	2,249,000	0	(65,000)
Reserve/Contingency	1,750,000	2,000,000	3,000,000	3,000,000	5,977,944	0	0	5,977,944
Grand Total	46,727,940	48,256,864	50,298,816	51,785,998	55,913,142	31,710,327	14,722,344	9,480,471
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2023-24 General Fund Revenue Report

		19/20 Actual	20-21 Budget	21-22 Budget	22-23 Budget	23-24 Budget	04-04-24 YTD	04-04-24 Balance
	SSF Formula							
1111,	Taxes	10,509,179	10,938,094	11,873,719	12,150,243	12,721,240	12,104,149	617,091
4801,4899	Federal Forest Fees	157,804	130,000	125,000	120,000	115,000	-	115,000
3103	Common School	196,120	400,000	444,819	445,000	450,000	273,368	176,632
2101	County School	209,250	200,000	195,000	50,000	25,000	30,502	(5,502)
3104	State Timber	23,587	100,000	100,000	130,000	140,000	48,785	91,215
3101/3199	School Support Fund	30,942,140	31,791,963	31,702,011	32,604,755	35,951,402	29,157,411	6,793,991
	Adjustments to SSF Payments							-
	Adj for Prior Year payments							-
	Adj for HC Disability Grant	-	-		-		-	-
	Total SSF Formula	42,038,081	43,560,057	44,440,549	45,499,998	49,402,642	41,614,214	7,788,428
1510	Interest on Investments	320,317	250,000	150,000	250,000	500,000	547,178	(47,178)
4200	Third Party billing	-	-	-	-	-	-	-
2210	TMR	212,376	210,000	210,000	210,000	210,000	145,294	64,706
4300	JROTC reimbursement	77,982	65,000	65,000	65,000	65,000	51,269	13,731
	Other							-
1741	Outdoor School	-	-	-	-	-	-	-
1910	Rental Fees	1,582	7,500	5,000	-	1,000	1,301	(301)
1980	Fees Charged to Grants	14,915	50,000	108,266	110,000	110,000	-	110,000
1312, 1960, 1990,								
5300	Miscellaneous	304,781	250,000	255,000	470,500	152,000	167,226	(15,226)
1760	Club Fundraising	-	-	-	-	-	-	-
1411, 1993	Transportation Fees	4,538	-	-	-	72,500	8,124	64,376
1994	E-Rate reimbursement	-	80,000	-	-	-	-	-
5200	Interfund Transfer - Athletics	850,000	-	-	-	-	-	-
5400	Beginning Fund Balance	2,126,603	3,784,307	5,065,000	5,180,500	5,400,000	6,134,889	(734,889)
	Total	45,951,175	48,256,864	50,298,816	51,785,998	55,913,142	48,669,495	7,243,647
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