WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

CERTIFIED PUBLIC ACCOUNTANTS

PAULY ROGERS AND CO PC

12700 SW 72nd Ave.
Tigard, OR 97223

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

BOARD OF DIRECTORS 2021-22

Anthony Medina, Board Chair	June 30, 2025
Gustavo Vela-Moreno	June 30, 2023
Eric Swenson,	June 30, 2023
Noemi Legaspi	June 30, 2025
Laura Isiordia	June 30, 2025

Board members receive mail at the District address listed below.

ADMINISTRATION

Juan Larios
Superintendent

Sarah Bishop
Director of Business

1390 Meridian Drive,
Woodburn, OR 97071

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PAULY, ROGERS, AND CO., P.C.
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www.paulyrogersandcocpas.com

December 27, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

Qualified and Unmodified Opinions

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodburn School District No. 103, as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Woodburn School District No. 103, as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Each Major Fund and the Aggregate Remaining Fund Information

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of Woodburn School District No. 103 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.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has not implemented GASB 87, Leases. Accounting principles generally accepted in the United States of America require recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. 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. The amount by which this departure would affect net position, assets, liabilities and deferred inflows of resources of the governmental activities is not reasonably determinable.

Responsibilities of Management for the Basic 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 Woodburn School District No. 103'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 Basic 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 Woodburn School District No. 103'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 Woodburn School District No. 103'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 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 Schedule of Net Pension Liability and Contributions for PERS, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic 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 report dated December 27, 2022 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 that report is 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. That report is 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 27, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Roy R Rogers

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

GOVERNMENT WIDE FINANCIAL STATEMENTS

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

		Governmental Activities
ASSETS:		
Cash and Investments	$	22,466,263
Prepaid Expenses		230,486
Receivables:		
Accounts and Grants		2,860,869
Property Taxes		490,789
OPEB RHIA Asset		962,125
Capital Assets Not Being Depreciated		50,423,521
Capital Assets Being Depreciated, Net of Depreciation		50,382,910
Total Assets		127,816,963
DEFERRED OUTFLOWS OF RESOURCES:		
Pension Related Deferrals - PERS		29,690,811
OPEB Related Deferrals - RHIA		359,953
OPEB Related Deferrals - Health Insurance		29,575
Total Deferred Outflows of Resources		30,080,339
TOTAL ASSETS AND PENSION RELATED DEFERRALS		**157,897,302**
LIABILITIES:		
Accounts Payable		872,428
Accrued Salaries and Benefits		4,895,467
Accrued Vacation Payable		161,258
Debt Premium		
Due within one year		561,343
Due in more than one year		6,684,819
Interest Payable		142,867
Net Pension Liability -PERS		46,263,798
OPEB Liability - Health Insurance		4,095,053
Long-term Liabilities		
Due within one year		3,370,000
Due in more than one year		61,155,000
Total Liabilities		128,202,033
DEFERRED INFLOWS OF RESOURCES:		
Pension Related Deferrals - PERS		37,429,168
OPEB Related Deferrals - RHIA		387,742
OPEB Related Deferrals - Health Insurance		633,814
Total Deferred Inflows of Resources		38,450,724
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS		**166,652,757**
NET POSITION:		
Net Investment in Capital Assets		29,035,269
Restricted for:		
Grants		(7,623,877)
Debt Service		80,630
Food Service		3,933,998
Capital Projects		350,401
OPEB RHIA Asset		962,125
Unrestricted		(35,494,001)
Total Net Position	**$**	**(8,755,455)**

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	Expense	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activites:				
Instruction	$ 54,869,494	$ -	$ 5,687,183	$ (49,182,311)
Support Services	32,869,529	10,451	2,351,918	(30,507,160)
Community Services	4,434,762	4,597	4,770,136	339,972
Interest on Long-Term Debt	3,755,231	-	-	(3,755,231)
Total Governmental Activities	**$ 95,929,016**	**$ 15,048**	**$ 12,809,237**	**(83,104,731)**
GENERAL REVENUES:				
Property Taxes, Levied for Operations				9,052,340
Property Taxes, Levied for Debt Service				5,241,171
State Sources				68,597,198
Other Local Sources and earnings on investments				4,034,781
Other Intermediate Sources				1,503,257
Total General Revenues				88,428,747
Change in Net Position				5,324,016
Net Position - Beginning as Restated				(14,079,471)
Net Position - Ending				$ (8,755,455)

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	FACILITIES& CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash and Investments	$ 19,475,355	$ -	$ -	$ -	$ 2,990,908	$ 22,466,263
Prepaid Expenses	230,486	-	-	-	-	230,486
Receivables:						
Accounts and Grants	579,095	946,435	25,238	-	1,310,101	2,860,869
Property Taxes	312,850	-	177,939	-	-	490,789
Interfund Receivable (Due From)	14,136,542	-	27,778	18,830	-	14,183,150
Total Assets	$ 34,734,328	$ 946,435	$ 230,955	$ 18,830	$ 4,301,009	$ 40,231,557
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	$ 451,678	$ 385,310	$ -	$ 18,829	$ 16,611	$ 872,428
Interfund Payable (Due To)	5,998,148	8,185,002	-	-	-	14,183,150
Other Liabilities	-	-	-	-	-	-
Accrued Salaries and Benefits	4,895,467	-	-	-	-	4,895,467
Total Liabilities	11,345,293	8,570,312	-	18,829	16,611	19,951,045
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	261,400	-	150,325	-	-	411,725
Fund Balances:						
Nonspendable	230,486	-	-	-	-	230,486
Restricted for:						
Grants	-	(7,623,877)	-	-	-	(7,623,877)
Student Groups	-	-	-	-	-	-
Debt Service	-	-	80,630	-	-	80,630
Escrow Defeasance	-	-	-	-	-	-
Food Service	-	-	-	-	3,933,998	3,933,998
Capital Projects	-	-	-	1	350,400	350,401
Major Maintenance	-	-	-	-	-	-
Unassigned	22,897,149	-	-	-	-	22,897,149
Total Fund Balances	23,127,635	(7,623,877)	80,630	1	4,284,398	19,868,787
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 34,734,328	$ 946,435	$ 230,955	$ 18,830	$ 4,301,009	$ 40,231,557

