HILLSBORO SCHOOL DISTRICT 1J BOARD OF DIRECTORS
Administration Center, 3083 NE 49th Place, Hillsboro, OR 97124

Board Meeting Agenda
Tuesday, December 10, 2024
5:15 PM

Please note that the estimated times for specific items on Board meeting agendas are subject to change; if audience members wish to be present for specific agenda items, they are encouraged to arrive at least 15 minutes prior to the estimated time.

1. **4:00 PM - Audit Committee Meeting**
   Presenter: Michelle Morrison
2. **5:15 PM - Executive Session**
   A. Call to Order Executive Session
      Presenter: Ivette Pantoja
      Time: 5:15 PM
   B. ORS 192.660(2)(d) - Labor Negotiator Consultation
      Presenters: Michelle Morrison / Brian Haats / Martha Rodriguez Siordia
      Time: 5:15 PM, 60 minutes
   C. Recess Executive Session
      Presenter: Ivette Pantoja
      Time: 6:15 PM
3. **6:15 PM - Work Session**
   A. Call to Order
      Presenter: Ivette Pantoja
      Time: 6:15 PM
   B. Facility Usage Update 4
      Presenters: Saideh Haghighi Khochkhou / Rian Petrick
      Time: 6:15 PM, 30 minutes
   C. Discuss Education Equity Advisory Committee Appointments 5
      Presenter: Francesca Sinapi
      Time: 6:45 PM, 10 minutes
   D. Recess Work Session
      Presenter: Ivette Pantoja
      Time: 6:55 PM
4. **7:00 PM - Regular Session**
   A. Call to Order and Flag Salute
      Presenter: Ivette Pantoja
      Time: 7:00 PM, 5 minutes
   B. Land Acknowledgment 7
      Presenter: Ivette Pantoja
      Time: 7:05 PM, 5 minutes
   C. Approval of Agenda
      Presenter: Ivette Pantoja
      Time: 7:10 PM, 5 minutes
      SAMPLE MOTION: ***I move that the Board of Directors approve the agenda as printed.***
   D. Consent Agenda
      Consent agenda items are distributed to Board members in advance for study, and enacted with a single motion.
      Presenter: Ivette Pantoja

Time: 7:15 PM, 5 minutes
SAMPLE MOTION: ***I move that the Board of Directors approve the Consent Agenda as printed***

1. Approve Minutes of November 12, 2024, Board Meeting 8
2. Approve Routine Personnel Matters 14

E. Audience Time
Presenter: Ivette Pantoja
Time: 7:20 PM, 15 minutes

F. Reports
1. First Reading - 2025-26 School Calendar 16
   Presenter: Brian Haats
   Time: 7:35 PM, 5 minutes
2. Financial Report 20
   Presenter: Michelle Morrison
   Time: 7:40 PM, 5 minutes
3. 2023 PERS Valuation and 2025-27 Rates 25
   Presenter: Michelle Morrison
   Time: 7:45 PM, 15 minutes

G. Action Items
1. Declare Surplus Equipment and Authorize Disposal 26
   Presenter: Saideh Haghighi Khochkhou
   Time: 8:00 PM, 5 minutes
   SAMPLE MOTION: ***I move that the Board of Directors declare the HSD Facilities and Information Technology Department equipment surplus and authorize the disposal in accordance with District Surplus Procedures.***
2. Accept Annual Comprehensive Financial Report for 2023-2024 28
   Presenter: Michelle Morrison
   Time: 8:05 PM, 5 minutes
   SAMPLE MOTION: I move that the Board of Directors accept the Annual Comprehensive Financial Report for 2023-2024.
3. Adopt Planning Calendar for the 2025-26 Budget 188
   Presenter: Michelle Morrison
   Time: 8:10 PM, 5 minutes
   SAMPLE MOTION: ***I move that the Board of Directors adopt the planning calendar for the 2025-26 budget.***

H. Information - Administrative Regulation Update
Presenter: Travis Reiman
1. K/L - District-Community Relations
   a. KG-AR(1): Community Use of District Facilities 190
      Presenter: Saideh Haghighi Khochkhou
   b. KG-AR(2): Facility Use Fee Schedule 194
      Presenter: Saideh Haghighi Khochkhou

I. HCU / HEA Reports
Presenter: Ivette Pantoja
Time: 8:15 PM, 10 minutes

J. Discussion Time
Presenter: Ivette Pantoja
Time: 8:25 PM, 10 minutes
1. Student Representatives' Time
2. Superintendent's Time
3. Board of Directors' Time

K. Adjourn Board Meeting

Presenter: Ivette Pantoja
Time: 8:35 PM

L. Next Meetings of the Board of Directors:
- January 14, 2025, Board Work Session
- January 28, 2025, Board Work / Regular Session

The complete Board meeting packet may be downloaded from the District website at: https://www.hsd.k12.or.us/board.

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
FACILITY USAGE UPDATE

SITUATION

The Hillsboro School District in collaboration with our current facility management platform recently conducted a comprehensive facility cost analysis, a process of examining the direct cost of providing facility access and usage for after-hours programming to outside users. As a result, a revised tiered and associated fee structure was developed. An overview of the cost analysis along with the estimated gap cost and potential for recuperating these funds towards continued maintenance of our District facilities will be presented to the Board.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to this presentation and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
DISCUSS EDUCATION EQUITY ADVISORY COMMITTEE APPOINTMENTS

SITUATION

In accordance with SB 732, the Hillsboro School District formed an Education Equity Advisory Committee (EEAC) to make recommendations to the Superintendent and Board of Directors related to equity and corresponding practices. The committee is comprised of community members representing the various groups including students, staff, family, and community members with efforts to ensure that the diversity of identities and experiences in the community is reflected. EEAC members are expected to commit to two years of service, meeting monthly from September through May/June.

Member duties will include:

- Advising the Board about the educational equity impacts of policy decisions
- Advising the Superintendent about the educational equity impacts of policy decisions
- Informing the Board of Directors and Superintendent when a situation arises in a school of the district that negatively impacts underrepresented students and advising the board and superintendent on how best to handle that situation.

The EEAC has the option of preparing an annual report that contains successes and challenges experienced in meeting the educational equity needs of students, recommendations the committee made to the Board of Directors and Superintendent, and actions that were taken in response to those recommendations, and any other information required by the State Board of Education.

Senate Bill 732 *(Enrolled)*

> *(4)(a) An educational equity advisory committee shall be selected by the school district board and school district superintendent and must be composed of parents, employees, students and community members from the school district. (b) For the purpose of selecting members, the school district board and school district superintendent: Enrolled Senate Bill 732 (SB 732-B) - Page 1*
>
> > *(A) Shall solicit names of possible members from the community;*
> > *(B) Must ensure that membership is primarily representative of underserved student groups;*
> > *(C) May not exclude members based on immigration status; and*
> > *(D) Must comply with any other requirements established by the State Board of Education by rule.*

OREGON ADMINISTRATIVE RULES

Section 2 of OAR 581-022-2307 articulates that:

● A DEC (Diversity Equity Committee) [aka, Educational Equity Advisory Committee] shall be selected by the school district board and school district superintendent and must be composed of parents, employees, students and community members from the school district.

● The school district superintendent is responsible for coordinating the member nomination process and proposing finalists to the school district board.

● The school district board is responsible for appointing members from those proposed by the Superintendent and ensuring that membership primarily representative of underserved student groups.

ODE Guidance: Establishing District Equity Committees SB 732 - Page 19

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to the information and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
BOARD OF DIRECTORS 2024-2025
LAND ACKNOWLEDGEMENT

As we gather here today, we would like to take a moment to acknowledge that our district service area is on the occupied traditional homelands of the Atfalati Indigenous people, lands we now call Washington County and the State of Oregon.

We honor the Indigenous people whose traditional and ancestral homelands we stand on the Tualatin Kalapuya, Kathlamet, Clackamas, Tumwater, Molalla, bands of the Chinook and many other Indigenous nations of the Columbia River.

In remembering these communities, we honor their legacy, their lives, and their ancestors. We also recognize the urban Indigenous/Native/First Peoples community living in the metro area, which includes over 400 tribal nations.

The Hillsboro School District is committed to the recognition and education regarding tribal and local history and working with our local tribes in partnership.

DRAFT

HILLSBORO SCHOOL DISTRICT BOARD OF DIRECTORS—MINUTES
November 12, 2024
District Administration Center, 3083 NE 49th Place, Hillsboro, Oregon

1. *Executive Session*

Board Present:	Staff Present:
Ivette Pantoja, Chair	Travis Reiman, Superintendent
Mark Watson, Vice Chair	Audrea Neville, Assistant Superintendent, School Performance
See Eun Kim, virtual	Brooke Nova, Assistant Superintendent, Academic Services
Erika Lopez, virtual	Beth Graser, District Communications Officer
Patrick Maguire, virtual	Michelle Morrison, District Financial Officer
Nancy Thomas	Saideh Haghighi Khochkhou, District Operations Officer
Monique Ward, virtual	Jordan Beveridge, District Information Technology Officer
	Brian Haats, Director of Human Resources
Others Present:	Martha Rodriguez Siordia, Director of Human Resources
Brian Hungerford, District Counsel	Rose Roman, Executive Assistant to the Superintendent

A. Call to Order Executive Session
Board Chair Ivette Pantoja called the meeting to order at 5:16 PM, and moved the Board into executive session under 192.660(2)(d) - Labor Negotiator Consultation.

B. ORS 192.660(2)(d) - Labor Negotiator Consultation
Director of Human Resources Brian Haats introduced the topic, District Financial Officer Michelle Morrison gave an update on Licensed bargaining, Superintendent Travis Reiman provided input. District Counsel Brian Hungerford, Cabinet members and Board members discussed labor negotiations.

C. Recess Executive Session
Board Chair Ivette Pantoja moved the Board out of executive session and recessed the meeting at 6:30 PM.

2. *WORK SESSION*

Board Present:	Staff Present:
Ivette Pantoja, Chair	Travis Reiman, Superintendent
Mark Watson, Vice Chair	Audrea Neville, Assistant Superintendent, School Performance
See Eun Kim, virtual	Brooke Nova, Assistant Superintendent, Academic Services
Erika Lopez, virtual	Beth Graser, District Communications Officer
Patrick Maguire, virtual	Michelle Morrison, District Financial Officer
Nancy Thomas	Saideh Haghighi Khochkhou, District Operations Officer
Monique Ward, virtual	Jordan Beveridge, District Information Technology Officer
	Francesca Sinapi, District Equity, Access & Engagement Officer
Student Representatives Present:	Brian Haats, Director of Human Resources
Gwen Kondor	Rose Roman, Executive Assistant to the Superintendent
Kal Sibbel	Ciara Hartzell, Technology Support
Abe Staffa	John Garcia, Technology Support
	Angela Adzima, HEA Vice-President
Budget Committee Applicants:	
Kristine Adams-Wannberg	
Gaby Villegas	

A. Call to Order
Board Chair Ivette Pantoja called the meeting to order at 6:36 PM

B. Discuss Budget Committee Applications / Introduce Applicants
District Financial Officer Michelle Morrison introduced the applicants. Kristine Adams-Wannberg and Gaby Villegas both provided a short statement via Zoom.

C. Calendar Feedback Survey Results Update
Director of Human Resources Brian Haats shared calendar feedback survey results. Board members asked questions and provided comment.

D. Recess Work Session
Board Chair Ivette Pantoja recessed at 6:55 PM.

3. REGULAR SESSION

Board Present:	Staff Present:
Ivette Pantoja, Chair	Travis Reiman, Superintendent
Mark Watson, Vice Chair	Audrea Neville, Assistant Superintendent, School Performance
See Eun Kim, virtual	Brooke Nova, Assistant Superintendent, Academic Services
Erika Lopez, virtual	Beth Graser, District Communications Officer
Patrick Maguire, virtual	Michelle Morrison, District Financial Officer
Nancy Thomas	Saideh Haghighi Khochkhou, District Operations Officer
Monique Ward, virtual	Jordan Beveridge, District Information Technology Officer
	Francesca Sinapi, District Equity, Access & Engagement Officer
Student Representatives Present:	Brian Haats, Director of Human Resources
Gwen Kondor	Rose Roman, Executive Assistant to the Superintendent
Kal Sibbel	Ciara Hartzell, Technology Support
Abe Staffa	John Garcia, Technology Support

A. Call to Order and Flag Salute
Board Chair Ivette Pantoja reconvened the meeting at 7:03 PM and led the Pledge of Allegiance.

B. Land Acknowledgement
Board Chair Ivette Pantoja read the Land Acknowledgement and interpretation services message.

C. Approval of Agenda
Director Mark Watson MOVED, SECONDED by Director Nancy Thomas, to approve the agenda as printed.

The MOTION CARRIED (7-0). No objection was heard, approved by unanimous consent.

No further discussion took place.

D. Consent Agenda
Consent agenda items are distributed to Board members in advance for study and enacted with a single motion.

Director Nancy Thomas MOVED, SECONDED by Director Mark Watson, to approve the Consent Agenda as printed.

The MOTION CARRIED (7-0). No objection was heard, approved by unanimous consent.

No discussion took place.

Consent Agenda items were as follows:

1. Approve Minutes of October 22, 2024, Board Meeting
2. Approve Routine Personnel Matters
3. Accept Gifts and Donations

E. Audience Time

Three audience members requested to address the Board: Madison Johnston, Billy Ray, and Benjamin Noyes.

F. Reports and Discussions

1. Legislative Advocacy Update

District Communications Officer Beth Graser gave a legislative advocacy update. Board members provided comment.

2. Financial Report

Financial Officer Michelle Morrison gave the financial report. Board members provided comment and asked questions.

G. Action Items

1. Appoint Budget Committee Members

Director Mark Watson MOVED, SECONDED by Director Erika Lopez, that the Board of Directors appoint the slate of candidates identified during the work session to the vacant positions on the Budget Committee as follows:

• Appoint Gaby Villegas to position 3, which expires on June 30, 2027.
• Appoint Kristine Adams-Wannberg to position 4, which expires on June 30, 2027.

The MOTION CARRIED (7-0). Director See Eun Kim, Director Erika Lopez, Director Patrick Maguire, Director Nancy Thomas, Director Monique Ward, Vice Chair Mark Watson, and Chair Ivette Pantoja voted to approve.

Board members provided comment and thanked the budget committee applicants.

2. Elect Members to Oregon School Boards Association (OSBA) Board of Directors

Director Nancy Thomas MOVED, SECONDED by Director Mark Watson, that the Board of Directors cast its vote for Kristy Kottkey for the OSBA Board of Directors, position 15.

The MOTION CARRIED (6-0-1). Director See Eun Kim, Director Erika Lopez, Director Patrick Maguire, Director Nancy Thomas, Vice Chair Mark Watson, and Chair Ivette Pantoja voted to approve. Director Monique Ward abstained.

Board members provided comment.

Director Mark Watson MOVED, SECONDED by Director Erika Lopez, that the Board of Directors cast its vote for Nancy Thomas for the OSBA Board of Directors, position 20.

The MOTION CARRIED (6-0-1). Director See Eun Kim, Director Erika Lopez, Director Patrick Maguire, Director Nancy Thomas, Vice Chair Mark Watson, and Chair Ivette Pantoja voted to approve. Director Monique Ward abstained.

Board members provided comment.

Director Mark Watson MOVED, SECONDED by Director Nancy Thomas, that the Board of Directors approve Resolution 1 to amend the OSBA dues schedule.

The MOTION CARRIED (6-0-1). Director See Eun Kim, Director Erika Lopez, Director Patrick Maguire, Director Nancy Thomas, Vice Chair Mark Watson, and Chair Ivette Pantoja voted to approve. Director Monique Ward abstained.

Board members provided comment.

Director Mark Watson MOVED, SECONDED by Director Nancy Thomas, that the Board of Directors approve Resolution 2 to create the Oregon School Board Members PRIDE Caucus and designate a seat on the OSBA Board of Directors and Legislative Policy Committee.

The MOTION CARRIED (5-2). Director See Eun Kim, Director Erika Lopez, Director Patrick Maguire, Director Nancy Thomas, and Vice Chair Mark Watson voted to approve. Director Monique Ward and Board Chair Ivette Pantoja opposed.

Board members provided comment.