Note:The Athletics Reserve Funds' Governmental Balance Sheet has been combined with the General Fund Governmental Balance Sheet in accordance with GASB 54

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		$ 19,868,787
The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(46,263,798)
The Net RHIA Asset is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		962,125
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred Outflows - PERS		29,690,811
Deferred Inflows - PERS		(37,429,168)
Deferred Outflows - OPEB RHIA		359,953
Deferred Inflows - OPEB RHIA		(387,742)
Deferred Outflows - OPEB Health Insurance		29,575
Deferred Inflows - OPEB Health Insurance		(633,814)
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	$ 136,294,517	
Accumulated Depreciation	(35,488,086)	100,806,431
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		
Unavailable Revenue Related to Property Taxes.		411,725
Short and 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 short and long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Short-Term Loan Payable		
Long-Term Liabilities:		
Accrued Vacation Payable	(161,258)	
Bond Interest Payable	(142,867)	
Other Postemployment Benefit Obligation - Health Insurance	(4,095,053)	
Premium on Debt	(7,246,162)	
Bonds and Notes Payable	(64,525,000)	(76,170,340)
TOTAL NET POSITION		$ (8,755,455)

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	FACILITIES& CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Local Sources	$ 10,080,839	$ 419,535	$ 6,462,836	$ 91,384	$ 1,253,929	$ 18,308,523
Intermediate Sources	1,502,458	17,017	-	-	-	1,519,475
State Sources	60,191,028	8,285,303	-	72,445	48,422	68,597,198
Federal Sources	-	8,248,538	-	-	4,523,165	12,771,703
Total Revenues	71,774,325	16,970,393	6,462,836	163,829	5,825,516	101,196,899
EXPENDITURES:						
Instruction	39,342,621	16,887,784	-		-	56,230,405
Support Services	26,400,454	7,018,834	-	29,038	-	33,448,326
Community Services	4,735	738,938	-	-	3,673,303	4,416,976
Acquisition and Construction	-	-	-	-	-	-
Capital Outlay	1,294,251	34,148	-	2,560,319	1,637,274	5,525,992
Debt Service	-	-	7,407,659	-	-	7,407,659
Total Expenditures	67,042,061	24,679,704	7,407,659	2,589,357	5,310,577	107,029,358
Excess of Revenues Over (Under) Expenditures	4,732,264	(7,709,311)	(944,823)	(2,425,528)	514,939	(5,832,459)
OTHER FINANCING SOURCES, (USES):						
Proceeds from Sale of Capital Assets	32,893	-	-	-	-	32,893
Transfer In	50,000	-	1,080,200	400,000	-	1,530,200
Transfer Out	(1,101,700)	(428,500)	-	-	-	(1,530,200)
Total Other Financing Sources, (Uses)	(1,018,807)	(428,500)	1,080,200	400,000	-	32,893
Net Change in Fund Balance	3,713,457	(8,137,811)	135,377	(2,025,528)	514,939	(5,799,566)
Prior Period Adjustment	3,237,721	-	-	-	-	3,237,721
Beginning Fund Balance	16,176,457	513,934	(54,747)	2,025,529	3,769,459	22,430,632
Ending Fund Balance	$ 23,127,635	$ (7,623,877)	$ 80,630	$ 1	$ 4,284,398	$ 19,868,787

Note: The Athletic Reserve Fund's activities have been combined with the General Fund activities in accordance with GASB 54.

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS		$ (5,799,566)
The expense represents the changes in net asset (liability) from year to year due to changes in total liability and the fair value of plan net position available to pay benefits.		
PERS	$ 4,281,056	
OPEB Health Insurance	(237,514)	4,043,542
OPEB - RHIA income represents the net change in total OPEB liability from year to year related to the medical benefit OPEB and is not included in the governmental funds		109,582
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, net of adjustments	5,525,992	
Less Current Year Depreciation, net of adjustments	(2,231,735)	3,294,257
Short and long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing short and long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:		
Debt Principal Repaid	3,085,000	
Amortization of Debt Premiums	561,342	3,646,342
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.		6,086
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.		23,240
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.		533
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 5,324,016

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
June 30, 2022

	CUSTODIAL FUND
ASSETS:	
Cash and Investments	$ 1,933
Total Assets	$ 1,933
NET POSITION	
Restricted	$ 1,933

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
For the Year Ended June 30, 2022

	CUSTODIAL FUND
REVENUES:	$ -
Expenditures:	-
Change in Net Position	-
Net Position - Beginning	1,933
Net Position - Ending	$ 1,933

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

Woodburn School District No. 103 (the District) is a municipal corporation governed by an elected Board of Directors. Administrative officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. As required by generally accepted accounting principles, all activities have been included in these basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide services within the District boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements, in accordance with GASB 61.

B. Government-wide and Fund Financial Statements

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from outside parties, 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.

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, OPEB expenses, pension costs, and certain compensated absences and claims and judgments which are not recognized as expenditures because they will be liquidated with future expendable financial resources. Capital asset acquisitions are reported as expenditures in the governmental funds, and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Special Revenue Fund

The Special Revenue Fund accounts for revenues and expenditures restricted for specific educational projects or programs. Programs included are the federal and state and local grants funds, and the student activities fund. The grants funds account for revenue and expenses from federal, state and local grants. The student activities fund accounts for revenue and expenses from student activities.

Debt Service Fund

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

Facilities Acquisition & Construction Fund

This fund accounts for the proceeds of bonds and capital improvements that are funded by the bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 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 costs are recorded only when payment is due.

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.

D. Assets, Liabilities, and Net Position or Balance

Cash and Investments

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

Cash and Cash Equivalents

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

Property Taxes

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

Supply Inventories

Inventory is accounted for based on the purchase method for the budgetary statements, and on the consumption method and charged to expense when used, for the government-wide financial statements. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes. There are no material inventories reported at year end by management.

Prepaid Expenses

Prepaid expenses are reported for purchases of goods or services paid for during the year but not used until next year. They will be recognized as expenditures when their benefits are realized.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. No allowance for uncollectible accounts has been recorded because management believes all receivables are collectible.

Grant Accounting

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

Capital Assets

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

Compensated Absences

It is policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when an employee separates from service. All vacation pay is accrued when incurred in the government-wide basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long Term Obligations

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

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

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, nonoperating revenues, expenses and contributions of capital. Net Position is classified in the following three categories:

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

Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for debt service, special revenue, and other governmental funds.

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

Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance

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

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

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

There were no committed or assigned fund balances as of June 30, 2022.

There is a fund balance policy that directs the Superintendent to manage the currently adopted budget in such a way to ensure an ending fund cash balance of between 5 and 10 percent of the total adopted general fund revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

E. Fair Value Inputs and Methodologies and Hierarchy

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

> **Level 1** – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
> **Level 2** – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)
> **Level 3** – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

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

The investments, as of June 30, 2022, were all classified as Level 1. For more information, see Note 4.

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

LEVEL OF CONTROL

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

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 financial statements reflect the final budget and one supplemental budget.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022, except 1) Special Revenue Fund Enterprise and Community Services was $248,171 overspent, 2) Special Revenue Fund Ending Fund Balance was a deficit of $7,623,877, and 3) Debt Service Fund Debt Service was $1,120,533 overspent.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary 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 exception that capital outlay expenditures are expensed when purchased, depreciation is not calculated, inventories of supplies are budgeted as expenditures when purchased, property taxes are recorded as revenue when received instead of when levied, compensated absences, pension expenses, and post-employment benefits are expensed when paid rather than when incurred, and principal payments and proceeds on long term debt are recorded as revenues when received and expenditures when paid.

4. CASH AND INVESTMENTS

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

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

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

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	$ 3,091,372
Investments	19,374,891
	$ 22,466,263

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2022 was $5,347,886 of which $500,000 was 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, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. All deposits were either FDIC insured or collateralized.

Investments

Since the LGIP is not a private investment pool, it is not subject to U.S. Securities and Exchange Commission Rule 2a-7, and instead is valued under the simplified method below:

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, 2022. The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool.

4. CASH AND 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, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The District booked a fair market value loss of $199,660, for the difference between the pool fair market value and the book value.

The audited financial reports of the Oregon Short Term Fund can be found here:

http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx

If the link has expired please contact the Oregon Short Term Fund directly.

The Board has established investment policies to approve only certain depositories and investment instruments and has limited investments to those with maturities of no more than 36 months. The District holds investments in Corporate Securities, US Government Securities and US Cash Equivalents through an investment account with a depository approved by the Board. The fair value of these securities is determined based on a level 1 classification due to their availability on open markets. At June 30, 2022, the District appeared to be in compliance with all policies regarding depositories, instruments and maturities.

At year-end, investment balances were as follows:

		Investment Maturities (in months)		
Investment Type	Fair Value	Less than 3	3-18	18-59
Corporate Securities	$ -	$ -	$ -	$ -
Foreign Issues	-	-	-	-
US Government Securities	-	-	-	-
State Treasurer's Investment Pool	19,374,891	17,342,554	-	-
Total	$ 19,374,891	$ 17,342,554	$ -	$ -

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

Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond 36 months, within the time frame of the anticipated use of funds.

4. CASH AND INVESTMENTS (CONTINUED)

Credit Risk-Investments

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated. Other investments are classified by credit risk as follows:

Investment	S&P Rating	Moodys Rating
US Government Securities:		
Federal Home Loan Bks	AA+	AAA
FNMA	AA+	AAA
FNMAMTN	AA+	AAA
FHLMCMTN	AA+	AAA
Federal Farm Credit Bks	AA+	AAA
Foreign Issues:		
Westpac Banking Corp	AA-	AA3
Royal Bank of Canada	AA-	AA3

Concentration of Credit Risk - Investments

At June 30, 2022, 100 percent of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

5. CAPITAL ASSETS

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

Governmental Activities:	Balance July 1, 2021	Adjustments	Additions	Deletions	Balance June 30, 2022
Capital Assets Not Being Depreciated:					
Land	$ 2,923,745	$ -	$ -	$ -	$ 2,923,745
Construction In Process	42,149,518	-	5,350,258	-	47,499,776
Total Capital Assets Not Being Depreciated	45,073,263	-	5,350,258	-	50,423,521
Capital Assets Being Depreciated:					
Buildings and Improvements	82,531,460	-	-	-	82,531,460
Vehicles and Equipment	3,163,802	-	175,734	-	3,339,536
Total Capital Assets Being Depreciated	85,695,262	-	175,734	-	85,870,996
Accumulated Depreciation:					
Buildings and Improvements	(31,234,480)	-	(2,070,978)	-	(33,305,458)
Vehicles and Equipment	(2,021,871)	-	(160,757)		(2,182,628)
Total Accumulated Depreciation	(33,256,351)	-	(2,231,735)	-	(35,488,086)
Total Capital Assets Being Depreciated, Net	52,438,911				50,382,910
Capital Assets, Net	$ 97,512,174				$ 100,806,431

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	$ 1,338,297
Support Services	796,078
Community Services	97,361
Total Depreciation Expense- Governmental Activities	$ 2,231,735

6. LONG-TERM OBLIGATIONS

Total long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Bonds Payable:				
2015 GO Bond	$ 54,370,000	$ 2,010,000	$ 52,360,000	$ 2,235,000
2019 GO Bond	1,570,000	480,000	1,090,000	525,000
Direct Borrowing				
Full Faith & Credit Obligation	11,670,000	595,000	11,075,000	610,000
Total Debt	67,610,000	3,085,000	64,525,000	3,370,000
Premiums Related to Bonds:				
Bond Premium	6,796,932	501,897	6,295,035	501,897
FF&C Premium	1,010,572	59,445	951,127	59,445
Total Premiums	7,807,504	561,342	7,246,162	561,343
Total Long-term Liabilities	$ 75,417,504	$ 3,646,342	$ 71,771,162	$ 3,931,343

There are no significant default remedy clauses noted in the agreements for any of the obligations listed above for the District.