Director Nancy Thomas MOVED, SECONDED by Director Mark Watson, that the Board of Directors approve Resolution 3 to adopt the proposed amendments to the OSBA Bylaws.

The MOTION CARRIED (6-1). Director See Eun Kim, Director Erika Lopez, Director Patrick Maguire, Director Nancy Thomas, Vice Chair Mark Watson, and Chair Ivette Pantoja voted to approve. Director Monique Ward opposed.

Board members provided comment.

H. HCU / HEA Reports

HCU Collective Bargaining Officer Ciara Hartzell provided the HCU update.
HEA President Mary Kay Babcock provided the HEA update.

I. Discussion Time

1) OSBA Conference Reports

Student representative Kal Sibbel, Director Erika Lopez, Director Mark Watson, and Director Nancy Thomas provided insight on attending the OSBA conference.

2) Student Representatives' Time

Abe Staffa reflected on his time spent as a student representative.
Gwen Kondor thanked the audience members for being here this evening and shared her experience as a student in another school district.
Kal Sibbel thanked the audience for being here, thanked the ASL interpreters, and shared his appreciation for his time spent as a student representative.

3) Superintendent's Time

Superintendent Travis Reiman thanked the audience for coming, the speakers for their comments, thanked Beth Graser for the presentation, and thanked the legislative advocacy team for their work. He reflected on the OSBA conference and highlighted that HSD is looked at as a leader at the state level.

4) Board of Directors' Time

Director Erika Lopez reflected on the OSBA conference, including legislative advocacy efforts.

Director Patrick Maguire thanked staff for the reports, wished everyone a Happy Thanksgiving, and looked forward to events in schools.

Director See Eun Kim provided no comment.

Director Monique Ward thanked the audience for their comments, thanked Beth Graser for legislative advocacy packet, wished everyone a happy Thanksgiving, and expressed her hope to be in town for December Board meeting.

Vice Chair Mark Watson highlighted attending Superintendent coffee chats and HSD Faith Luncheon, and reflected on the OSBA conference.

Chair Ivette Pantoja thanked audience for being here, thanked speakers, thanked Beth Graser for the presentation and information, wished everyone a happy Thanksgiving.

J. Adjourn Meeting

Chair Ivette Pantoja adjourned the meeting at 8:32 PM.

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
APPROVE ROUTINE PERSONNEL MATTERS

The Superintendent recommends the Board of Directors:

A. Ratify the acceptance of the retirement of the following licensed personnel:

Sara Blair
Assignment: 1.0 FTE English Learner Specialist
Location: Imlay Elementary School
Effective Date: December 20, 2024
Years of Service: 28 years

Usha Ramchandar
Assignment: 1.0 FTE 2nd Grade Teacher
Location: West Union Elementary School
Effective Date: January 1, 2025
Years of Service: 18 years

B. Ratify the acceptance of the resignation of the following licensed personnel:

Angela Gelhar
Assignment: 1.0 FTE Special Education Teacher
Location: W.V. McKinney Elementary School
Effective Date: November 29, 2024

C. Approve the employment of the following licensed personnel in the 2024-25 school year:

Laura Moore
Education: MA – Portland State University, Portland, OR
Experience: 6 years
Assignment: 1.0 FTE 1st Grade Teacher – Rosedale Elementary School

D. Approve the employment of the following licensed personnel in the 2023-24 school year, who have held temporary status:

Alexis Bermudez
Education: BA- University of Oregon
Experience: 1 year
Assignment: 1.0 FTE Classroom Teacher – Lincoln Street Elementary School

Thomas Coughlin

Education:	BA – Pacific University, Forest Grove, OR
Experience:	3 years
Assignment:	0.5 FTE Behavior Specialist – North Plains Elementary School

Wendy Sunday

Education:	MA – Portland State University
Experience:	36 years
Assignment:	1.0 FTE 2nd/3rd Grade Teacher – Hillsboro Online Academy

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
FIRST READING - 2025-2026 SCHOOL CALENDAR

SITUATION

Board policy IC/ICA: School Year/School Calendar requires that the calendar for the upcoming school year be approved no later than the April Board meeting. A joint calendar committee, including association members, was formed. They participated in a calendar creation process, reviewed calendar survey data collected from over 3,000 respondents and provided input regarding the 2025-26 calendar.

The 2025-26 calendar has a proposed start date after the Labor Day holiday. The proposed calendar includes key dates and vacation periods to assist families and staff as they plan for the upcoming year.

Highlights of the 2025-26 calendar:

- Family Connections Day will be on Wednesday, August 27, 2025. This affords us the opportunity to continue the practice of building connections with students and families.
- School will start for grades 1-6, 7, and 9 on Wednesday, September 3, 2025.
- School will start for kindergarten, grades 8, and 10-12 on Thursday, September 4, 2025.
- October 9, 2025, will be a Staff Development Day for both classified and licensed staff.
- Veterans Day, a federal holiday, is observed on Tuesday, November 11, 2025.
- Our Staff Development/Family Conferences will be held November 24-26, 2025.
- Winter break will be Monday, December 22, 2025, through Friday January 2, 2026.
- Spring break will occur March 23-27, 2026.
- The last day for students will be Thursday, June 11, 2026.
- The last day for licensed staff per contract will be Friday, June 12, 2026.

Other key features of the 2025-26 proposed calendar include the following:

- Potential inclement weather make-up days are reserved.
- The calendar complies with the instructional time requirements outlined by the Oregon Department of Education (Division 22).
- Instructional days are balanced for each semester.
- A link to the Oregon Department of Education Standards for Public Elementary and Secondary Schools, including minimum required instructional time is included in the 2025-26 calendar.

RECOMMENDATION

The Superintendent recommends that the Board of Directors review the first reading of the proposed 2025-2026 calendar, provide feedback, and ask any questions they may have.

WORKING DRAFT

DRAFT 2025-26 Calendar
30-day Review w/Board - 12/10/2024
173 Student Contact Days
186 + 5 Holidays = 191 Teacher Contract Days

First Day/End of Quarter/Semester
Early Release
No School
Family Connections & Transitions

TOTAL STUDENT DAYS:

Semester 1 = 87 All students
Semester 2 = 86 All students

HSD exceeds ODE seat requirements. Click HERE for more information.

HILLSBORO SCHOOL DISTRICT

JULY 2025

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

18-20 - New Licensed Staff In-Service
25-26 – Licensed In-Service
27 – Family Connections and Transitions K-12
28– Licensed In-Service
29 - Licensed Non-Contract

1/4

AUGUST 2025 — 1/4

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30/31

1 – **NO SCHOOL** Holiday – Labor Day
2 – **NO SCHOOL** Licensed In-Service
3– First Day of School for grades 1-6, 7 and 9
4 – All Students - (First day for K, 8, 10-12)

21/25

SEPTEMBER 2025 — 20/21

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

9 – **NO SCHOOL** Staff Development
10 – **NO SCHOOL** Licensed Non-Contract

42/47

OCTOBER 2025 — 21/22

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

7 – **End of 1st Quarter** (47)
10 - NO SCHOOL
Elementary - Work Day
Secondary - Grade Prep
11 – **NO SCHOOL** Holiday - Veterans Day
24-NO SCHOOL
Elementary - Staff Development and Family Conference Prep
Secondary - Staff Development
25-26 – NO SCHOOL
Family Conference Connections K-12
27 – **NO SCHOOL** Holiday – Thanksgiving Day
28 – **NO SCHOOL** Licensed Non-Contract

55/64

NOVEMBER 2025 — 13/17

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

22-31 – NO SCHOOL Licensed Non-Contract (Winter Break)

70/79

DECEMBER 2025 — 15/15

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

1-2 – **NO SCHOOL** Licensed Non-Contract (Winter Break Cont.)
19 – **NO SCHOOL** Holiday - Martin Luther King Jr. Day
29 – **End of 1st Semester** (41/87)
30 – **NO SCHOOL** Teacher Grade Prep

88/98

JANUARY 2026 — 18/19

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2 – **NO SCHOOL** Licensed Prep
16 – **NO SCHOOL** Licensed Non-Contract (Presidents' Day)

106/117

FEBRUARY 2026 — 18/19

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

23-27 – **NO SCHOOL** Licensed Non-Contract (Spring Break)

123/134

MARCH 2026 — 17/17

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

9 - **End of 3rd Quarter** (42)
10 - **NO SCHOOL**
Elementary - Work Day
Secondary - Grade Prep

144/156

APRIL 2026 — 21/22

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

25 – **NO SCHOOL** Holiday – Memorial Day

164/176

MAY 2026 — 20/20

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

11 – **EARLY RELEASE** Last Day of School for K-11 (44)
12 – **Last Day for Licensed Staff**
15-16 – **Possible inclement weather make-up days. If the District closes school due to inclement weather during the 2025-2026 school year these days could be added to the school calendar as make up days. Graduation dates would not be affected.**

173/186

JUNE 2026 — 9/10

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Working Draft

WORKING DRAFT

Calendario Escolar 2025-26
Periodo de revisión de 30 días de la Mesa Directiva: 10/DIC/2024
173 días de instrucción,
186 + 5 días festivos = 191 días de contrato para el personal docente.

Primer día/ Último día del trimestre/semestre

Salida temprana

No hay clases

Conferencias iniciales/ transicionales con las familias

TOTAL DE DÍAS ESCOLARES PARA LOS ESTUDIANTES:

Semestre 1 = 87 para todos los estudiantes
Semestre 2 = 86 para todos los estudiantes

HSD excede los requisitos de tiempo de instrucción de ODE. Pulse AQUÍ para obtener más información.

HILLSBORO SCHOOL DISTRICT

JULIO 2025

D	L	M	M	J	V	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

18-20: Días de capacitación para nuevo personal con certificación pedagógica
25-26: Días de capacitación para el personal con certificación pedagógica
27: Conexiones y transiciones con las familias (K-12)
28: Día de capacitación para el personal con certificación pedagógica
29: Día sin contrato laboral para el personal con certificación pedagógica

AGOSTO 2025 — 1/4

D	L	M	M	J	V	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30/31

1/4

1: NO HAY CLASES
Día festivo: Día del Trabajo
2: NO HAY CLASES
Días de capacitación para el personal con certificación pedagógica
3: Primer día de clases para los grados 1-6, 7 y 9
4: Primer día de clases para el resto de los estudiantes (grados K, 8, 10-12)

SEPTIEMBRE 2025 — 20/21

D	L	M	M	J	V	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

21/25

9: NO HAY CLASES
Días de capacitación para el personal con certificación pedagógica
10: NO HAY CLASES
Día sin contrato laboral para el personal con certificación pedagógica

OCTUBRE 2025 — 21/22

D	L	M	M	J	V	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

42/47

7: Fin del 1.er trimestre (47)
10: NO HAY CLASES
Escuelas primarias: Día laboral
Escuelas secundarias/preparatorias: Día de preparación de calificaciones
11:NO HAY CLASES
Día festivo: Dia de los Veteranos
24: NO HAY CLASES
Escuelas primarias: Desarrollo profesional para el personal y preparación para conferencias con las familias
Escuelas secundarias/preparatorias: Desarrollo profesional para el personal
25-26: NO HAY CLASES
Conferencias con las familias de estudiantes en los grados K-12
27: NO HAY CLASES
Día festivo: Día de Acción de Gracias
28: NO HAY CLASES
Día sin contrato laboral para el personal con certificación pedagógica

NOVIEMBRE 2025 — 13/17

D	L	M	M	J	V	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

55/64

22-31: NO HAY CLASES
Día sin contrato laboral para el personal con certificación pedagógica (receso de invierno)

DICIEMBRE 2025 — 15/15

D	L	M	M	J	V	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

70/79

1-2: NO HAY CLASES
Días sin contrato laboral para el personal con certificación pedagógica (continuación del receso de invierno)
19: NO HAY CLASES
Día de Martin Luther King Jr.
29: Fin del 1.er semestre (41/87)
30: NO HAY CLASES
Día de preparación de calificaciones

ENERO 2026 — 18/19

D	L	M	M	J	V	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

88/98

2: NO HAY CLASES
Día de preparación para el personal con certificación pedagógica
16: NO HAY CLASES
Día sin contrato laboral para el personal con certificación pedagógica (Día de los Presidentes)

FEBRERO 2026 — 18/19

D	L	M	M	J	V	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

106/117

23-27: NO HAY CLASES
Día sin contrato laboral para el personal con certificación pedagógica (receso de primavera)

MARZO 2026 — 17/17

D	L	M	M	J	V	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

123/134

9: Fin del 3.er trimestre (42)
10: NO HAY CLASES
Escuelas primarias: Día laboral
Escuelas secundarias/preparatorias: Día de preparación de calificaciones

ABRIL 2026 — 21/22

D	L	M	M	J	V	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

144/156

25: NO HAY CLASES
Día festivo: Día de la Recordación

MAYO 2026 — 20/20

D	L	M	M	J	V	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

164/176

11: SALIDA TEMPRANA
Último día de clases para los grados K-11 (44)
12: Último día laboral para el personal con certificación pedagógica
15-16: Posibles días de recuperación. En caso de que el distrito necesite cerrar las escuelas debido a inclemencias climatológicas durante el año escolar 2025-2026, estos días podrían agregarse al calendario escolar como días de recuperación. Las fechas para las graduaciones no se verán afectadas.

JUNIO 2026 — 9/10

D	L	M	M	J	V	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

173/186

Working Draft

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
FINANCIAL REPORT

Business Office – General Update

Superintendent Reiman, School Board Directors, and Cabinet colleagues,

After 13 years of grateful service in Hillsboro, I will be transitioning to Portland Public Schools in January to serve as their Chief Financial Officer. As you may know, Portland has struggled to find stable financial leadership since Claire Hertz retired two years ago. They have contacted me periodically since then to apply during transitions of the finance team.

I do not take this transition lightly and am fully committed to Hillsboro's next step as well. If allowed, I would like to remain active on an hourly basis after January 3, 2025, to extend consultation services for the incoming Financial Officer as well as support for the bargaining process through June 30, 2025, if necessary. My first official day in Portland is January 6, 2025.

A few points to share my reasoning:

- I believe that a stable, credible voice and leadership in Portland can make a difference for all districts in Oregon. I have been working at the state level for years on behalf of Hillsboro with the hope to elevate K12 communities with every opportunity.
- Superintendent Armstrong of Portland Public Schools has committed to my support of HSD during the transition as I am able and requested.
- Superintendent Reiman and each Cabinet Member have been exceptional to work with and have a solid understanding of school finance and financial controls necessary to support an incoming Finance Officer, as well as schools and department leaders well beyond this transition period.
- There are quality candidates that are ready to apply for the Financial Officer position in Hillsboro because it is an incredible opportunity and an amazing business office team.

I have been so fortunate and honored to have worked in this community for such a long time with the highest level of support and visionary leadership. The caring and skill it takes to understand the complex systems of K12 in Oregon and while honoring the student experience is abundant in Hillsboro and I hope to take some of that momentum with me to Portland.

I can never say thank you enough.

Together in service to students,

Michelle Morrison, District Financial Officer

Donations Over $5,000

District Policy KH states that the District may receive donations of gifts that may serve to enhance and extend the work of the District, subject to Board approval. Individuals who desire to make contributions are encouraged to consider donations for equipment or services that are not likely to be acquired from public fund expenditures. The purpose of this report is to describe to the Board the donations received that are valued at $5,000 or more.

There were no donations of $5,000 or more in the month of November.

Workers' Compensation Report

The table below includes workers' compensation claims reported month to date through November 30, 2024.

The District received 6 new workers' compensation claims in November for a total of 38 claims.

Workers' Compensation Reports			
	2022-2023	**2023-2024**	**2024-2025**
July	1	2	2
August	8	3	4
September	11	14	10
October	13	6	16
November	8	5	6
December	6	11	
January	7	14	
February	11	11	
March	8	4	
April	10	11	
May	11	15	
June	9	8	
Yearly Total:	**103**	**104**	**38**

Student Incident Report

Student incident data below is month to date through November 30, 2024. Drivers for incidents involving slip/fall and collision with an object resulting in injuries to the student.