General Obligation Bonds

In August 2015 the District issued a general obligation bond for construction, repairs, renovations and improvements at various school and District facilities in the amount of $62,605,000. The interest varies between 2 percent and 5 percent, and payments continue through June 16, 2035. In February 2019, the District issued a general obligation bond in the amount of $2,395,000. The interest varies between 4 percent and 5 percent, and payments continue through June 2024.

Changes in bonds outstanding are as follows:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2021	Matured And Redeemed	Outstanding June 30, 2022
2015 GO Bond	2-5%	$62,605,000	$ 54,370,000	$ 2,010,000	$ 52,360,000
2019 GO Bond	4-5%	2,395,000	1,570,000	480,000	1,090,000
Total Bonds Payable			$ 55,940,000	$ 2,490,000	$ 53,450,000

6. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

Future maturities of bonds are payable as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	2,760,000	2,597,225
2024	3,015,000	2,494,475
2025	2,685,000	2,371,250
2026	2,945,000	2,249,500
2027-2031	19,480,000	8,732,750
2032-2036	22,565,000	2,931,500
Total	$ 53,450,000	$ 21,376,700

Full Faith and Credit Obligations

In December 2007, $653,311 of Full Faith and Credit Obligations were issued with interest at 4.05 percent. The proceeds were placed in the Facilities Acquisition & Construction Fund and will be used for maintenance projects. In February 2019, the District issued a Full Faith and Credit Bond in the amount of $12,965,000 that paid off a 2006 Full Faith and Credit Obligations issued for maintenance projects. The 2019 bond has variable interest rate between 3 percent and 4 percent, and payments continue through June 2039.

Future maturities of full faith and credit obligations are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	610,000	461,400
2024	635,000	437,000
2025	660,000	411,600
2026	690,000	385,200
2027-2031	2,715,000	1,555,050
2032-2036	3,395,000	872,450
2037-2041	2,370,000	192,000
Total	$ 11,075,000	$ 4,314,700

7. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf
If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

   i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
   A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

   ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
   - member was employed by PERS employer at the time of death,
   - member died within 120 days after termination of PERS covered employment,
   - member died as a result of injury sustained while employed in a PERS-covered job, or
   - member was on an official leave of absence from a PERS-covered job at the time of death.

   iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

   iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2022 were $10,298,654, excluding amounts to fund employer specific liabilities. In addition approximately $2,486,921 in employee contributions were paid or picked up by the District in fiscal 2022.

Pension Asset or Liability – At June 30, 2022, the District reported a net pension liability of $46,263,798 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .39 percent and .38 percent, respectively. Pension expense/(income) for the year ended June 30, 2022 was ($4,281,056).

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

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

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 4,330,594	$ -
Changes in assumptions	11,581,222	121,755
Net difference between projected and actual earnings on pension plan investments	-	34,248,731
Net changes in proportionate share	259,793	3,058,682
Differences between District contributions and proportionate share of contributions	3,220,548	-
Subtotal - Amortized Deferrals (below)	19,392,157	37,429,168
District contributions subsequent to measuring date	10,298,654	-
Deferred outflow (inflow) of resources	$ 29,690,811	$ 37,429,168

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

Subtotal amounts related to pension as deferred outflows of resources $19,392,157, and deferred inflows of resources, ($37,429,168), net to ($18,037,011) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2023	$ (3,324,471)
2024	(3,266,420)
2025	(4,764,060)
2026	(7,919,004)
2027	1,236,942
Thereafter	-
Total	$ (18,037,011)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 1, 2022. Oregon PERS produces an independently audited ACFR which can be found at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf

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

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

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

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

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

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

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

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

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

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%
Assumed Inflation - Mean		*2.40%*

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

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

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

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 90,851,032	$ 46,263,798	$ 8,960,466

Changes Subsequent to the Measurement Date

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

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

OPSRP Individual Account Program (OPSRP IAP)

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

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

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

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

8. 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.

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

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, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were $39,441, $7,496, and $7,323, respectively, which equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB asset of $962,125 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .28 percent and .55 percent, respectively. OPEB expense/(income) for the year ended June 30, 2022 was ($109,582).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$ (157,353)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	63,398
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's TOTAL OPEB Expense/(Income)	$ (93,955)

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 26,768
Changes in assumptions	18,931	14,313
Net difference between projected and actual earnings on investments	-	228,652
Net changes in proportionate share	333,699	118,009
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	352,630	387,742
District contributions subsequent to measuring date	7,323	-
Deferred outflow (inflow) of resources	$ 359,953	$ 387,742

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

Subtotal amounts related to OPEB as deferred outflows of resources, $352,630, and deferred inflows of resources, ($387,742), net to ($35,112) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2023	$ (1,967)
2024	91,285
2025	(52,202)
2026	(72,228)
2027	-
Thereafter	-
Total	$ (35,112)

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

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

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

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

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

Discount Rate:

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

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Long-Term Expected Rate of Return:

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

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%
Assumed Inflation - Mean		*2.40%*

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

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	$ (850,858)	$ (962,125)	$ (1,057,173)

Changes Subsequent to the Measurement Date

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

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description – A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. The District provides retiree benefits through the Oregon Educator Benefit Board (OEBB). Retirees may choose health plans through MODA or Kaiser, and dental plans through ODS. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

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

An irrevocable trust (or equivalent arrangement) was not established to account for the plan.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Annual OPEB Cost and Total OPEB Liability - The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 45.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the July 1, 2019 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.50% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and a payroll increase of 3.50%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The following tables show sensitivity of the Total OPEB Liability to changes in discount and trend rates, as determined by the July 1, 2020 actuarial valuation and rolled forward to June 30, 2022:

Discount Rate Sensitivity

	1% Decrease	Current Discount Rate	1% Increase
	1.25%	2.25%	3.25%
Total OPEB Liability	$ 4,467,472	$ 4,095,053	$ 3,748,663

Trend Rate Sensitivity

	1% Decrease	Current Trend Rate	1% Increase
	2.5-5% Graded Down to 3.50%	3.50-6% Graded Down to 4.50%	4.50-7% Gradec Down to 5.50%
Total OPEB Liability	$ 3,502,436	$ 4,095,053	$ 4,818,640

For the year ended June 30, 2022, the District recognized OPEB expense for Health Insurance of ($281,884). At June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experienced	$ -	$ (633,814)
Change of assumptions	29,575	-
Subtotal- Amortized Deferrals (Below)	29,575	(633,814)
Benefit Payments	-	-
Total as of June 30, 2020	$ 29,575	$ (633,814)

Subtotal amounts related to OPEB as deferred outflows of resources, $29,575, and deferred inflows of resources, ($633,814), net to ($604,239) and will be recognized in OPEB expense as follows:

Year ended June 30:	Annual Recognition
2023	$ (92,079)
2024	(92,079)
2025	(92,079)
2026	(92,079)
Thereafter	(235,923)
Total	$ (604,239)

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Funding Status and Funding Progress – As of July 1, 2018, the plan was 0% funded. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 45.

Program membership consisted of the following as of the July 1, 2020 actuarial valuation date:

Participant Counts:	
Active	648
Inactive	15
Total	663

10. 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 voters of the State of Oregon 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.

11. TAX ABATEMENTS

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

12. 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.

13. INTERFUND RECEIVABLE/PAYABLE AND INTERFUND TRANSFERS

Amounts were comprised of the following:

	Transfers In	Transfers Out	Interfund Receivable	Interfund Payable
General Fund	$ -	$ 1,101,700	$ 14,136,542	$ 5,998,148
Athletic Reserve Fund	50,000	-	-	-
Special Revenue Fund	-	428,500	-	8,185,002
Debt Service Fund	1,080,200	-	27,778	-
Facilities & Construction Fund	400,000	-	18,830	-
	$ 1,530,200	$ 1,530,200	$ 14,183,150	$ 14,183,150

Transfers were made to fund operations, and the internal receivables/payables are used as a pooling of cash between various funds.

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

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District's finances is not determinable at this time.

15. FUND BALANCES

The District has a negative fund balance in the Special Revenue Fund in the amount of ($7,623,877). The fund balance will be addressed with Transfers from the General Fund in the coming year.

16. PRIOR PERIOD ADJUSTMENT

During the process of reconciling payroll liabilities, it was determined that a previous year accrual of $3,237,721 in accrued PERS liabilities was not currently owed by the District. Below is a listing that shows the effect of the prior period adjustment on Beginning Net Position.

Net position - Beginning as previously reported	$	(17,317,192)
Payroll liability adjustment - PERS UAL		3,237,721
Net Position - Beginning as restated	$	(14,079,471)

REQUIRED SUPPLEMENTARY INFORMATION

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.39 %	$ 46,263,798	$ 37,754,576	122.5 %	87.6 %
2021	0.38	83,966,618	35,556,808	236.1	75.8
2020	0.40	70,000,722	34,831,684	201.0	80.2
2019	0.41	61,969,858	32,336,003	191.6	82.1
2018	0.44	59,730,323	30,908,102	193.3	83.1
2017	0.49	74,095,772	29,616,200	250.2	80.5
2016	0.54	31,071,357	28,514,135	109.0	91.9
2015	0.56	(12,758,178)	26,283,877	(48.5)	103.6
2014	0.56	28,723,003	27,586,859	104.1	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	$ 10,298,654	$ 10,298,654	$ -	$ 43,621,310	23.6 %
2021	10,759,793	10,759,793	-	37,754,576	28.5
2020	10,163,329	10,163,329	-	35,556,808	28.6
2019	8,173,520	8,173,520	-	34,831,684	23.5
2018	7,613,081	7,613,081	-	32,336,003	23.5
2017	6,635,246	6,635,246	-	30,908,102	21.5
2016	6,461,853	6,461,853	-	29,616,200	21.8
2015	7,473,388	7,473,388	-	28,514,135	26.2
2014	7,267,509	7,267,509	-	26,283,877	27.7

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

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

OPEB - RHIA

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.280 %	$ 962,125	$ 37,754,576	2.5 %	183.9 %
2021	0.552	1,125,373	35,556,808	3.2	150.1
2020	0.308	595,893	34,831,684	1.7	144.4
2019	0.301	335,764	32,336,003	1.0	124.0
2018	0.300	125,266	30,908,102	0.4	108.9
2017	0.317	(86,080)	29,616,200	(0.3)	90.0

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

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

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

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
2021	$ N/A	$ N/A	$ N/A	$ 43,621,310	N/A %
2020	N/A	N/A	N/A	35,556,808	N/A
2019	N/A	N/A	N/A	34,831,684	N/A
2018	N/A	N/A	N/A	32,336,003	N/A
2017	N/A	N/A	N/A	30,908,102	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.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2022

OPEB (HEALTH INSURANCE)
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	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2022	$ 3,765,460	$ 332,082	$ 91,141	$ -	$ -	$ (93,630)	$ 4,095,053	$ 36,516,814	11.21%
2021	4,038,783	298,565	150,493	-	(647,286)	(75,095)	3,765,460	35,350,572	10.65%
2020	3,706,880	288,469	138,179	-	-	(94,745)	4,038,783	38,474,482	10.50%
2019	3,615,884	222,266	142,205	-	(181,429)	(92,046)	3,706,880	37,173,413	9.97%
2018	3,384,344	216,845	128,839	-	-	(114,144)	3,615,884	33,602,647	10.76%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b) - (a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2022	$ 93,630	$ -	$ (93,630)	$ 36,516,814	0.00%
2021	75,095	-	(75,095)	35,350,572	0.00%
2020	94,745	-	(94,745)	38,474,482	0.00%
2019	92,046	-	(92,046)	37,173,413	0.00%
2018	114,144	-	(114,144)	33,602,647	0.00%
2017	N/A	-	N/A	32,623,929	0.00%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit for health insurance and it provides information that approximates the funding progress of the plan.

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

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL		ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:					
Local Sources	$ 9,397,500	$ 9,397,500		$ 10,080,839	$ 683,339
Intermediate Sources	575,000	575,000		1,502,458	927,458
State Sources	57,048,032	57,048,032		60,191,028	3,142,996
Federal Sources	8,750	8,750		-	(8,750)
Total Revenues	67,029,282	67,029,282		71,774,325	4,745,043
EXPENDITURES:					
Instruction	44,093,229	44,093,229	(1)	39,342,621	4,750,608
Support Services	28,607,978	28,607,978	(1)	27,694,705	913,273
Enterprise and Community Services	9,000	9,000	(1)	4,735	4,265
Facilities Acquisition	-	-	(1)	-	-
Debt Service	-	-	(1)	-	-
Contingency	250,000	250,000	(1)	-	250,000
Total Expenditures	72,960,207	72,960,207		67,042,061	5,918,146
Excess of Revenues Over Expenditures	(5,930,925)	(5,930,925)		4,732,264	10,663,189
OTHER FINANCING SOURCES, (USES):					
Proceeds from Sale of Capital Assets	4,500	4,500		32,893	28,393
Transfer Out	(1,106,900)	(1,106,900)	(1)	(1,101,700)	5,200
Total Other Financing Sources, (Uses)	(1,102,400)	(1,102,400)		(1,068,807)	33,593
Net Change in Fund Balance	(7,033,325)	(7,033,325)		3,663,457	10,696,782
Prior Period Adjustment	-	-		3,237,721	3,237,721
Beginning Fund Balance	13,033,325	13,033,325		16,161,407	3,128,082
Ending Fund Balance	$ 6,000,000	$ 6,000,000		$ 23,062,585	$ 17,062,585

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance:	
Athletics Reserve Fund	65,050
	$ 23,127,635

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

SPECIAL REVENUE FUND

	BUDGET				
	ORIGINAL	FINAL		ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:					
Local Sources	$ 1,060,000	$ 1,060,000		$ 419,535	$ (640,465)
Intermediate Sources	250,000	250,000		17,017	(232,983)
State Sources	12,500,000	12,500,000		8,285,303	(4,214,697)
Federal Sources	25,000,000	25,000,000		8,248,538	(16,751,462)
Total Revenues	38,810,000	38,810,000		16,970,393	(21,839,607)
EXPENDITURES:					
Instruction	18,866,390	18,866,390	(1)	16,921,834	1,944,556
Support Services	16,120,121	16,120,121	(1)	7,018,834	9,101,287
Enterprise and Community Services	490,767	490,767	(1)	738,938	(248,171)
Facilities Acquisition and Construction	1,409,422	1,409,422	(1)	98	1,409,324
Total Expenditures	36,886,700	36,886,700		24,679,704	12,455,167
Excess of Revenues Over Expenditures	1,923,300	1,923,300		(7,709,311)	(9,632,611)
OTHER FINANCING SOURCES (USES):					
Transfers Out	(428,500)	(428,500)	(1)	(428,500)	-
Transfers In	5,200	5,200		-	(5,200)
Total Other Financing Sources (Uses)	(423,300)	(423,300)		(428,500)	(5,200)
Net Change in Fund Balance	1,500,000	1,500,000		(8,137,811)	(9,637,811)
Beginning Fund Balance	(1,500,000)	(1,500,000)		513,934	2,013,934
Ending Fund Balance	$ -	$ -		$ (7,623,877)	$ (7,623,877)

(1) Appropriation Level

SUPPLEMENTARY INFORMATION

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

DEBT SERVICE FUND

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	$ 5,031,926	$ 5,031,926	$ 6,462,836	$ 1,430,910
Total Revenue	5,031,926	5,031,926	6,462,836	1,430,910
EXPENDITURES:				
Debt Service	6,287,126	6,287,126 (1)	7,407,659	(1,120,533)
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	-	-	-	-
Transfers In	1,080,200	1,080,200	1,080,200	-
Total Other Financing Sources (Uses)	1,080,200	1,080,200	1,080,200	-
Net Change in Fund Balance	(175,000)	(175,000)	135,377	310,377
Beginning Fund Balance	175,000	175,000	(54,747)	(229,747)
Ending Fund Balance	$ -	$ -	$ 80,630	$ 80,630

(1) Appropriation Level

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

FACILITIES ACQUISITION & CONSTRUCTION FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	$ 5,000	$ 5,000	$ 91,384	$ 86,384
Intermediate Sources			-	-
State Sources			72,445	72,445
Federal Sources			-	-
Other Sources	-	-	-	-
Total Revenues	5,000	5,000	163,829	158,829
EXPENDITURES:				
Support Services	230,000	230,000 (1)	51,015	178,985
Facilities Acquisition and Construction	13,690,000	13,690,000 (1)	2,538,342	11,151,658
Total Expenditures	13,920,000	13,920,000	2,589,357	11,330,643
OTHER FINANCING SOURCES (USES):				
Fair Market Value Adjustment	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-
Interest on Investments	-	-	-	-
Transfers Out	-	-	-	-
Transfers In	400,000	400,000	400,000	-
Total Other Financing Sources	400,000	400,000	400,000	-
Net Change in Fund Balance	(13,515,000)	(13,515,000)	(2,025,528)	11,489,472
Beginning Fund Balance	13,515,000	13,515,000	2,025,529	(11,489,471)
Ending Fund Balance	$ -	$ -	$ 1	$ 1