Student Incident Reports						
	2023-24 Total Incidents	**Average Incidents Per School Day**	**Serious Injuries With 911 Transport**	**2024-25 Total Incidents**	**Average Incidents Per School Day**	**Serious Injuries With 911 Transport**
July	0	N/A	0	0	0	0
August	0	N/A	0	0	0	0
September	102	0.18	8	104	0.17	7
October	80	0.26	10	150	0.14	9
November	37	0.3	4	73	0.04	1
December	36	0.3	2			
January	39	0.58	4			
February	60	0.3	3			
March	55	0.29	8			
April	45	0.46	3			
May	70	0.32	4			
June	27	0.31	2			
Yearly Total:	**551**	**0.33**	**48**	**327**	**0.117**	**17**

Vehicle Accidents

There were 3 vehicle claims filed in November.

General Functions

If you would like more information or to discuss these or other Business Office items, please contact Michelle Morrison at 503-844-1527 or morrisom@hsd.k12.or.us.

HILLSBORO SCHOOL DISTRICT HILLSBORO SCHOOL DISTRICT 1J
2024-25
MONTHLY FINANCIAL REPORT - as of November 30, 2024

	1st Quarter	October	November	2nd Quarter	3rd Quarter	4th Quarter	Fiscal YTD	Budget		Fiscal YTD	
Revenues	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**2024-25**	**2024-25**	**% of Budget**	**2023-24**	**% of Budget**
Taxes	$187,056.55	$113,101.91	$23,262,198.87	$23,375,300.78	$0.00	$0.00	$23,562,357.33	$105,299,788.00	22.38%	$81,797,269.78	87.46%
Interest	$274,154.92	$44,121.28	$59,047.36	$103,168.64	$0.00	$0.00	$377,323.56	$1,912,304.00	19.73%	$449,671.36	#DIV/0!
Local Sources	$261,267.77	$639,128.85	$92,641.08	$731,769.93	$0.00	$0.00	$993,037.70	$4,434,290.00	22.39%	$746,471.98	22.01%
Total Local	**$722,479.24**	**$796,352.04**	**$23,413,887.31**	**$24,210,239.35**	**$0.00**	**$0.00**	**$24,932,718.59**	**$111,646,382.00**	**22.33%**	**$82,993,413.12**	**85.64%**
County/ESD	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$5,017,971.00	0.00%	$146,142.29	2.78%
State Sources	$49,724,215.00	$12,444,445.12	$12,553,349.17	$24,997,794.29	$0.00	$0.00	$74,722,009.29	$160,034,325.00	46.69%	$74,430,252.68	48.25%
Federal Sources	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Other Sources	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Unaudited Beginning Balance*	$10,346,207.89	$0.00	$0.00	$0.00	$0.00	$0.00	$10,346,207.89	$17,975,805.00	57.56%	$14,629,602.30	100.00%
Total Revenue	**$60,792,902.13**	**$13,240,797.16**	**$35,967,236.48**	**$49,208,033.64**	**$0.00**	**$0.00**	**$110,000,935.77**	**$294,674,483.00**	**37.33%**	**$172,199,410.39**	**63.53%**
Expenditures											
Instruction											
Salaries	$8,516,271.74	$8,367,023.02	$8,476,530.16	$16,843,553.18	$0.00	$0.00	$25,359,824.92	$96,624,745.00	26.25%	$24,561,710.29	29.36%
Benefits	$4,312,373.10	$4,179,772.24	$4,244,702.07	$8,424,474.31	$0.00	$0.00	$12,736,847.41	$49,892,653.00	25.53%	$12,270,849.21	28.25%
Purchased Service	$2,159,332.71	$1,264,522.41	$658,745.34	$1,923,267.75	$0.00	$0.00	$4,082,600.46	$16,977,473.00	24.05%	$4,344,731.33	29.98%
Supplies/Materials	$1,022,357.93	$270,823.77	$131,781.56	$402,605.33	$0.00	$0.00	$1,424,963.26	$4,712,331.00	30.24%	$1,913,237.51	32.10%
Capital Purchases	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$24,026.50	0.00%
Other	$79,334.85	$5,649.75	$5,074.00	$10,723.75	$0.00	$0.00	$90,058.60	$1,579,035.00	5.70%	$133,126.06	9.71%
Total Instruction	**$16,089,670.33**	**$14,087,791.19**	**$13,516,833.13**	**$27,604,624.32**	**$0.00**	**$0.00**	**$43,694,294.65**	**$169,786,237.00**	**25.73%**	**$43,247,680.90**	**29.04%**
Support Services											
Salaries	$9,647,338.72	$4,498,041.37	$4,523,298.69	$9,021,340.06	$0.00	$0.00	$18,668,678.78	$62,609,445.00	29.82%	$18,468,934.45	34.39%
Benefits	$5,093,187.26	$2,494,620.77	$2,423,619.70	$4,918,240.47	$0.00	$0.00	$10,011,427.73	$32,328,691.00	30.97%	$9,717,999.29	34.85%
Purchased Service	$4,495,681.73	$1,154,774.94	$2,599,432.38	$3,754,207.32	$0.00	$0.00	$8,249,889.05	$11,000,811.00	74.99%	$5,794,385.05	62.28%
Supplies/Materials	$2,155,777.94	$770,986.86	$357,704.79	$1,128,691.65	$0.00	$0.00	$3,284,469.59	$3,053,428.00	107.57%	$3,412,231.40	89.18%
Capital Purchases	$1,715,951.78	$9,240.04	$157,170.00	$166,410.04	$0.00	$0.00	$1,882,361.82	$0.00	0.00%	$217,082.77	0.00%
Other	$2,235,728.29	$16,333.86	$54,894.65	$71,228.51	$0.00	$0.00	$2,306,956.80	$1,023,160.00	225.47%	$2,406,391.31	273.53%
Total Support	**$25,343,665.72**	**$8,943,997.84**	**$10,116,120.21**	**$19,060,118.05**	**$0.00**	**$0.00**	**$44,403,783.77**	**$110,015,535.00**	**40.36%**	**$40,017,024.27**	**41.68%**
Community Services											
Salaries	$69,398.02	$33,336.61	$32,908.72	$66,245.33	$0.00	$0.00	$135,643.35	$421,948.00	32.15%	$159,585.55	43.28%
Benefits	$36,316.74	$21,160.93	$21,073.08	$42,234.01	$0.00	$0.00	$78,550.75	$217,875.00	36.05%	$89,447.86	46.71%
Purchased Service	$15,557.74	$20,506.19	$9,654.69	$30,160.88	$0.00	$0.00	$45,718.62	$74,138.00	61.67%	$53,031.67	83.01%
Supplies/Materials	$2,191.30	$4,592.12	$44.77	$4,636.89	$0.00	$0.00	$6,828.19	$20,579.00	33.18%	$14,291.44	54.40%
Capital Purchases	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$6,895.00	0.00%	$0.00	0.00%
Total Community Services	**$123,463.80**	**$79,595.85**	**$63,681.26**	**$143,277.11**	**$0.00**	**$0.00**	**$266,740.91**	**$741,435.00**	**35.98%**	**$316,356.52**	**48.19%**
Capital Projects											
Purchased Service	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Capital Purchases	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Total Capital Projects	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$0.00**	**0.00%**
Debt Service Payment	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Transfers	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%	$0.00	0.00%
Contingency/Ending Balance	$11,786,979.00	$0.00	$0.00	$0.00	$0.00	$0.00	$11,786,979.00	$13,786,979.00	100.00%	$10,449,646.00	44.19%
Total Expenditures	**$53,343,778.85**	**$23,111,384.88**	**$23,696,634.60**	**$46,808,019.48**	**$0.00**	**$0.00**	**$100,151,798.33**	**$294,330,186.00**	**34.03%**	**$94,030,707.69**	**34.69%**

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
ACCEPT GIFTS AND DONATIONS
(as of November 30, 2024)

SITUATION

District Policy KH states that the District may receive donations of gifts that may serve to enhance and extend the work of the District, subject to Board approval. Individuals who desire to make contributions are encouraged to consider donations for equipment or services that are not likely to be acquired from public fund expenditures. The purpose of this report is to describe to the Board the donations received that are valued at $5,000 or more.

There were no donations of $5,000 or more in the month of November.

RECOMMENDATION

The Superintendent recommends that the Board of Directors accept these donations.

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
2023 PERS VALUATION AND 2025-27 RATES

SITUATION

The Hillsboro School District is a public employer that is required to participate in the Public Employee Retirement System (PERS) for the state of Oregon. Each odd calendar year actuarial data generates an “advisory” rate. After the end of even calendar years, a “rate-setting” report developed on the last two years of data is provided to the PERS board of approval. The new PERS rates are effective July 1st of the upcoming biennium in alignment with the state budget.

On October 4, 2024, the PERS board reviewed the 2023 Valuation Report and approved employer rates for the 2025-27 biennium. The rate increases are significantly higher than expected due to compounding factors on the heels of the pandemic. Each public employer rate is calculated separately based on the demographics of the workforce and whether or not they have established “Side Accounts” by selling Pension Obligation Bonds.

Tonight, the Board will receive a presentation regarding the driving factors of the 2025-27 increase in general and specifically how that impacts the Hillsboro School District.

RECOMMENDATION

The Superintendent recommends the Board of Directors review this presentation and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
DECLARE SURPLUS EQUIPMENT AND AUTHORIZE DISPOSAL

SITUATION

Policy DN: Disposal of District Property requires the Board to declare District property as surplus and authorize its disposal when such property is no longer useful to the District, unsuitable for use, too costly to repair, or obsolete.

The HSD Facilities Department and Technology Department have identified the following equipment and supplies as no longer useful to the District or in significant disrepair. These items will either be sent to the State of Oregon Surplus Warehouse, sold through J. Stout Auction Yard or online marketplace, or disposed of per District Policy DN-AR: Disposal of District Property. The intended means of disposal is indicated per line item.

Facilities Department

- Old replaced Siemens HVAC controllers - Online Marketplace
    - 540100 (qty 240)
    - 549214 (qty 12)
    - 549210 (qty 9)
    - 549007 (qty 4)
    - 549620 (qty 1)

- Vehicles - Auction
    - HSD maintenance van #526
    - HSD security vehicle (Ford Escape)
        - License# E284904, VIN# 1FMCU9GX7DUC48264

- Old (Middle School) Shop Equipment - Auction
    - Powermatic bandsaw (qty 2)
    - Powermatic table saw (qty 1)
    - Powermatic drill press (qty 2)
    - Powermatic benchtop drill press (qty 2)
    - Paint sprayer (qty 1)
    - Belt edge sander, 80” (qty 1)

- Old furniture - State of Oregon Surplus Warehouse
    - 250 student chairs
    - Conference tables (qty 2)
    - Office desk systems (qty 3)

- Old appliances - Auction, State of Oregon Surplus Warehouse, or Scrap metal
    - Range (qty 2)
    - Clothes dryer (qty 1)
    - Dishwasher (qty 1)

Information Technology Department

ITEM	QTY
AV & Charging Carts	5
Boxes of Parts & Peripherals	114
Chrome Devices	169
Desktops	196
Document Cameras	46
DVD/VCRs	5
iPads & Tablets	99
Laptops	535
Lightspeed/Audio EQ	7
Monitors	136
Printers & Scanners	45
Projectors & Mounts	162
TVs	5
Batteries	106
Phones	192
Routers	49

RECOMMENDATION

The Superintendent recommends the Board of Directors declare the HSD Facilities and Information Technology Department equipment surplus and authorize the disposal in accordance with District Surplus Procedures.

> *I move that the Board of Directors declare the HSD Facilities and Information Technology Department equipment surplus and authorize the disposal in accordance with District Surplus Procedures.*

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
ACCEPT ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR 2023-24

SITUATION

The firm of Grove, Mueller & Swank, P.C., has completed its report on the audit of the District's financial statements for 2023-24. The Annual Comprehensive Financial Report (ACFR) has been provided to the Board of Directors, and a representative from Grove, Mueller & Swank, P.C., met with Audit Committee Members to provide a brief overview of the document and answer any questions. The report is also posted on the District website.

RECOMMENDATION

The Superintendent recommends that the Board of Directors accept the Annual Comprehensive Financial Report for 2023-24.

> *I move that the Board of Directors accept the Annual Comprehensive Financial Report for 2023-24.*

FY 2023-24 Audit Committee Summary
December 10, 2024

Summary Overview

This concise review of the 2023-24 Annual Comprehensive Financial Report (ACFR) has been prepared in response to a request for a clear, high-level interpretation of the technical aspects of the report. This summary highlights specific items throughout the ACFR that may be of interest to various stakeholders and provides staff-developed explanations for those items. This summary should not be relied upon in lieu of the data and narrative within the actual ACFR.

The Purpose of the Document

The financial report is developed by staff to the Government Finance Officers Association (GFOA) and Generally Accepted Accounting Procedures (GAAP) standards. The Governmental Accounting Standards Board (GASB) is the source of GAAP used by state and local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization. The District is required by law to produce an annual report and submit it to an independent auditor for review and certification prior to submission to the Board, Secretary of State, Oregon Department of Education, and other entities for disclosure.

Points of Interest

Correspondence (pp. i-3) - The Transmittal Letter is from the Superintendent and District Financial Officer to viewers at large. The Independent Auditor's Report is correspondence regarding the work the auditor performs to test the District's internal controls and discusses the auditor's relationship to the District.

Management's Discussion and Analysis (MD&A) and Basic Financial Statements (pp.5-26) - This is a lengthy narrative that explains differences between the reported year and prior year's report. Many of the tables following the MD&A express the District's financial position in corporate (for profit) terms, which can be challenging to interpret. The Statement of Revenues, Expenditures, and Changes in Fund Balance (pp.25) is the most relevant representation of fund balance for each major fund.

Notes to Basic Financial Statements (pp.27-69) - This section provides detail for all of the Districts assets and liabilities and provides information regarding GAAP and the GASB standards and their application. Items include a description of the GASB reporting requirements and information about Other Post-Employment Benefits (OPEB), pension obligations, and debt.

Schedule of Revenue, Expenditures, and Changes in Fund Balance, General Fund (p. 77) - This table is commonly referenced for operational finance with budgetary context.

A specific point of interest to both potential lenders (bond buyers) and bargaining units is the Fund Balance. The District met the 4.0 percent Fund Balance as budgeted. Lenders track Fund Balance as an indicator of financial stability and management. Bargaining units tend to view an excessive fund balance as unequitable for their members.

Schedule of Revenues and Expenditures by Fund (pp. 78-95) - These tables are reconciled to data collected by the Oregon Department of Education, in accordance with the state account code structure prescribed by the Program and Budgeting Manual. The budget document is developed using the same account code structure at a higher level (for appropriations).

Statistical Section (pp. 97-126) - This section contains longitudinal data for the region and the District and provides stakeholders "trends" for demographics, tax collections, net position, fund balance, and economics.

Single Audit Section (pp. 127-138)- Participation in Federal Programs requires an added layer of reporting and disclosure. The auditors introduce their position related to testing requirements of federal Uniform Guidance and certify the revenue and expenditures of the District's Federal Programs. Annually, they select specific programs for additional testing (Title IC Cluster and ESSER this year) and report on findings.

Compliance Section (pp. 139) - This is a closing note from the independent auditor with a summary of activities and compliance.

2022-23 (Prior Year) Finding: 2023-001 Significant Deficiency in Internal Controls over Compliance with State Laws

Oregon Local Budget Law requires that differences in expenditures in excess of 10% are approved through a Supplemental Budget process. The Appropriations Changes made in June did not satisfy Local Budget Law and the Supplemental Budget process was not completed. The auditors have reported a Finding of "Significant Deficiency in Internal Controls over Compliance with State Laws" as expenditures exceeded appropriation levels by major fund and function by more than 10%.

Corrective Measures Implemented during 2023-2024:

1. The District used analytics software to monitor and project end-of-year expenditures by fund, function, and object. Monitored budget appropriations

against actual expenditures. Appropriations adjusted to include any targeted carryover identified in the prior year annual financial report.

2. After the final adjustments and review of the prior year, staff identified any areas that required appropriation changes based on final revenue and expenditure trends.

3. A Supplemental Budget was required for the current fiscal year. The Supplemental Budget was presented at the June board meeting.

Implementation of the Corrective Measures ensured the District was in compliance with Budget Law and no findings were noted. These practices will be continued.