(1) Appropriation Level

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	FOOD SERVICE	CONSTRUCTION EXCISE TAX	TOTAL OTHER GOVERNMENTAL
ASSETS:			
Cash and Investments	$ 2,755,534	$ 235,374	$ 2,990,908
Receivables:			
Accounts and Grants	1,195,075	115,026	1,310,101
Intergovernmental	-	-	-
Total Assets	$ 3,950,609	$ 350,400	$ 4,301,009
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	$ 16,611	$ -	$ 16,611
Accrued Salaries and Benefits	-		-
Interfund Payable	-	-	-
Total Liabilities	16,611	-	16,611
Fund Balances:			
Restricted	3,933,998	350,400	4,284,398
Unassigned	-	-	-
Total Fund Balances	3,933,998	350,400	4,284,398
Total Liabilities and Fund Balances	$ 3,950,609	$ 350,400	$ 4,301,009

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	FOOD SERVICE	CONSTRUCTION EXCISE TAX	TOTAL OTHER GOVERNMENTAL
REVENUES:			
Local Sources	$ 31,915	$ 1,222,014	$ 1,253,929
State Sources	48,422	-	48,422
Federal Sources	4,523,165	-	4,523,165
Total Revenues	4,603,502	1,222,014	5,825,516
EXPENDITURES:			
Enterprise and Community Services	3,805,577	-	3,805,577
Facilities Acquisition and Construction	-	1,505,000	1,505,000
Total Expenditures	3,805,577	1,505,000	5,310,577
Net Change in Fund Balance	797,925	(282,986)	514,939
Beginning Fund Balance	3,136,073	633,386	3,769,459
Ending Fund Balance	$ 3,933,998	$ 350,400	$ 4,284,398

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

FOOD SERVICE FUND

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	$ 34,600	$ 34,600	$ 31,915	$ (2,685)
State Sources	35,200	35,200	48,422 (2)	13,222
Federal Sources	3,335,190	3,335,190	4,523,165	1,187,975
Total Revenue	3,404,990	3,404,990	4,603,502	1,198,512
EXPENDITURES:				
Enterprise and Community Services	3,915,968	3,915,968 (1)	3,805,577	110,391
Total Expenditures	3,915,968	3,915,968	3,805,577	110,391
Net Change in Fund Balance	(510,978)	(510,978)	797,925	1,308,903
Beginning Fund Balance	1,010,978	1,010,978	3,136,073	2,125,095
Ending Fund Balance	$ 500,000	$ 500,000	$ 3,933,998	$ 3,433,998

(1) Appropriation Level

(2) This amount includes the state revenue match of $35,742 for National School Lunch Program support.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

CONSTRUCTION EXCISE TAX FUND

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	$ 505,000	$ 505,000	$ 1,222,014	$ 717,014
Total Revenue	505,000	505,000	1,222,014	717,014
EXPENDITURES:				
Facilities Acquisition and Construction	1,505,000	1,505,000 (1)	1,505,000	-
Total Expenditures	1,505,000	1,505,000	1,505,000	-
Net Change in Fund Balance	(1,000,000)	(1,000,000)	(282,986)	717,014
Beginning Fund Balance	1,000,000	1,000,000	633,386	(366,614)
Ending Fund Balance	$ -	$ -	$ 350,400	$ 350,400

(1) Appropriation Level

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

ATHLETICS RESERVE FUND

	BUDGET			VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Local Sources	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-
EXPENDITURES:				
Instruction	50,000	50,000 (1)	-	50,000
Facilities Acquisition and Construction	56,000	56,000 (1)	-	56,000
Total Expenditures	106,000	106,000	-	106,000
OTHER FINANCING SOURCES (USES):				
Transfers In	50,000	50,000	50,000	-
Net Change in Fund Balance	(56,000)	(56,000)	50,000	106,000
Beginning Fund Balance	56,000	56,000	15,050	(40,950)
Ending Fund Balance	$ -	$ -	$ 65,050	$ 65,050

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2022
GENERAL FUND:						
Current:						
2021-22	$ 9,334,324	$ 253,052	$ (15,263)	$ 2,571	$ 8,899,749	$ 168,832
Prior Years:						
2020-21	156,688	(605)	(52,125)	6,018	51,813	59,373
2019-20	64,779	(25)	(6,559)	4,583	25,067	37,761
2018-19	36,739	(25)	(7,129)	5,438	18,190	16,883
2017-18	15,774	251	4,890	2,980	16,709	6,684
2016-17 & Prior	28,510	767	22,669	3,357	30,452	23,317
Total Prior	302,490	363	(38,254)	22,376	142,231	144,018
Total General Fund	$ 9,636,814	$ 253,415	$ (53,517)	$ 24,947	$ 9,041,980	$ 312,850

RECONCILIATION TO REVENUE:	GENERAL FUND
Cash Collections by County Treasurer Above	$ 9,041,980
Accrued at June 30, 2021	(53,338)
Accrued at June 30, 2022	51,450
Taxes in Lieu	12,248
Total Receipts	$ 9,052,340

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/2021	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2022
DEBT SERVICE FUND:						
Current:						
2021-22	$ 5,404,913	$ 146,526	$ -8,838	$ 1,489	$ 5,153,279	$ 97,759
Prior Years:						
2020-21	88,591	(342)	(29,471)	3,402	29,295	33,569
2019-20	36,752	(14)	(3,722)	2,600	14,222	21,422
2018-19	20,046	(14)	(3,890)	2,967	9,925	9,212
2017-18	8,670	138	2,688	1,638	9,184	3,674
2016-17 & Prior	14,681	404	12,322	1,771	16,067	12,303
Total Prior	168,740	172	(22,073)	12,378	78,693	80,180
Total Debt Service Fund	$ 5,573,653	$ 146,698	$ (30,911)	$ 13,867	$ 5,231,972	$ 177,939

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	$ 5,231,972
Accrued at June 30, 2021	(29,407)
Accrued at June 30, 2022	27,614
Taxes in Lieu	10,992
Total Revenue	$ 5,241,171

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FUTURE BOND REDEMPTION AND INTEREST REQUIREMENTS
2015 GO Bond
June 30, 2022

	August 6, 2015 Issue	
YEAR	PRINCIPAL Due 6/15	INTEREST Due 12/15 & 6/15
2022-23	2,235,000	2,553,625
2023-24	2,450,000	2,471,875
2024-25	2,685,000	2,371,250
2025-26	2,945,000	2,249,500
2026-27	3,240,000	2,102,250
2027-28	3,545,000	1,940,250
2028-29	3,875,000	1,763,000
2029-30	4,225,000	1,569,250
2030-31	4,595,000	1,358,000
2031-32	4,990,000	1,128,250
2032-33	5,405,000	878,750
2033-34	5,850,000	608,500
2034-35	6,320,000	316,000
	$ 52,360,000	$ 21,310,500

OTHER INFORMATION

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

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

A. Energy bills for heating - all funds:

			Objects 325, 326, and 327
	Function 2540	$	972,615
	Function 2550		-

B. Replacement of equipment - General Fund:
Include all General Fund expenditures in Object 0542, except for the following exclusions:
Exclude these functions:

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

PAULY, ROGERS AND CO., P.C.
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December 27, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Woodburn School District No. 103 as of and for the year ended June 30, 2022, and have issued our report thereon dated December 27, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statues 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 District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

- Expenditures were within authorized appropriations, except as noted on page 20 in the notes to the basic financial statements.
- Special Revenue Fund Beginning Fund Balance was a deficit of $1,500,000.
- Special Revenue Fund Ending Fund Balance was a deficit of $7,623,877.
- Debt Service Fund – Debt Service was $1,120,533 overspent.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls 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 controls over financial reporting.

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

Roy R Rogers

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

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As required by the Oregon Department of Education
For the Year Ended June 30, 2022

GRANTS

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Grant Fund	Expenditures
U.S. Department of Education					
Title I Grants to Local Educational Agencies	Oregon Department of Education	84.010	58393	201	$ 2,272,393
Summer Program	Oregon Department of Education		70624	283	146,997
ESSA Partnerships	Oregon Department of Education	84.010	60443	229	412,365
Total Title I Grants to Local Education Agencies					2,831,755
Title I-C Regular School Program	Oregon Department of Education	84.011	58946	249	769,650
Title I-C Summer	Oregon Department of Education	84.011	57325	257	280,202
Title I-C Preschool	Oregon Department of Education	84.011	58928	279	120,167
Total Title I-C					1,170,019
Title III - Language Instruction	Oregon Department of Education	84.365	56807	203	-
Title III - Language Instruction	Oregon Department of Education	84.365	58512	214	212,950
Total Title III - Language Instruction					212,950
Elementary and Secondary School Emergency Relief Fund (ESSER) I	Oregon Department of Education	84.425D	57941	100 & 234	-
Elementary and Secondary School Emergency Relief Fund (ESSER) II	Oregon Department of Education	84.425D	64712	234	4,993,112
Elementary and Secondary School Emergency Relief Fund (ESSER) II	Oregon Department of Education	84.425U	65016	234	4,015,320
ARP ESSER Homeless Children and Youth	Oregon Department of Education	84.425	69313	220	35,351
ARP ESSER Homeless Children and Youth	Oregon Department of Education	84.425	69420	217	9,410
Total ESSER					9,053,193
IDEA	Oregon Department of Education	84.027	60773, 56780	231	762,542
IDEA Pathways for Recovery	Oregon Department of Education	84.027	61456	274	42,388
IDEA Post School Outcomes	Oregon Department of Education	84.173		241	870
Total Special Education Cluster					805,800
Kindergarten Readiness	Oregon Department of Education	93.708		253	59,137
Preschool Promise	Oregon Department of Education	93.708	59578, 59660, 59499	213	242,258
Preschool Promise	Oregon Department of Education	93.708	59578, 59660, 59499	200	409,653
Total Preschool Promise					711,048
21st Century Community Learning	Oregon Department of Education	84.287	61161	264	712,640
Title IV-A Student Support	Oregon Department of Education	84.424	58695	216	190,146
Title IIA - Teacher Quality	Oregon Department of Education	84.377	58887	215	257,301
Early Indicator and Intervention System	Oregon Department of Education		61739	218	16,084
Early Childhood Equity Fund	Oregon Department of Education		59784	239	37,328
Total U.S. Department of Education					15,998,264
U.S. Department of Agriculture:					
Child Nutrition Cluster:					
NSLP Lunch	Oregon Department of Education	10.555		205	2,766,264
NSLP Breakfast	Oregon Department of Education	10.553		205	889,262
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	).553/555/559		205	326,231
Summer Food	Oregon Department of Education	10.559		205	231,916
Fresh Fruit and Vegetable Program	Oregon Department of Education	10.582	61248, 61381, 61382, 61383, 61384	222,260,261,270,271	149,698
Supply Chain Assistance	Oregon Department of Education	10.555		273	99,629
COVID Reimbursements	Oregon Department of Education	10.555		205	33,873
Total Child Nutrition Cluster					4,496,872
Summer Food Service Reimbursement	Oregon Department of Education			205	6,355
COVID Reimbursements	Oregon Department of Education	10.558		205	49,066
NSLP Child Care Food CIL Cash Commodities	Oregon Department of Education	10.558		205	10,026
NSLP Child Care Food	Oregon Department of Education	10.558		205	210,713
Total U.S. Department of Agriculture					4,773,032
Chemeketa Community College					
Carl Perkins		84.048		272	10,749
Total Chemeketa Community College					10,749
Total Grants Expended or Passed Through to Sub Recipients					20,782,045

RECONCILIATION TO REVENUE:

Federal Expenditures Recognized	20,782,045
Accruals / Deferrals	(6,458,910)
Federal Revenue Recognized	14,323,135

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December 27, 2022

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodburn School District No. 103 as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 27, 2022.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

Roy R Rogers

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December 27, 2022

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

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

Report on Compliance for Each Major Federal Program

We have audited Woodburn School District No. 103's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Woodburn School District No. 103 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

Roy R Rogers

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

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued	Modified	
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 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 the Uniform Guidance?	☐ yes	☒ no

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER	NAME OF FEDERAL PROGRAM CLUSTER
84.425C, 84.425D	ESSER/GEER/CDL

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	☒ yes	☐ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards as listed in the table of contents, includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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