References

Oregon Department of Education Program and Budgeting Manual
Uniform Guidance
Government Finance Officers Association
Governmental Accounting Standards Board
Oregon Secretary of State - Audits Division
Hillsboro School District - Business Office (links to Budget and ACFR documents)

Michelle Morrison, District Financial Officer
Jeff Jones, Manager of Business Services

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2024

Hillsboro School District 1J
3083 NE 49th Place
Hillsboro, OR 97124
www.hsd.k12.or.us

HILLSBORO SCHOOL DISTRICT

HILLSBORO SCHOOL DISTRICT

Engage and challenge all learners to ensure academic excellence

HILLSBORO SCHOOL DISTRICT #1J
WASHINGTON COUNTY, OREGON
3083 NE 49th Place
Hillsboro, Oregon 97124

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2024

Prepared by the
Business Office staff

Michelle Morrison, District Financial Officer

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

TABLE OF CONTENTS

INTRODUCTORY SECTION **Page**

Letter of Transmittal i
Certificate of Achievement for Excellence in Financial Reporting viii
Officials of the District ix
District Organizational Chart x

FINANCIAL SECTION

Independent Auditor's Report 1
Management's Discussion and Analysis 5
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position 19
Statement of Activities 20
Fund Financial Statements:
Balance Sheet – Governmental Funds 23
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position 24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities 26
Notes to Basic Financial Statements 27
Required Supplementary Information:
Schedule of the Changes in the Total OPEB Liability for Medical Subsidy 73
Schedule of the Total OPEB Liability and related ratios for Medical Subsidy 73
Schedule of the Proportionate Share of the Net OPEB Liability for RHIA 74
Schedule of Contributions for RHIA 74
Schedule of the Proportionate Share of the Net Pension Liability for PERS 75
Schedule of Contributions for PERS 76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
General Fund 77
Special Revenue Fund 78
Notes to Required Supplementary Information 79
Other Supplementary Information:
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:
Debt Service Fund 83
Capital Projects Fund 84
Internal Service Fund 85
Additional Schedules (Required by the Oregon Department of Education):
Schedule of Revenues – All Funds 86
Schedule of General Fund Expenditures 88
Schedule of Special Revenue Fund Expenditures 90
Schedule of Debt Service Fund Expenditures 93
Schedule of Capital Projects Fund Expenditures 94
Supplemental Information, 2023-24 96

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

TABLE OF CONTENTS

STATISTICAL SECTION **Page**

Statistical Section Table of Contents 97
Net Position by Category 98
Changes in Net Position 100
Fund Balances of Governmental Funds 102
Changes in Fund Balances of Governmental Funds 104
Assessed Value of Taxable Property within School District Boundaries 106
Direct and Overlapping Property Tax Rates 108
Principal Property Taxpayers for Washington County 110
Property Tax Levies and Collections 113
Outstanding Debt by Type 114
Direct and Overlapping Governmental Activities Debt 117
Legal Debt Margin Information 118
Demographic and Economic Statistics 120
Principal Employers for the Portland, Oregon, Metropolitan Area 121
Certified, Classified, and Administrative Employees 122
Student Enrollment Statistics 123
Student Enrollment and Capital Asset Statistics 124
Teacher Data 126

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 127
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance 129
Schedule of Expenditures of Federal Awards 131
Notes to Schedule of Expenditures of Federal Awards 134
Schedule of Findings and Questioned Costs 136
Schedule of Prior Year Findings and Questioned Costs 137

COMPLIANCE SECTION

Independent Auditors' Report Required by Oregon State Regulations 139

HILLSBORO SCHOOL DISTRICT
BUSINESS OFFICE

December 3, 2024

Board of Directors
Hillsboro School District 1J
Washington County
3083 NE 49th Place
Hillsboro, OR 97124

In accordance with the provisions of Oregon Revised Statutes, Sections 297.405 to 297.555 and 297.990, known as the Municipal Audit Law, there is submitted herewith the Annual Comprehensive Financial Report of Hillsboro School District 1J, Washington County, Oregon, for the fiscal year ended June 30, 2024.

This report was prepared by the School District Business Office. The responsibility for the completeness and fairness of the data presented and all accompanying disclosures rests with the School District.

To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

As management, we assert that, to the best of our knowledge and belief, this financial report and its data is complete and reliable in all material respects, includes all funds, account groups, and financial transactions, and is presented fairly to disclose the financial position, results of operations, and cash flows of the District as of June 30, 2024, and for the year then ended.

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

3083 NE 49th Place, AC 104, Hillsboro, OR 97124-6006
TEL: 503-844-1500 ■ FAX: 503-844-1551 ■ WEB: www.hsd.k12.or.us

THE DISTRICT

Hillsboro School District 1J (HSD) was formed in July 1996 through the unification of a union high school district and its six feeder elementary school districts. This unification was accomplished under a plan developed and approved by each of the seven prior district governing bodies in response to a unification deadline mandated by Oregon State Statutes. The seven previously independent districts were Hillsboro Union High School District and the Farmington View, Groner K-8, Hillsboro, North Plains, Reedville, and West Union Elementary School Districts.

The District, a fiscally independent entity, is organized with a seven-member elected Board of Directors and a Board-appointed budget committee. In 2023-24, management staff consisted of 1 superintendent, 2 assistant superintendents, 8 executive directors, 10 directors, 3 coordinators, 1 financial officer, 1 human resources officer, 1 capital projects officer, 1 communications officer, 1 operations officer, 1 information and technology officer, 1 equity, access, and engagement officer, principals, assistant principals, and support staff supervisors. The Board of Directors approves the hires of all management staff members.

The District also employs 1,244 teachers and 1,314 support staff, including instructional assistants, secretaries, clerks, bus drivers, cooks, custodians, maintenance workers, and various other professional and technical staff. The District operates 27 elementary schools, 4 middle schools, 4 high schools, 1 alternative school, and 1 online school. The District also sponsors City View Charter School, but it is not required to be reported as a component unit under GASB 61.

The District's Strategic Plan articulates the District's mission, goals, and focus areas as it strives to increase the achievement of all students. The 2023-2027 Plan has a laser-like focus on maximizing the student experience and ensuring that students leave our system prepared for success in post-secondary endeavors and civic life. Each year, we will identify top system-level goals that are intended to move us closer to our strategic objective of all students graduating with career- and college-readiness skills. Progress reports will be created periodically and shared electronically. Program offerings include music, art, leadership, athletics, clubs, AVID, International Baccalaureate, STEM/STEAM, mentorships, internships, bilingual programs, special education and transition services, student transportation, nutrition services, dual credit (high school and college levels), Advanced Placement, and much more.

The District is located approximately 18 miles west of Portland, Oregon. It includes most of the City of Hillsboro, all of the City of North Plains, a portion of the City of Cornelius, and surrounding unincorporated areas. The current estimated population is 139,412. The District encompasses more than 200 square miles, most of which are located in Washington County. Small portions of the District are located in Multnomah and Yamhill Counties.

The District has experienced a slight enrollment decline over the past ten years. The table below shows that the number of students in the District has decreased by 1315, or an average of approximately 0.74 percent per year during the last decade. To project future growth, District leadership uses historical trends, Davis Demographics, and regional partnership feedback.

School Year	Average Daily Membership
23-24	18,602
22-23	18,748
21-22	18,732
20-21	19,119
19-20	20,013
18-19	20,213
17-18	20,204
16-17	20,400
15-16	20,566
14-15	19,917

The community voted in November 2017 to approve the sale of $408 million in bonds for capital projects. These bonds were issued in two separate sales in order to align the proceeds with the cash flow requirements of project expenditures as described in the ballot title. The 2017 Bond was defined as a "renewal" levy that replaced expiring debt service items without increasing the tax rate per thousand of assessed value to local constituents. Additional facilities are a replacement of Brookwood Elementary School, and new elementary schools in North Plains and south Hillsboro to provide services to new residential development.

ECONOMIC STATUS AND OUTLOOK

The Portland-Vancouver Primary Metropolitan Statistical Area (PMSA) comprises six counties: Multnomah, Washington, Clackamas, Yamhill, and Columbia in Oregon and Clark County in Washington. According to the Oregon State Employment Department, Multnomah and Washington counties together have nearly one-third of the State of Oregon's population. Washington County's three largest cities are Beaverton, Hillsboro, and Tigard.

The area's current economic base includes electronics, manufacturing, construction, food processing, agriculture, and timber. These employers include Intel, Epson, and Genentech. Intel is currently the largest employer in the Portland-Vancouver Primary Metropolitan Statistical Area (PMSA) with over 20,000 employees in Hillsboro.

The Oregon Employment Department report for August 2024 shows the PMSA unemployment rate at 4.2 percent. In August 2024, the State received its September Revenue Forecast for the remainder of the 2023-25 biennium. The unexpected revenue growth created unprecedented state balances this biennium, which is projected to be followed by a personal and corporate income tax kicker in 2023-25. The projected personal kicker is $987 million, which will be credited to taxpayers when they file their individual income tax returns in quarter 2 of 2026. The projected corporate kicker of $883 million will be retained for educational spending, but will not result in an increase to the overall State School Fund appropriation of $10.2 billion without legislative action.

Oregon's school finance system involves a formula that pays for the average daily enrollment of students in various categories. The formula includes local property taxes and state payments as the principal sources of revenue. The State of Oregon depends on personal income tax to provide its share of this revenue.

LONG-TERM FINANCIAL PLANNING

The Hillsboro School District has emphasized a conservative long-term financial plan that stresses stability of the programs we provide to students and patrons. Stability is achieved through the following actions:

- Maintain adequate financial reserves to absorb economic downturns, state revenue-sharing cuts, and other revenue shortfalls.
- React swiftly and appropriately to economic downturns, state revenue-sharing cuts, and revenue shortfalls.
- Prudently use accumulated reserves when needed to provide stability of core programs and legally required activities.
- Apply best practices in financial management with periodic analytics and forecasting of various revenue scenarios and future costs of current and potential services.

The Board of Directors and the appointed budget committee have developed this Strategic Financial Plan. The Plan is also supported by the District's administrative team, which develops the proposed budget.

The District anticipates a slow decrease in student enrollment over the next several years due to low regional and national birthrates. Staffing is adjusted annually to meet the needs of students according to their age, socioeconomic status, and ability to access academic and developmental resources per the 2023-27 Strategic Plan.

The District's Long-Range Planning Committee consists of staff representatives from facilities, finance, and executive leadership, along with planning leadership staff from the cities of Hillsboro, North Plains, and Cornelius. The Committee reviews immediate and long term projects within and around the District to ensure cross-community alignment whenever possible regarding traffic flows, residential development, and access to educational services.

MISSION STATEMENT AND PRIORITIES

The Hillsboro School District's 2023-27 Strategic Plan was developed during a months-long process that began in August 2022 and concluded in March 2023. Thousands of students, staff, families, and community members contributed to the development of the plan through participation in focus groups, as members of planning teams, completion of surveys, and participation in community forums.

The Strategic Plan promises to "know, value, and empower every student to achieve their dreams" and includes 5 goals for student success from preschool through high school. These goals will guide the work of the District for the coming years.

1. Success in the Early Years- Every student will acquire the social-emotional readiness and foundational academic skills for future success.
2. Safe & Supported Learners- Every student will develop the habits and skills necessary to confidently demonstrate self and social awareness, and access available resources and supports.
3. Access & Opportunity- Every student will receive equitable treatment and needed supports and services in order to eliminate barriers and increase predictability of future success.
4. Critical Thinking & Problem Solving- Every student will be an empowered, engaged, critical, creative thinker who demonstrates proficiency across content areas.
5. Graduate Ready for Career, College and Life- Every student will successfully navigate significant transitions with access to supports to graduate from high school ready for career, college and life.

Four operational pillars will the district to the "Portrait of a Graduate" as described in the plan. The pillars include:

- Culturally Responsive Teaching and Learning
  We connect learning to students' community and everyday lives, we intentionally build inclusive classroom cultures, and we sustain a high-rigor environment in which differentiated supports are provided.
- Strong and Safe Family and Community Relationships
  We strive to develop trusting partnerships between home, school, and the community through proactive, responsive communication; meaningful and authentic collaboration; and shared responsibility for the emotional and physical safety and success of all students.
- Exceptional Staff
  We foster a culture of collaboration, accountability, and shared responsibility through the investment in and advancement of staff, and systematic development of the capacity for all members of the school community to serve every student.
- Culture of Continuous Improvement
  We systematically gather data and use frequent and timely formative assessments to monitor and adjust teaching, leadership, and organizational practices to meet the specific needs of students and schools, and to ensure our actions are aligned with our belief in the abilities of all students.

FINANCIAL INFORMATION

Accounting Policies:

Governmental funds are used to account for the District's 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; "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due. Interfund transactions and certain compensated absences, claims, and judgments, are recognized as expenditures because they will be liquidated with expendable financial resources. The accrual and modified accrual basis of accounting, as utilized by Hillsboro School District 1J, are in accordance with Generally Accepted Accounting Principles.

Internal Accounting Controls:
The accounting system incorporates reasonable safeguards for the assets of the District and the reliability of the financial records. Internal controls are designed to provide an adequate safeguard of District assets, recognizing that the cost of controls should not exceed the benefits derived.

The management system recognizes the significance of internal controls that are incorporated in the accounting system. We believe that the internal accounting controls adequately safeguard the assets, and provide reasonable assurance of proper recording of all financial transactions.

Budgetary Control:
The District annually prepares a budget to control the fiscal operations for one year. Oregon Local Budget Law (ORS 294.305 to 294.565) requires the appointment of a budget committee to review and approve the budget. The budget committee consists of the seven members of the Board of Directors, and seven electors of the District who are appointed by the Board of Directors. The administration proposes a budget to the budget committee, and the budget committee may modify or approve the proposed budget.

Local Budget Law in Oregon requires the District to complete a formal process each fiscal year to set spending limit and levy taxes for District residents. This process begins with a proposed budget prepared by the Budget Officer. Notice of a Budget Committee Meeting is published and the budget document is made available at or before this meeting. The budget committee then conducts at least one public meeting for questions or comments and will continue to meet as needed until the budget and all revisions are approved. Notice of the Public Hearing, along with a summary of the approved budget is published and the governing body conducts a public hearing. Upon completion of public comment and deliberations, the District adopts the budget, enacts resolutions by June 30, and certifies the District's tax to the county assessor by July 15. Budget changes in expenditures of less than 10% of appropriation categories (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, contingency, and transfers) are implemented by a Resolution passed by the School Board. Budget changes in expenditures of more than 10% of appropriation categories require a supplemental budget adoption. Exceptions to this would be transfers between appropriation categories and up to 15% of funds budgeted as contingency. The School Board receives reports on cash flow and budget monitoring monthly, as prepared by the District Financial Officer.

Risk Management:
The District's Workers' Compensation insurance is procured through a self-insured group program on a guaranteed cost basis. The premium is based on payroll and the District's Experience Modification Rate. It includes a built-in contribution discount. Property and Casualty insurance is currently in force at

replacement value with a $10,000 per loss deductible. Comprehensive, general, and automotive liability insurance provides a $10,000,000 limit. Errors and Omissions coverage – sometimes called Professional Liability, is included. The District currently has primary earthquake coverage in the amount of $10,000,000. Additionally, it has procured excess earthquake coverage of $10,000,000 for a total amount of $20,000,000 per earthquake occurrence.

Independent Audit:
The provisions of Oregon Revised Statutes, Section 297.405 to 297.555 and 297.990 (known as the "Municipal Audit Law"), require that an independent audit be made of all District funds and account groups within six months following the close of a fiscal year. The firm of REDW, LLC, which was selected by the Board of Directors, completed its examination of the District's financial statements, and its opinion is included in the financial section of this report.

Awards:
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hillsboro School District 1J for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the twenty-ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a school district must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

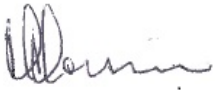
A Certificate of Achievement is valid for a period of one year only. We believe our 2024 Annual Comprehensive Financial Report continues to meet award requirements for the Certificate of Achievement for Excellence in Financial Reporting. We are submitting the report to the GFOA award program for review and determination of the report's eligibility for another certificate.

The Association of School Business Officials (ASBO) International has recognized HSD with the Meritorious Budget Award (MBA) for the 2024-25 budget year. This award reflects the District's transparency and accountability efforts that support the Strategic Plan and community engagement.

ACKNOWLEDGMENTS

We wish to express our appreciation to the entire Business Office staff for their efforts and contributions to this Annual Comprehensive Financial Report. We would also like to thank the members of the Board of Directors for their continued support and dedication to the financial operations of the District.

Respectfully submitted,



Travis Reiman
Superintendent of Schools

Michelle Morrison
District Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hillsboro School District 1J
Oregon

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

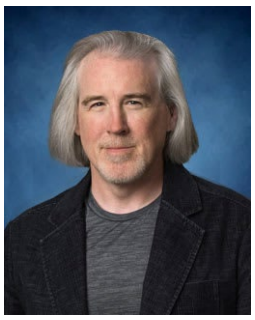
OFFICALS OF THE DISTRICT

JUNE 30, 2024

BOARD OF DIRECTORS

Position 1
Erika Lopez
July 2021 -
June 2025

Position 2
Mark Watson
July 2021 -
June 2025



Position 3
Nancy Thomas
July 2021 -
June 2025

Position 4
See Eun Kim
July 2023 -
June 2027

Position 5
Ivette Pantoja
July 2023 -
June 2027

Position 6
Monique Ward
July 2021 -
June 2025

Position 7
Patrick Maguire
July 2022 -
June 2023

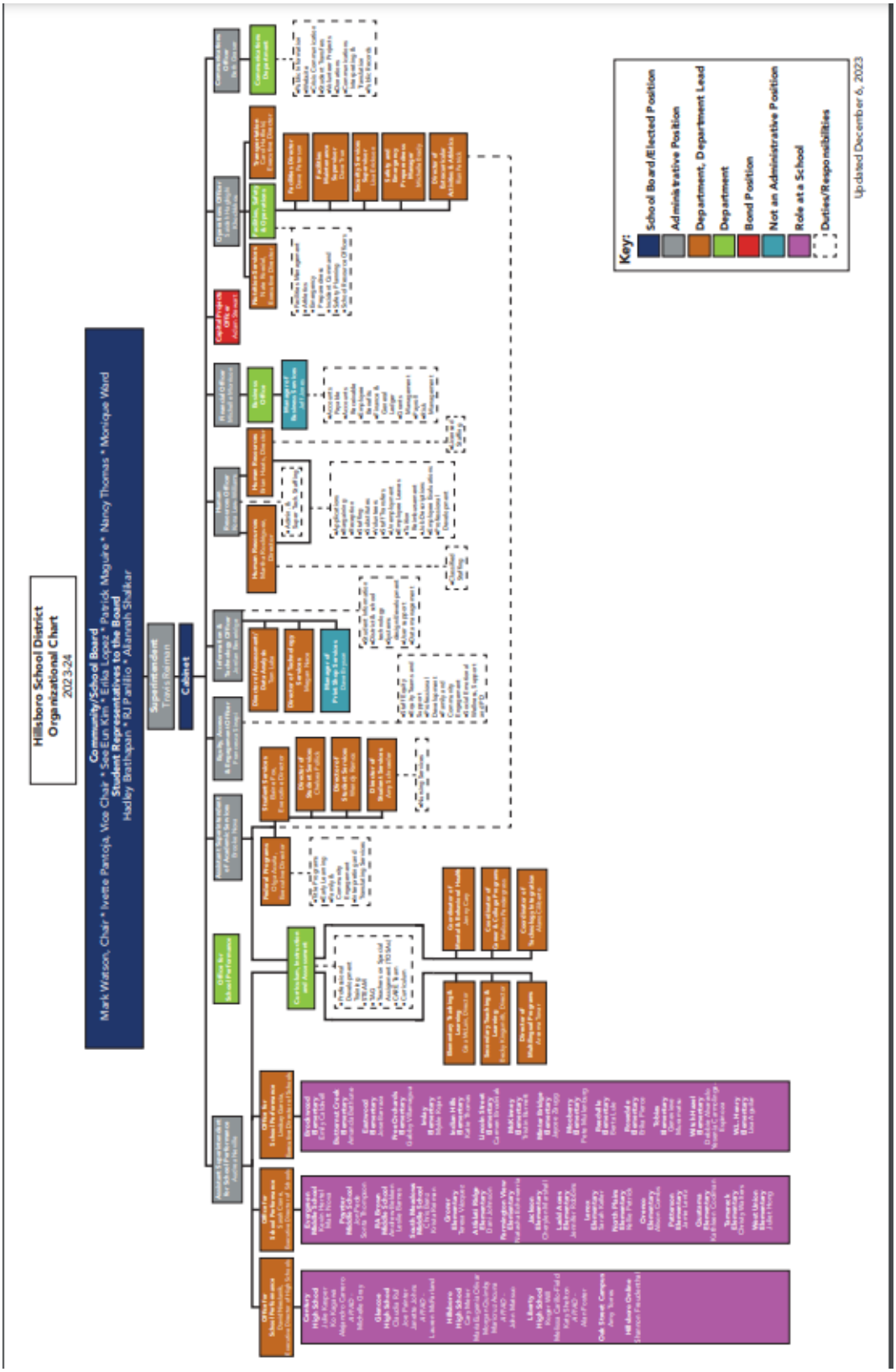
Student Representatives
Kal Sibbel
Gwen Kondor
Abraham Staffa

All Board members receive mail at 3083 NE 49th Place, #200 Hillsboro, Oregon 97124

DISTRICT ADMINISTRATION

Travis Reiman, Superintendent—Clerk
Michelle Morrison, District Financial Officer—Deputy Clerk

DISTRICT ORGANIZATIONAL CHART



GROVE, MUELLER & SWANK
redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

School Board
Hillsboro School District 1J
Hillsboro, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Hillsboro School District 1J, Washington County, Oregon (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Hillsboro School District 1J, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 financial statements.

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

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

Required Supplementary Information

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

The budgetary comparison information presented as required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introduction section, other supplementary information, and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024, on our consideration of the Districts's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 3, 2024, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Larry E. Grant, Principal
For REDW LLC
Salem, Oregon
December 3, 2024

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

As management of Hillsboro School District 1J (the District), we offer District readers this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found on page i of this report.

1. FINANCIAL HIGHLIGHTS REVIEW

- In the government-wide statements, the liabilities and deferred inflows exceeded the assets and deferred outflows of the District by $67.2 million (net position). Of this amount, $135.1 million represents the District's net investment in capital assets, $20.8 million is restricted for special programs, debt service, internal service and OPEB asset, and the remaining ($223.1) million is unrestricted. The District's overall net position has increased from the 2023 value by $22.6 million.
- For the fiscal year ended June 30, 2024, the District's total current and other assets decreased by $22.9 million. This was due to the spending of bond proceeds from the $408 million capital project levy passed by voters in November 2017.
- The District's governmental funds show a combined ending fund balance of $52.4 million, a decrease of $13.1 million in comparison with the prior year. The decrease is primarily attributable to the use of bond proceeds for new construction and remodeling of existing buildings and the spending of the ESSER/ARP federal program funds. At the end of the fiscal year, the Nonspendable, Assigned and Unassigned fund balance for the General Fund was $21.3 million, or about 8.2 percent of total General Fund expenditures. The Unassigned fund balance is $10,609,936 or 4.1 percent.
- The District's total long-term obligations decreased by $27.5 million during the 2023-24 fiscal year, as the District continues to maintain debt service payments on outstanding bonds.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains supplementary information, in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

- **Statement of Net Position.** The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents an overview of what the District owns (assets and deferred outflows), what it owes (liabilities and deferred inflows), and the net difference (net position). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- **Statement of Activities.** The Statement of Activities presents information showing how the net position of the District changed over the year by tracking revenues, expenses, and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

In the government-wide financial statements, the District's activities are shown in one category as governmental activities**.** All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 19 and 20 of this report.

2. OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Hillsboro School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be placed in one category: governmental funds.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Special Revenue, Debt Service, and Capital Projects Funds all of which are considered major funds.

The basic governmental fund financial statements can be found on pages 23-26 of this report.

2. OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 27-69 of this report.

Supplementary Information

Schedules presenting detailed budgetary information for individual funds and other supplementary information can be found on pages 71-96 of this report.

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by $67.2 million at June 30, 2024.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, equipment, and right of use lease assets represent about 88.1 percent and cash and investments represent about 5.0 percent of total assets. The remaining assets consist mainly of grants and property taxes receivable.

The District's largest liability (97.4 percent) is for the repayment of long-term obligations. Other liabilities, representing 2.6 percent of the District's total liabilities, consist of payables on accounts, salaries and benefits, and other accrued liabilities.

Most of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to provide services to students and other District residents. The District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (property taxes or general support funds), since the capital assets themselves cannot be used to liquidate these liabilities.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Hillsboro School District 1J
Net Position
(in thousands)

	Governmental Activities		Increase
	2024	2023*	(Decrease)
Current and other assets	$ 72,703	$ 95,557	$ (22,854)
Capital and lease assets	568,217	575,302	(7,085)
Total assets	640,920	670,859	(29,939)
Deferred outflows of resources	57,116	63,048	(5,932)
Total assets and deferred outflows	698,036	733,907	(35,871)
Current and other liabilities	18,631	26,672	(8,041)
Long-term obligations outstanding	700,778	728,269	(27,491)
Total liabilities	719,409	754,941	(35,532)
Deferred inflows of resources	45,870	68,793	(22,923)
Total liabilities and deferred inflows	765,279	823,734	(58,455)
Net position:			
Net investment in capital assets	135,133	121,381	13,752
Restricted	20,742	28,036	(7,294)
Unrestricted	(223,118)	(239,244)	16,126
Total net position	$ (67,243)	$ (89,827)	$ 22,584

*Restated to correct implementation of GASB Statement No. 96. See Notes to Basic Financial Statements 14.

During the current fiscal year, the District's net position increased by $22.6 million, as more fully described in the following section.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

The key elements of the change in the District's net position for the year ended June 30, 2024, are as follows:

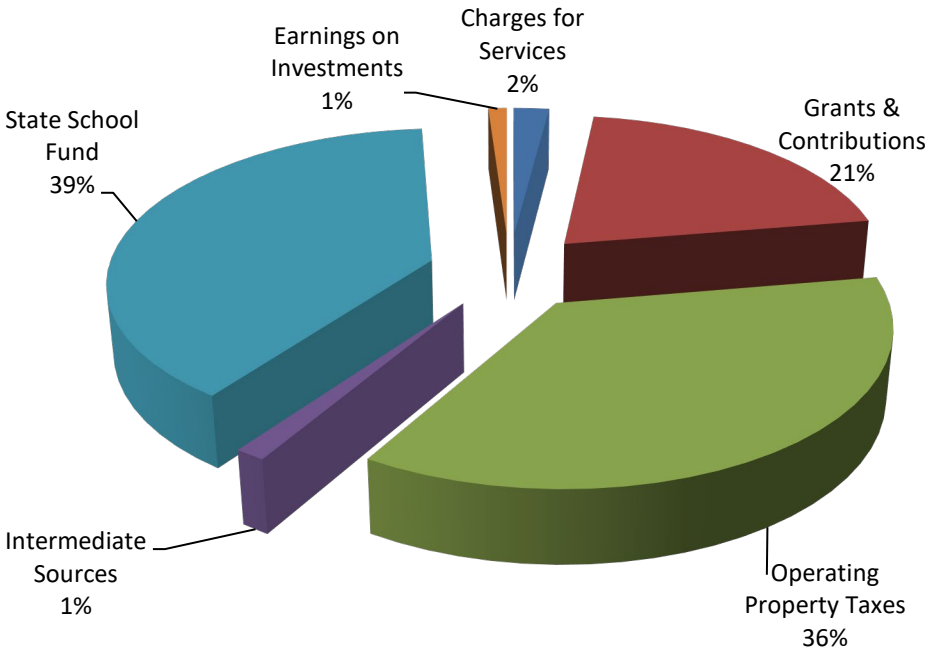
Hillsboro School District 1J
Changes in Net Position
(in thousands)

	Governmental Activities 2024	Governmental Activities 2023*	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	$ 7,775	$ 7,759	$ 16
Operating grants and contributions	77,437	70,035	7,402
Capital grants and contributions	-	451	(451)
General revenues:			
Property taxes	138,018	131,288	6,730
State school fund – general support	148,465	148,854	(389)
Unrestricted intermediate sources	5,061	4,536	525
Earnings on investments	4,066	3,692	374
Gain on sale of capital assets	-	2,572	(2,572)
Miscellaneous	2,586	2,739	(153)
Total Revenues	383,408	371,926	11,482
Expenses:			
Instruction	191,863	184,725	7,138
Support services	137,048	128,969	8,079
Enterprise and community services	13,878	13,133	745
Interest on long-term debt	18,035	19,121	(1,086)
Total Expenses	360,824	345,948	14,876
Increase (decrease) in net position	22,584	25,978	(3,394)
Net position – July 1	(89,827)	(115,798)	25,971
Net position – June 30	$ (67,243)	$ (89,820)	$ 22,577

*Restated to correct implementation of GASB Statement No. 96. See Notes to Basic Financial Statements 14.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



- State School Fund[1] revenue decreased $0.4 million or 0.3 percent from 2022-23. This decrease was due to a decrease in student enrollment and other distribution formula factors, resulting in an decreased allocation of state school fund.
- Property Taxes increased by $6.7 million, reflecting an increase in Assessed Value within the District. A general increase in property values resulted in an overall increase to the District on a statewide basis.
- Operating Grants and Contributions increased by $7.4 million from 2022-23. This increase was due to use of the Federal Elementary and Secondary School Emergency Relief Funds.
- Earnings on Investments increased by $0.4 million from 2022-23. This increase was primarily due to the increase in interest earnings of the Local Government Investment Pool, the depository of the majority of district funds and short-term investments during the year.

[1] Oregon Department of Education State School Fund- estimates and warrants reference web site

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2024, the District's governmental funds reported combined ending fund balances of $52.4 million, a decrease of $13.1 million in comparison with the prior year. About $10.6 million (4.1 percent) of the ending fund balance constitutes an unassigned ending fund balance.

About $27.4 million (52.4 percent) is restricted for special programs, debt service obligations, and capital projects.

General Fund

The General Fund is the chief operating fund of the District. As of June 30, 2024, the total fund balance was $21.3 million. The fund balance consists of both assigned and unassigned resources. The unassigned fund balance is $10.6 million or 4.1 percent of expenditures, which is a target of the Budget Committee.

As a measure of the fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. The total fund balance represents 8.2 percent of total General Fund expenditures. The assigned portion of the fund balance consists of $8.5 million for future year expenses. Per GASB Statement No. 54[2], the $8.5 million transferred to the Internal Service Fund is presented as part of the General Fund in accordance with GAAP.

The total fund balance decreased by $1.8 million during the current fiscal year. This decrease was due primarily to a reduction in revenue and the increase costs for positions and the implementation of Paid Family Leave Oregon which includes premium costs and substitutes for staff members on leave.

[2] Statement No. 54 of the Governmental Accounting Standards Board

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Special Revenue Fund

At June 30, 2024, the fund balance was $17.9 million, which is a decrease of $5.2 million from the prior year. This decrease is due to the spending of one time funds from the ESSER/ARP federal program.

Debt Service Fund

The Debt Service Fund has a total fund balance of $2.0 million, all of which is restricted for the payment of debt service. This represents a net increase in the fund balance from the prior year of $0.4 million. The $2.0 million level of carryover is adequate to address debt service requirements until property taxes are received in November.

Capital Projects Fund

The Capital Projects Fund has a total fund balance of $11.1 million, all of which is restricted for ongoing District capital projects and maintenance. This represents a net decrease in the fund balance during the year of $6.5 million. The decrease is attributable to new construction and remodeling of existing buildings per the 2017 voter authorization of the ballot title.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

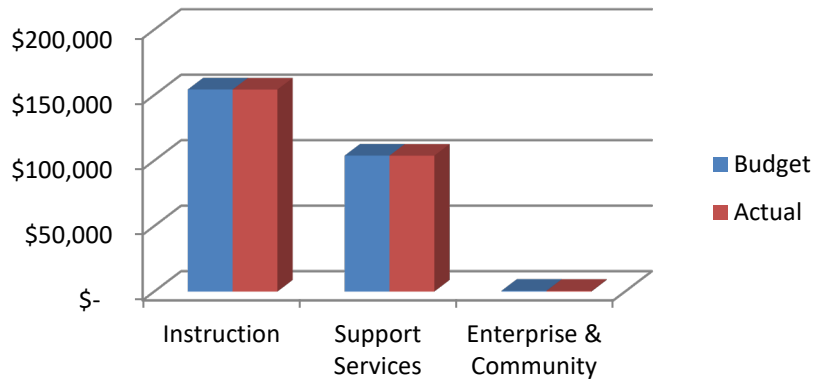
The General Fund adopted budget for the fiscal year ended June 30, 2024, was adjusted during the fiscal year by one supplemental budget. During the year, expenditures were $142,844 less than budgeted.

Major factors for General Fund revenue included stability of the State School Fund and property tax collections. The expenditure analysis for the year indicates both prudent operational management and leveraging federal support via other agencies.

As of June 30, 2024, the assigned and unassigned fund balance decreased by $1.8 million during the current fiscal year for a total fund balance of $21.3 million. The assigned and unassigned fund balance combined represents 8.2 percent of total General Fund expenditures. The unassigned fund balance is $10.6 million or 4.1 percent, which is a target of the Budget Committee.

5. GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

ACTUAL EXPENDITURES VS. FINAL BUDGET – GENERAL FUND
(IN THOUSANDS)



6. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, right of use lease and SBITA assets and construction in progress. As of June 30, 2024, the District had invested approximately $568 million in capital assets, net of depreciation and amortization, as shown in the following table.

Hillsboro School District 1J
Capital Assets, net
(in thousands)

	Governmental Activities 2024	Governmental Activities 2023	Increase (Decrease)
Land	$ 42,625	$ 42,293	$ 332
Construction in progress	-	36,940	(36,940)
Buildings and improvements	507,743	483,742	24,001
Vehicles and equipment	14,091	11,159	2,932
Lease and SBITA assets	3,758	1,168	2,590
Total	$ 568,217	$ 575,302	$ (7,085)

6. CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

During the year, the District's investment in capital assets decreased by $7.1 million. This decrease is due to the completion of investments for facility improvements, vehicles, and equipment from the 2017 Bond.

Additional information regarding the District's capital assets can be found on pages 40-41 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total long-term debt outstanding of $511.2 million, consisting of general obligation bonds, qualified energy conservation bonds, and PERS pension bonds, net of unamortized premium/discount.

Hillsboro School District 1J
Outstanding Debt
(in thousands)

	Governmental Activities		Increase/
	2024	2023	(Decrease)
General obligation bonds and related premium	$ 442,745	$ 470,165	$ (27,420)
Pension obligation bonds	67,190	78,070	(10,880)
Qualified energy conservation bond	1,299	1,434	(135)
Equipment financing	-	247	(247)
	$ 511,234	$ 549,916	$ (38,682)

On January 27, 2021, Moody's (credit rating agency) downgraded the district's general obligation bonds and full faith and credit obligations to Aa3 from Aa2. This was due to a change in Moody's assessment matrix applied to 1) enrollment (non-growth), and 2) fund balance below standard. Moody's considers 12-15% operating fund balance to indicate financial health.

State statutes limit the amount of general obligation debt a school district may issue up to 7.95 percent of its real market valuation of $37.012 billion or $2.942 billion for the district. At 1.74 percent of real market value, $511.6 million, is well below the statutory debt limit. Additional information on the District's long-term debt can be found in Note 6 on page 42-44 of this report.

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the stability of the funding level from the State of Oregon's State School Fund and student enrollment. For the year ended June 30, 2023, the State School Fund – General Support provided 40.3 percent of the District's program resources. The state is funded almost entirely by income tax revenue, and therefore, the volatility of the economy directly impacts funding for K-12 education. In Hillsboro, the inability for the State School Fund to meet current service level directly impacts the use of other major state grants (High School Success, Student Investment Account) and federal programs.

The defined benefit structure and imbalance of resources of the Public Employees Retirement System (PERS) resulted in a large unfunded liability, which was transferred to districts in the form of higher employer rates. In an effort to curtail the escalating cost, the District participated in the purchase of pension bonds that spread the liability through 2028, and increased the long-term debt of the District in 2005 and again in 2015. The debt service for the Pension Obligation Bonds (POBs) are expensed as a percentage of payroll at a rate of 7.85 percent. The 2023-25 PERS employer rates[3] have been released and there is a 0.39 percent decrease in Tier One/Two rates from 17.08 percent to 16.69 percent, and a 0.12 percent decrease in OPSRP rates from 13.97 percent to 13.85 percent from 2021-23.

Current agreements with Hillsboro Classified Union (HCU) and Hillsboro Education Associations are in negotiations for the 2024-27 period. Until the agreements have been ratified by these partners and approved by the board, operations will continue on a "status quo" basis using the 2023-24 salary schedules and language. partners are continuously providing feedback through interim bargaining for hard-to-fill positions and Labor Management Meetings and have scheduled time to address the school board at regular board meetings.

8. REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances, and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Financial Officer at 3083 NE 49th Place #104, Hillsboro, OR 97124.

[3] 2023-25 PERS Employer Rates

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

GOVERNMENT-WIDE FINANCIAL STATEMENTS

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS:	
Cash and investments	$ 31,902,258
Receivables	34,302,221
Lease receivables	176,667
Supply inventory	538,213
Prepaid expenses	1,878,067
Capital assets:	
Not being depreciated	42,624,965
Being depreciated, net of accumulated depreciation	521,833,952
Being amortized, net of accumulated amortization	3,757,714
Net OPEB asset	3,905,542
Total assets	640,919,599
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amount on refunding	577,797
PERS deferred outflows	54,773,750
OPEB deferred outflows	1,765,081
Total deferred outflows of resources	57,116,628
Total assets and deferred outflows of resources	698,036,227
LIABILITIES:	
Accounts payable	3,265,712
Accrued payroll, payroll taxes and employee withholdings	13,710,609
Accrued interest payable	747,062
Construction retainage	4,683
Unearned revenue	902,861
Noncurrent liabilities:	
Due within one year:	
Lease payables	5,990
SBITA payables	175,370
Accrued compensated absences	655,902
Long-term debt	37,565,409
OPEB liability	1,738,193
Due in more than one year:	
Lease payables	20,805
SBITA payables	122,922
Accrued compensated absences	218,634
Long-term debt	473,669,065
PERS pension liability	176,756,276
OPEB liability	9,849,762
Total liabilities	719,409,255
DEFERRED INFLOWS OF RESOURCES:	
PERS deferred inflows	39,337,359
OPEB deferred inflows	6,355,501
Lease deferred inflows	176,667
Total deferred inflows of resources	45,869,527
Total liabilities and deferred inflows of resources	765,278,782
NET POSITION:	
Net investment in capital assets	135,133,524
Restricted for:	
Special programs	15,001,022
Debt service	1,835,685
OPEB RHIA	3,905,542
Unrestricted	(223,118,328)
Total net position	$ (67,242,555)

The accompanying notes are an integral part of this statement.

HILLSBORO SCHOOL DISTRICT 1J
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTION	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Instruction	$ 191,862,618	$ 6,232,556	$ 34,446,390	$ (151,183,672)
Support services	137,048,339	470,682	32,066,828	(104,510,829)
Enterprise and community services	13,877,692	1,071,587	9,916,866	(2,889,239)
Facilities acquisition and construction	-	-	412,174	412,174
Interest on long-term debt	18,034,620	-	594,481	(17,440,139)
Total Governmental Activities	$ 360,823,269	$ 7,774,825	$ 77,436,739	(275,611,705)

GENERAL REVENUES:	
Property taxes levied for general purposes	96,885,816
Property taxes levied for debt service	41,132,370
State School Fund - general support	148,465,523
Unrestricted intermediate sources	5,060,729
Earnings on investments	4,065,568
Miscellaneous	2,585,773
TOTAL GENERAL REVENUES	298,195,779
CHANGE IN NET POSITION	22,584,074
NET POSITION, July 1, 2023 as originally reported	(89,708,780)
Restatement (See Note 14)	(117,849)
NET POSITION, July 1, 2023	(89,826,629)
NET POSITION, JUNE 30, 2024	$ (67,242,555)

The accompanying notes are an integral part of this statement.

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

FUND FINANCIAL STATEMENTS

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS					
Cash and investments	$ 19,249,061	$ -	$ 1,820,340	$ 10,832,857	$ 31,902,258
Receivables	5,940,598	27,599,216	762,407	-	34,302,221
Lease receivables	176,667	-	-	-	176,667
Inventory	13,138	525,075	-	-	538,213
Prepaid items	2,201,599	2,846,678	-	244,940	5,293,217
Due from other funds	10,854,063	-	-	-	10,854,063
TOTAL ASSETS	$ 38,435,126	$ 30,970,969	$ 2,582,747	$ 11,077,797	$ 83,066,639
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ 1,975,803	$ 1,273,285	$ -	$ 16,624	$ 3,265,712
Accrued payroll, payroll taxes and employee withholdings	13,710,609	-	-	-	13,710,609
Construction retainage	2,586	-	-	2,097	4,683
Due to other funds	-	10,854,063	-	-	10,854,063
Unearned revenue	-	902,861	-	-	902,861
TOTAL LIABILITIES	15,688,998	13,030,209	-	18,721	28,737,928
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	1,244,788	-	533,643	-	1,778,431
Unavailable revenue - lease receivables	176,667	-	-	-	176,667
TOTAL DEFERRED INFLOWS OF RESOURCES	1,421,455	-	533,643	-	1,955,098
FUND BALANCES:					
Nonspendable:					
Inventory	13,138	525,075	-	-	538,213
Prepaid items	2,201,599	2,846,678	-	244,940	5,293,217
Restricted for:					
Special programs	-	14,569,007	-	-	14,569,007
Debt services	-	-	2,049,104	-	2,049,104
Capital projects	-	-	-	10,814,136	10,814,136
Assigned for:					
Long-term planning	8,500,000	-	-	-	8,500,000
Unassigned	10,609,936	-	-	-	10,609,936
TOTAL FUND BALANCES	21,324,673	17,940,760	2,049,104	11,059,076	52,373,613
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 38,435,126	$ 30,970,969	$ 2,582,747	$ 11,077,797	$ 83,066,639

The accompanying notes are an integral part of this statement.

HILLSBORO SCHOOL DISTRICT 1J
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2024

TOTAL FUND BALANCES		$ 52,373,613
Capital assets and intangible right to use lease and subscription assets are not financial resources and therefore are not reported in the governmental funds. Additionally, payments for future year subscriptions are presented as prepaid items in the governmental funds, and are presented as part of the SBITA assets in the statement of net position:		
Capital assets	$ 835,618,142	
Accumulated depreciation	(271,159,225)	
Lease assets	1,599,851	
Accumulated amortization	(1,574,818)	
SBITA assets	5,990,260	
Accumulated amortization	(2,257,579)	
Reduction of prepaid expenditure	(3,415,150)	
		564,801,481
A portion of the District's revenues are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		1,778,431
Compensated absences are reported when earned as both a current and long-term liability in the Statement of Net Position, while in the governmental funds only the portion that requires the use of current financial resources is reported as a liability.		(874,536)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(747,062)
In bond refunding, a larger amount paid to the escrow agent than the premiums of the bonds being refunded was recorded as interest expense. This deferred outflow of resources is recognized, based on the schedule of maturities of the refunded bonds.		577,797
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Rather, they are recognized as an expenditure when due. These liabilities consist of:		
Bonds payable (including premium)	(442,745,039)	
Lease payables	(26,795)	
SBITA payables	(298,292)	
Qualified Energy Conservation Bond	(1,299,435)	
PERS pension bonds payable	(67,190,000)	
		(511,559,561)
Long-term pension assets/liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
PERS pension liability	(176,756,276)	
PERS deferred outflow of resources	54,773,750	
PERS deferred inflow of resources	(39,337,359)	
		(161,319,885)
Long-term Net OPEB assets/liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
OPEB asset	3,905,542	
OPEB liability	(11,587,955)	
OPEB deferred outflow of resources	1,765,081	
OPEB deferred inflow of resources	(6,355,501)	
		(12,272,833)
TOTAL NET POSITION		$ (67,242,555)

The accompanying notes are an integral part of this statement.

HILLSBORO SCHOOL DISTRICT 1J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES:					
Local sources:					
Property taxes	$ 96,770,208	$ -	$ 41,082,808	$ -	$ 137,853,016
Construction excise tax	-	2,830,366	-	-	2,830,366
Charges for services	732,077	7,042,748	-	-	7,774,825
Interest on investments	2,443,382	-	1,089,473	532,713	4,065,568
Contributions and donations	1,180	1,114,563	-	-	1,115,743
Services provided to other funds	-	-	14,366,227	-	14,366,227
Other	3,377,169	458,067	-	16,669	3,851,905
Intermediate sources	5,060,729	2,287,450	35,817	-	7,383,996
State sources	148,465,523	33,685,856	-	-	182,151,379
Federal sources	-	37,445,471	-	-	37,445,471
Total Revenues	256,850,268	84,864,521	56,574,325	549,382	398,838,496
EXPENDITURES:					
Current:					
Instruction	154,127,027	36,688,238	-	-	190,815,265
Support services	103,605,470	32,147,261	-	-	135,752,731
Enterprise and community services	584,373	13,101,850	-	-	13,686,223
Facilities acquisition and construction	-	106,403	-	2,200,384	2,306,787
Debt service:					
Principal	249,324	430,473	34,335,000	11,437	35,026,234
Interest	17,314	56,074	21,877,254	343	21,950,985
Capital outlay	306,167	7,561,515	-	4,815,520	12,683,202
Total Expenditures	258,889,675	90,091,814	56,212,254	7,027,684	412,221,427
Excess (deficiency) of revenues over expenditures	(2,039,407)	(5,227,293)	362,071	(6,478,302)	(13,382,931)
OTHER FINANCING SOURCES (USES):					
Issuance of subscription	234,478	-	-	-	234,478
NET CHANGE IN FUND BALANCES	(1,804,929)	(5,227,293)	362,071	(6,478,302)	(13,148,453)
FUND BALANCES as of July 1, 2023	23,129,602	23,168,053	1,687,033	17,537,378	65,522,066
FUND BALANCES as of June 30, 2024	$ 21,324,673	$ 17,940,760	$ 2,049,104	$ 11,059,076	$ 52,373,613

The accompanying notes are an integral part of this statement.

HILLSBORO SCHOOL DISTRICT 1J
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

NET CHANGES IN FUND BALANCES		$ (13,148,453)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities most of the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.		
Expenditures for capital assets, lease assets and SBITA assets	$ 13,333,506	
Less current year depreciation expense	(23,008,205)	
Less current year lease asset amortization expense	(77,474)	
Less current year SBITA asset amortization expense	(1,054,839)	
		(10,807,012)
Recognition of the interest expense associated with the current year portion of bond refunding is recognized in the Statement of Activities but does not affect the fund balance in the governmental funds.		
Amortization		(577,797)
Interest payable is not accrued in the governmental funds, but is accrued in the government-wide statements.		26,938
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities they are recognized as an expense when earned.		(208,826)
Repayment of principal on long-term debt, lease payables and SBITA payables is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position, while additions to bond principal and lease and SBITA payables are an increase in liabilities for the Statement of Net Position but not the governmental funds.		
Debt principal repaid	34,716,066	
Lease principal repaid	90,560	
SBITA principal repaid	1,053,644	
Amortization expense	3,965,117	
		39,825,387
Revenues that do not meet the measurable and available criteria are not recognized in the current year in the governmental funds. In the Statement of Activities, revenues are recognized when earned.		165,170
In the Statement of Activities, pension expense is adjusted based upon the actuarially determined contribution changes		7,780,117
In the Statement of Activities, OPEB expense is adjusted based upon the actuarially determined contribution changes		(471,450)
CHANGE IN NET POSITION		$ 22,584,074

The accompanying notes are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hillsboro School District 1J (the District) was formed on July 1, 1996, with the merger of seven school districts. The District is a municipal corporation, organized under ORS 337, and governed by an elected seven-member Board of Directors (Board) which approves the hiring of the administrative officials. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government, since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts that provide service within the District's 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.

Component units are legally separate organizations for which the School District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The District has no component units.

Basis of Presentation

Government-wide financial statements. The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed through property taxes, intergovernmental revenues, and other non-exchange transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide financial statements (continued).

The Statement of Activities presents a comparison between direct expenses and program revenues for each function/program. Direct expenses are those that are specifically associated with a function/program and, therefore, are clearly identifiable to that function/program. The District does not allocate indirect expenses. Program revenues include: (1) charges to students or others for tuition, fees, rentals, materials, supplies, or services provided; (2) operating grants and contributions; and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws), or imposed through constitutional provisions or enabling resolutions.

Fund financial statements. The fund financial statements provide information about the District's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- General Fund. This fund is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. The Internal Service Fund was established for budgetary purposes to transfer one-time resources such as surplus fund balance with the intent of planning for future spending. Per GASB Statement No. 54, this fund is presented as part of the General Fund in accordance with GAAP.
- Special Revenue Fund. This fund accounts for revenues and expenditures of grants restricted for particular educational projects. Principal revenue sources are federal and state grants, charges for services, and construction excise taxes.
- Debt Service Fund. This fund provides for the payment of principal and interest on general obligation bonded debt. The principal revenue source is property taxes.
- Capital Projects Fund. This fund accounts for activities related to the acquisition, construction, equipping, and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds and interest earnings.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-wide statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end.

Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accrued vacation, which are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in the governmental funds, and proceeds from general long-term debt and acquisitions under leases are reported as other financing sources.

Use of Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments

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

The District's investments consist of U.S. Government Treasury securities and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value based upon quoted market rates. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

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

Property Taxes

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Management has determined that an allowance for uncollectible property taxes is not required, because taxes are a lien on the property assessed.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supply Inventory

Inventory is valued at cost, using the first-in, first-out (FIFO) method. Donated commodities are valued at their estimated fair market value when donated. Inventory is charged as an expense/expenditure when used under the consumption method in both the government-wide statements and the governmental fund statements.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepayments. Prepaid items are recorded using the consumption method, and recorded as an expense or an expenditure at the time of consumption.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than $5,000, and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets and the intangible right to use lease and SBITA assets are depreciated/amortized using the straight-line method over the following useful lives:

Buildings and improvements	40 to 50 years
Furniture and fixtures	15 to 30 years
Equipment	5 to 20 years
Motor vehicles	10 years
Information technology equipment	5 years

Compensated Absences

It is the District's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay, including related payroll taxes, is accrued when earned in the government-wide financial statements. The District estimates that 75% of the total liability for compensated absences will be due within one year. Compensated leave balances carry over beyond the current year if unused.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

A liability and expenditure for these amounts is reported in the governmental fund statements only if they have matured, for example, as a result of employee resignations and retirements. Payment of compensated absences is made by the governmental funds for which the eligible employee salary is recorded.

Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods, and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet 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 assets that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time.

Long-term Debt

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt (Continued)

Typically, OPEB liabilities are liquidated in the following governmental funds: the General Fund and Special Revenue Fund.

Fund Balance

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund type fund balances are classified as follows:

- Non-spendable Fund Balance represents amounts that are not in a spendable form. The non-spendable fund balance represents inventories and prepaid items.
- Restricted Fund Balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments), or are restricted by law (constitutionally or by enabling legislation).
- Committed Fund Balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned Fund Balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, or by an official to whom that authority has been given by the governing body. The Superintendent and Financial Officer have been granted the authority to assign fund balances, pursuant to School Board Resolution dated April 26, 2011.
- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stewardship, Compliance, and Accountability

- Budgetary Information. A budget is prepared and legally adopted for each fund in accordance with Oregon Local Budget Law. The budget is prepared using the modified accrual basis of accounting.

  The budgeting process begins by appointing Budget Committee members in late fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, contingency, and transfers) for each fund. Expenditure appropriations may not legally be over-expended.

  Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10 percent of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10 percent of the fund's original budget requires hearings before the public, publication in newspapers, and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board. There was one transfer of appropriations by resolution. Budget amounts shown in the basic financial statements include the original and final budget amounts. Appropriations lapse at the end of each fiscal year.

  Expenditures and other financing uses are appropriated at any or all of the following levels of control for each fund:

Instruction	Debt Service
Support Services	Operating Contingency
Enterprise and Community Services	Transfers Out
Facilities Acquisitions and Construction	

  Expenditures of the various funds were within authorized appropriations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stewardship, Compliance, and Accountability (Continued)

- Budgetary Basis of Accounting. While the District reports financial position, results of operations, and changes in fund balance/net position on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplemental information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except that other post-employment benefits (OPEB), PERS net pension liability, compensated absences, and accrued interest liabilities are recorded as an expense when paid; debt is recorded as a revenue when borrowed and an expense when paid; inventory and capital outlay expenditures are expensed when purchased; depreciation and amortization are not recorded; and property taxes are recorded as revenue when available.

2. CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and investments". In addition, cash and investments are separately held by the Debt Service and Capital Projects Funds.

Cash and investments are comprised of the following at June 30, 2024:

Cash on hand	$	200
Deposits with financial institutions:		
Demand Deposits		8,884,288
Money Market		641,622
Certificates of Deposit		988,775
Investments		21,387,373
Total	$	31,902,258

2. CASH AND INVESTMENTS (Continued)

Deposits

The District's deposits with various financial institutions at year end had a bank value of $13,779,310, and a book value of $10,514,685. Deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. Credit union deposits in excess of the National Credit Union Administration (NCUA) coverage are insured through the Oregon Public Funds Collateralization Program for Credit Unions.

Custodial Credit Risk - Deposits

In the case of deposits, there is the risk that in the event of a bank failure, the District's deposits may not be returned. The FDIC provides insurance for the District's deposits with financial institutions for up to $250,000 each for the aggregate of all demand deposits, and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100 percent protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10 percent of their quarter-end public fund deposits if they are well capitalized, 25 percent of their quarter-end public fund deposits if they are adequately capitalized, or 110 percent of their quarter-end public fund deposits if they are undercapitalized, or assigned to pledge 110 percent by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. Credit union deposits are insured up to $250,000 under the NCUA. As of June 30, 2024, $12,857,921 of the District's bank balances were covered by the PFCP, and $171,389 of the credit union balances were covered by the PFCP for Credit Unions.

Investments

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

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council, and is responsible for all funds in

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill, and caution.

Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short Term Fund Board (OSTFB), which establishes diversification percentages and specifies 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 was in compliance with all portfolio guidelines at June 30, 2024.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between the fair value of the District's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2024. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Policies officially adopted by the District's Board of Directors authorize investing in obligations of U.S. Government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, time certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, State of Oregon and local government securities, and the State Treasurer's investment pool. The State Treasurer's investment policies are governed by Oregon Revised Statutes and the Oregon Short-Term Fund Board (OSTFB).

As of June 30, 2024, the District had the following investments and maturities:

		Investment Maturities (in months)		
Investment Type	Fair Value	Less than 3	3-17	18-59
State Treasurer's Investment Pool	$ 21,387,373	$ 21,387,373	-	-
Total	$ 21,387,373	$ 21,387,373	$ -	$ -

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

Interest Rate Risk: As a means of limiting its exposure to fair value losses resulting from rising interest rates, the District's investment policy allows only the purchase of investments that can be held to maturity.

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.

The District limits investment maturities as follows:

Maturity	Minimum to Mature
Under 3 months	25% minimum
Under 18 months	75% minimum
Under 60 months	100% minimum

Credit Risk – Neither the Oregon Revised Statutes nor the District's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The State Treasurer's investment pool is unrated.

Oregon Revised Statutes require banker's acceptances to be guaranteed by and carried on the books of a qualified financial institution, eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Concentration of Credit Risk – To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the District's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2024, the District was in compliance with all percentage restrictions.

3. RECEIVABLES

Special Revenue Fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Other accounts receivable are mostly comprised of money due from Washington County. No allowance for uncollectible accounts has been recorded, all receivables are considered by management to be collectible.

Receivables are comprised of the following:

Property taxes	$ 2,532,703
Grants	27,599,216
Interest and other	4,170,302
Total	$ 34,302,221

Lease Receivables, per GASB 87, are recognized at the net present value of lease payments expected to be received during the lease term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received. The lease receivables are recorded in the General Fund.

Changes in lease receivables outstanding are as follows:

Governmental Activities Description	Outstanding July 1, 2023	Increases	Decreases	Outstanding June 30, 2024
Tower leases	$ 90,464	$ -	$ 34,627	$ 55,837
Field leases	29,445	58,248	58,246	29,447
Land leases	-	113,123	21,738	91,385
Total lease receivables	$ 119,909	$ 171,371	$ 114,611	$ 176,669

The District entered into a long-term agreement as the lessor to lease a tower site for $1,600 per month for the first year, then a 3.0 percent increase each following year with 2.0 percent annual interest, which expires on January 1, 2026.

The District entered into a long-term agreement as the lessor to lease a school field for $60,000 per year for 10 years with 2.0 percent annual interest, expiring December 31, 2023. The District added on one additional year to the agreement through December 31, 2024.

The District entered into a long-term agreement as the lessor to lease land for $24,000 per year for 5 years with 2.0 percent annual interest, expiring June 30, 2028.

Future lease receivable maturities are as follows:

For the Year Ending	Tower Lease		Field Lease		Land Lease	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 36,786	$ 1,675	$ 29,447	$ 553	$ 22,172	$ 1,828
2026	19,051	464	-	-	22,616	1,384
2027	-	-	-	-	23,068	932
2028	-	-	-	-	23,529	471
Total	$ 55,837	$ 2,139	$ 29,447	$ 553	$ 91,385	$ 4,615

4. CAPITAL, LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Capital assets not being depreciated/amortized:				
Land	$ 42,293,180	$ 331,785	$ -	$ 42,624,965
Construction in progress	36,939,581	-	(36,939,581)	-
Total capital assets not being depreciated/amortized	79,232,761	331,785	(36,939,581)	42,624,965
Capital assets being depreciated/amortized:				
Building and improvements	687,303,078	44,901,003	-	732,204,081
Furniture and fixtures	23,450,405	-	-	23,450,405
Equipment	5,953,251	1,207,103	-	7,160,354
Motor vehicles	23,087,036	3,833,196	(849,732)	26,070,500
Information technology equipment	4,107,837	-	-	4,107,837
Right-to-use leased equipment	1,599,851	-	-	1,599,851
Right-to-use subscription asset	2,928,001	3,721,717	(659,458)	5,990,260
Total capital assets being depreciated/amortized	748,429,459	53,663,019	(1,509,190)	800,583,288
Less accumulated depreciation/amortization for:				
Building and improvements	(203,560,811)	(20,899,818)	-	(224,460,629)
Furniture and fixtures	(22,145,803)	(189,470)	-	(22,335,273)
Equipment	(3,574,694)	(348,737)	-	(3,923,431)
Motor vehicles	(16,050,418)	(1,491,590)	849,732	(16,692,276)
Information technology equipment	(3,669,026)	(78,590)	-	(3,747,616)
Right-to-use leased equipment	(1,497,344)	(77,474)	-	(1,574,818)
Right-to-use subscription asset	(1,862,198)	(1,054,839)	659,458	(2,257,579)
Total accumulated depreciation/amortization	(252,360,294)	(24,140,518)	1,509,190	(274,991,622)
Total capital assets being depreciated/amortized, net	496,069,165	29,522,501	-	525,591,666
Total capital assets, net	$ 575,301,926	$ 29,854,286	$(36,939,581)	$ 568,216,631

4. CAPITAL, LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS ASSETS (Continued)

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

Program		
Instruction	$	12,903,049
Support Services		9,179,685
Enterprise and Community Services		925,471
Total Depreciation	$	23,008,205

Amortization expense for the year was charged to the following functions/programs:

Program		
Support Services	$	1,132,313
Total Amortization	$	1,132,313

5. COMPENSATED ABSENCES

Activity for compensated absences for the year ended June 30, 2024 is as follows:

Balance July 1, 2023	$	665,710
Additions		874,536
Payments		(665,710)
Balance June 30, 2024	$	874,536
Due within one year		655,902
Due in more than one year	$	218,634

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

6. LONG-TERM DEBT

Long-term debt is comprised of:

	Total	Due Within One Year
General Obligation Bonds	$ 442,745,039	$ 25,385,000
Pension Obligation Bonds	67,190,000	12,040,000
Qualified Energy Conservation Bond	1,299,435	140,409
Balance June 30, 2024	511,234,474	$ 37,565,409
Due within one year	37,565,409	
Due in more than one year	$ 473,669,065	

Changes in long-term obligations for the year are as follow:

Governmental Activities Description	Outstanding July 1, 2023	Increases	Decreases	Outstanding June 30, 2024	Due Within One Year
General obligation bonds	$ 409,730,000	$ -	$ 23,455,000	$ 386,275,000	$ 25,385,000
Unamortized Premium	60,435,156	-	3,965,117	56,470,039	-
Total General obligation bonds, net	470,165,156	-	27,420,117	442,745,039	25,385,000
Pension obligation bonds	78,070,000	-	10,880,000	67,190,000	12,040,000
Notes from direct placements and borrowings:					
Qualified energy conservation bond	1,434,139	-	134,704	1,299,435	140,409
Equipment financing	246,362	-	246,362	-	-
Total	$ 549,915,657	$ -	$ 38,681,183	$ 511,234,474	$ 37,565,409

6. LONG-TERM DEBT (Continued)

General Obligation Bonds – In November 2012, the District issued $98.9 million in General Obligation Bonds with an interest rate of 1.5% to 5.0%. In November 2017, the District passed a $408 million capital project levy. In December 2017, the District issued a $268.4 million general obligation bond series and realized an unamortized premium of $51.6 million, with an interest rate of 3.0% to 5.0%. In February 2020, the District issued a $139.6 million general obligation bond series and realized an unamortized premium of $27.7 million, with an interest rate of 1.5% to 5.0%. In October 2020, the District refinanced the 2012 General Obligation Bonds and issued $40.4 million in General Obligation Bonds with an interest rate of 0.22% to 0.75%.

The District issued General Obligation Refunding Bonds, Series 2020, in an aggregate principal amount of $40.4 million. The proceeds were used to refund the Callable Portion only of the District's 2012 Bonds and to pay the costs of issuance. The Bonds helped the District obtain a benefit of savings in total debt service requirements. The present value of the economic gain resulting from the refunding was $1,617,680.

Pension Obligation Bonds – During the 2004-05 fiscal year, the District participated in pooled issuances of taxable pension obligation bonds to pay off a portion of the District's unfunded actuarial liability. The District issued $102.9 million in debt as part of a pooled issuance of $458.6 million. In May 2015, the District issued $39.86 million in taxable pension obligation bonds to finance the District's estimated PERS unfunded actuarial liability. Bond proceeds were paid to the Public Employee Retirement System (PERS). An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Support is withheld on a monthly basis to repay debt. Annual principal and interest payments are made each June 30, ending June 2034.

Qualified Energy Conservation Bonds – In March 2016, the District entered into a direct placement agreement for an Energy Conservation Bond in the amount of $3.4 million. The bond has an interest rate of 3.46%. If an Event of Default occurs, the Lender may exercise any remedy available at law or in equity. However, the amounts due from the District under this Agreement shall not be subject to acceleration. Upon the occurrence and continuance of an Event of Default, the Lender may, in addition to pursuing other remedies, at its election, increase the Interest Rate by 300 basis points (3.00%).

Equipment Financing - The District entered into financing agreements for the acquisition of buses for student transportation in 2019-20 for $1,200,388.

6. LONG-TERM DEBT (Continued)

Future debt service requirements for governmental activities long-term debt are as follows:

For the Year Ending June 30,	General Obligation Bonds		Pension Obligation Bonds		Notes from Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 25,385,000	$ 17,857,800	$ 12,040,000	$ 3,065,600	$ 140,409	$ 43,749
2026	28,305,000	16,879,700	13,280,000	2,517,508	146,300	38,840
2027	31,300,000	15,464,450	14,625,000	1,894,300	152,385	33,725
2028	13,810,000	14,006,950	7,935,000	1,207,972	158,667	28,398
2029	15,465,000	13,326,450	2,875,000	840,951	165,152	22,853
2030-34	105,905,000	53,891,650	16,435,000	2,085,174	536,522	32,983
2035-39	145,955,000	23,457,650	-	-	-	-
2040	20,150,000	806,000	-	-	-	-
Total	$ 386,275,000	$ 155,690,650	$ 67,190,000	$ 11,611,505	$ 1,299,435	$ 200,548

7. LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT PAYABLES

Lease Payables, per GASB 87, are recognized at the net present value of payments expected to be made during the lease term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District. The District leases building space and copiers under lease agreements with various entities. Lease expenses totaled approximately $90,500 for the year ended June 30, 2024.

7. LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT PAYABLES

Changes in lease payables are as follows:

Governmental Activities Description	Outstanding July 1, 2023	Increases	Decreases	Outstanding June 30, 2024
Copier lease	$ 73,551	$ -	$ 73,551	$ -
Building lease	11,437	-	11,437	-
Equipment lease	32,367	-	5,572	26,795
Total lease payables	$ 117,355	$ -	$ 90,560	$ 26,795

The District leased copiers for $26,356 per month for 60 months with a discount rate of 7.50 percent. The lease expired on September 30, 2023. The copier lease obligations were paid by the General Fund.

The District leased building space for $5,000 per month for the first 12 months and increasing by 3 percent each additional 12 months for a total of 48 months with a discount rate of 3.00 percent. The lease expired on August 31, 2023. The building lease obligations were paid by the Capital Projects Fund.

The District leases equipment for $8,000 per year for 6 years with a discount rate of 7.50 percent. The lease expires on June 30, 2028. The equipment lease obligations are paid by the General Fund.

Future lease payments are as follows:

For the Year	Equipment Lease	
Ending June 30,	Principal	Interest
2025	$ 5,990	$ 2,010
2026	6,440	1,560
2027	6,923	1,077
2028	7,442	558
Total	$ 26,795	$ 5,205

Subscription Based Information Technology Agreement (SBITA) Payables, per GASB 96, are recognized at the net present value of payments expected to be made during the agreement term at a borrowing rate either explicitly described in the agreement or implicitly determined by the District. The District has multiple agreements with various entities. SBITA expenses totaled approximately $220,000 and are paid by the General Fund and Special Revenue Fund for the year ended June 30, 2024.

7. LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT PAYABLES

Changes in SBITA payables are as follows:

Governmental Activities Description	Outstanding July 1, 2023	Increases	Decreases	Outstanding June 30, 2024
Total SBITA payables	$ 283,422	$ 234,478	$ 219,608	$ 298,292

The District has previously entered into multiple subscription-based information technology arrangements (SBITA) for software licenses that extend over a year. All SBITAs either had an initial payment for the entire period or have a schedule of payments over the contract period. The breakdown of the SBITAs are as follows:

Commencement	End Date	Initial Asset Value	Net Asset Value as of June 30	Initial Subscription Liability	Associated Interest Rate	Subscription Liability as of June 30
7/1/2021	6/30/2024	$ 199,542	$ -	$ -	N/A	$ -
7/1/2021	6/30/2024	145,333	-	145,333	2.0%	-
7/1/2021	6/30/2026	601,673	240,668	-	N/A	-
8/1/2021	8/31/2023	204,178	-	204,178	2.0%	-
8/2/2021	8/1/2023	394,111	-	-	N/A	-
9/1/2021	8/31/2023	14,950	-	14,950	2.0%	-
10/4/2021	10/3/2027	10,021	5,428	-	N/A	-
12/1/2021	7/31/2023	40,589	-	-	N/A	-
6/30/2022	6/30/2026	220,247	110,123	-	N/A	-
9/1/2022	8/31/2026	8,935	4,840	-	N/A	-
9/7/2022	9/6/2027	285,398	180,752	285,398	2.0%	179.893
2/26/2023	2/26/2025	30,127	10,042	-	N/A	-
6/1/2023	4/17/2028	113,439	88,444	-	N/A	-
7/1/2023	6/30/2026	15,228	10,152	-	N/A	-
7/1/2023	6/30/2026	321,300	214,200	-	N/A	-
7/1/2023	6/30/2026	34,498	22,998	-	N/A	-
7/1/2023	6/30/2026	450,169	299,410	-	N/A	-
7/1/2023	6/30/2030	315,954	270,718	-	N/A	-
7/1/2023	6/30/2030	203,626	174,536	-	N/A	-
7/1/2023	6/30/2030	157,500	135,000	-	N/A	-
7/1/2023	6/30/2030	375,458	321,821	-	N/A	-
8/1/2023	7/31/2025	105,781	57,298	-	N/A	-
9/1/2023	8/31/2025	234,478	136,779	234,478	2.0%	118,400
9/19/2023	9/18/2026	93,317	68,692	-	N/A	-
5/9/2024	5/8/2031	887,740	866,603	-	N/A	-
5/9/2024	5/8/2031	183,042	178,684	-	N/A	-
5/9/2024	5/8/2031	327,306	319,513	-	N/A	-
6/15/2024	6/14/2026	16,320	15,980	-	N/A	-
Total			$ 3,732,681			$ 298,293

7. LEASE AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT PAYABLES

Future subscription payments are as follows:

For the Year	SBITA	
Ending June 30,	Principal	Interest
2025	$ 175,370	$ 5,966
2026	59,927	2,458
2027	62,995	1,261
Total	$ 298,292	$ 9,685

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS

GASB Statement 75

Employers participating in the Plan are required to report OPEB information in their financial statements in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75).*

The requirements of the Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities for OPEB and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

The Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, along with PERS audited financial statements and the Schedule of OPEB Amounts under GASB 75 report prepared by PERS' third-party actuaries provide employers with the required information for financial reporting related to PERS OPEB provided through the Plan as of and for the year ended June 30, 2023+ (the measurement period).

The other postemployment benefits (OPEB) for the District combines two separate plans. The District provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

Financial Statement Presentation

The District's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

Description	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB On Financials
Net OPEB Asset	$ -	$ 3,905,542	$ 3,905,542
Deferred Outflows of Resources:			
Contributions After the Measurement Date	-	4,348	4,348
Net difference between projected and actual earnings on investments	-	11,076	11,076
Changes in proportionate share	-	20,110	20,110
Difference between expected and actual experience	1,027,435	-	1,027,435
Changes of assumptions or other input	702,112	-	702,112
Total Deferred Outflows	1,729,547	35,534	1,765,081
Total OPEB Liability	(11,587,955)	-	(11,587,955)
Deferred Inflows of Resources:			
Difference between expected and actual experience	(1,943,702)	(98,050)	(2,041,752)
Changes of assumptions or other input	(3,964,468)	(42,111)	(4,006,579)
Changes in proportionate share	-	(307,170)	(307,170)
Total Deferred Inflows	(5,908,170)	(447,331)	(6,355,501)
OPEB Expense (Revenue) (Included in program expenses on Statement of Activities)	886,174	(26,034)	860,140

Implicit Rate Subsidy (Medical)

Plan Description

The District's postemployment healthcare plan is administered by Oregon Educators Benefit Board (OEBB). Benefit provisions are established through negotiations between the District and representatives of collective bargaining units. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. OEBB issues a publicly available financial report that includes financial statements and required supplementary information for the District. As of July 1, 2023, the most recent valuation date, program participants included 2,691 active employees and 56 retired employees or beneficiaries currently receiving benefits.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

Implicit Rate Subsidy (Medical) (Continued)

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

The District's total OPEB liability of $11,587,955 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. For the fiscal year ended June 30, 2024 the District recognized OPEB expense from this plan of $886,174.

Actuarial Assumptions and Other Inputs

Valuation date	Data was collected as of November 3, 2023, and benefits were valued as if the data was representative of data on July 1, 2023.
Measurement date	June 30, 2024
Actuarial cost method	Entry Age Normal, level percent of salary. Under this cost method, each participant's normal cost is determined as a level percentage of salary by amortizing the present value of future benefits an entry age (i.e., hire age) over expected future service to retirement. The normal cost for the Plan is the sum of each participant's individual normal cost. The accrued liability is equal to the accumulated value of the prior normal costs (i.e., the excess of the present value of future benefits over the present value of future normal costs).
Actuarial assumptions:	
Interest Rate for Discounting Future Liabilities	4.00% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of the date of this report).
General Inflation	2.50% per year. This assumption reflects the actuary's best estimate of future general inflation.
Payroll Growth	3.50% per year. This assumption reflects the actuary's best estimate of future payroll growth experience.

Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows: Duration — Rate 0 — 5.54% 5 — 4.02% 10 — 2.66% 15 — 1.53% 20 — 0.68% 25 — 0.17% 30+ — 0.06% In addition to the above increases, an additional 2.00% increase is applied during the 2-year select period beginning July 1, 2023 and ending June 30, 2025. The assumption reflects the Oregon PERS 2022 Experience Study conducted by Milliman, Inc.
Annual Premium Increase Rate	3.50% for 2023-24. Rates will range from 3.50%-5.80% over the next 20+ years
Mortality Rates	Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally. Active employee adjustments: 125% of a blend of 80% of published rates and 20% of PUB 2010 Retiree Tables for General Employees for males, 100% of published rates for females. Retirees: PUB 2010 Retiree Tables for Teachers, sex distinct, projected generationally. Retiree adjustment: A blend of 80% of published rates and 20% of PUB 2010 Retiree Tables for General Employees for males, 100% of published rates for females. Beneficiaries: PUB 2010 Employee and Retiree Tables for General Employees, sex distinct, projected generationally. Beneficiary adjustments: Set back 12 months for males, no set back for females; 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females. Improvement Scale: Unisex Social Security Data Scale (60 year average), with data through 2019. This assumption reflects the Oregon PERS 2022 Experience Study conducted by Milliman, Inc.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

Implicit Rate Subsidy (Medical) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of July 1, 2023	$ 12,591,688
Changes for the year:	
Service cost	838,751
Interest on Total OPEB Liability	496,354
Differences between expected and actual experience	199,408
Changes of assumptions or other input	(2,149,556)
Benefit payments	(388,690)
Balance as of June 30, 2024	$ 11,587,955

Schedule of Collective Deferred Inflows and Outflows

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net Outflow (Inflow) of Resources
Differences between expected and actual experience	$ 1,027,435	$ (1,943,702)	$ (916,267)
Changes of assumptions or other inputs	702,112	(3,964,468)	(3,262,356)
Net deferred outflow(inflow) of resources	$ 1,729,547	$ (5,908,170)	$ (4,178,623)

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

Year ending June 30	Amount
2025	$ (448,931)
2026	(448,933)
2027	(799,988)
2028	(735,997)
2029	(735,997)
Thereafter	(1,008,777)
Total	$ (4,178,623)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

Sensitivity of the Total OPEB Liability

The following presents the District total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00 percent) or 1 percentage point higher (5.00 percentage) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	$ 12,476,490	$ 11,587,955	$ 10,749,728

Healthcare Cost Trend	1% Decrease (2.50%, Graded Up to 4.80%, then Back Down to 3.50%)	Current Trend Rate (3.50%, Graded Up to 5.80%, then Back Down to 4.50%)	1% Increase (4.50%, Graded Up to 6.80%, then Back Down to 5.50%)
Total OPEB Liability	$ 10,201,299	$ 11,587,955	$ 13,239,001

PERS Retirement Health Insurance Account

Plan Description

The District contributes to the PERS 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 PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. PERS issues publicly available 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, or online at http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits Provided

RHIA was established by ORS 238.420 and authorizes a payment of up to $60 from RHIA toward the monthly costs of health insurance. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the healthcare premium cost the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

PERS Retirement Health Insurance Account (Continued)

Contributions

PERS funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The District's total contributions for the year ended June 30, 2024, was $4,348.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to OPEB

At June 30, 2024, the District reported an asset of $3,905,542 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The District's proportion of the net OPEB asset was based on the District's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2023, the District's proportionate share was 1.07%, increased from 0.89% as of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB revenue from this plan of $26,034. At June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to the OPEB plan from the following sources:

Schedule of OPEB Amounts under GASB 75 for RHIA
June 30, 2024

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net Outflow (Inflow) of Resources
Differences between expected and actual experience	$ -	$ (98,050)	$ (98,050)
Changes of assumptions	-	(42,111)	(42,111)
Net difference between projected and actual earnings on investments	11,076	-	11,076
Changes in proportionate share	20,110	(307,170)	(287,060)
Subtotal-Amortized Deferrals	31,186	(447,331)	$ (416,145)
District contributions subsequent to measurement date	4,348	-	
Net deferred outflow(inflow) of Resources	$ 35,534	$ (447,331)	

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

PERS Retirement Health Insurance Account (Continued)

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to OPEB (Continued)

Employer contributions made after the measurement date of the OPEB liability or collective OPEB liability but before the end of the employer's or governmental non-employer contributing entity's reporting period will be recognized as a reduction of the OPEB liability or collective OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	Amount
2025	$ (394,491)
2026	(217,754)
2027	144,335
2028	51,765
Total	$ (416,145)

All assumptions, methods and plan provisions used in these calculation are described in the Oregon PERS system-wide GASB 75 reporting summary dated February 2, 2024.

Actuarial Methods and Assumptions

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

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

PERS Retirement Health Insurance Account (Continued)

Actuarial Methods and Assumptions (Continued)

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Healthcare cost trend rate	Not Applicable
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-back 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.

(Source: June 30, 2023 PERS Audit Report; page 37)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

PERS Retirement Health Insurance Account (Continued)

Actuarial Methods and Assumptions (Continued)

- **Discount Rate.** The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability/(Asset) in the Discount Rate as of June 30, 2023

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
OPEB – RHIA	$ (3,550,145)	$ (3,905,542)	$ (4,210,470)

- **Long-Term Expected Rate of Return.** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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 plans were 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.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

PERS Retirement Health Insurance Account (Continued)

Actuarial Methods and Assumptions (Continued)

TABLE 31

Long-Term Expected Rate of Return [1]

Asset Class	Target Allocation	Annual Arithmetic Return [2]	20-Year Annuallized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

[1] Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.
[2] The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

(Source: June 30, 2023 PERS Annual Comprehensive Financial Report; page 92; Table 31)

- **Depletion Date Projection.** GASB 75 generally requires that a blended discount rate be used to measure the total OPEB liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgement.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)/ TERMINATION BENEFITS (Continued)

PERS Retirement Health Insurance Account (Continued)

Actuarial Methods and Assumptions (Continued)

- **Depletion Date Projection (Continued).**

  The following circumstances justify an alternative evaluation of sufficiency for the OPEB Plan:

  - PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
  - The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
  - GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions of actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

  Based on these circumstances, the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

  Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at PO Box 23700, Tigard, OR 97281-3700, or online at http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

9. 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:
http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

PERS Pension (Chapter 238)

- **Pension Benefits.** The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit.

  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 benefit results. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

  Under Senate Bill (SB) 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary is limited for all members beginning in 2021. The limit was equal to $225,533 as of January 1, 2023 and it is indexed with inflation every year.

  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. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

- **Death Benefits.** Upon the death of a nonretired 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

9. PENSION PLAN (Continued)

PERS Pension (Chapter 238) (Continued)

- **Death Benefits (Continued)**

funds equal to the account balance, provided one or more of the following conditions 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.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of $200 per month for deaths that occur after July 30, 2003.

As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020;
- Member's account must be eligible for the employer-matching death benefit (as described above);
- Member must have a surviving spouse; and
- Surviving spouse must be member's sole beneficiary as determined by a valid Tier One/Two Pre-retirement Beneficiary Designation form on file with PERS.

Surviving spouse must make written election no later than 60 days after member's date of death. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the members, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of calendar year in which the member would have reached the age of their federally required minimum distribution.

9. PENSION PLAN (Continued)

PERS Pension (Chapter 238) (Continued)

- **Disability Benefits.** A member with ten 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 when determining the monthly benefit.

- **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), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

Oregon Public Service Retirement Plan Pension Program (OPSRP)

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

- **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:
  - General Service: 1.5 percent 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.

    Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to $225,533 as of January 1, 2023, and is indexed with inflation every year.

    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; or, if the pension program is terminated, the date on which termination becomes effective.
- **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death

9. PENSION PLAN (Continued)

- **Death Benefits. (Continued)** benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

Oregon Public Service Retirement Plan Pension Program (OPSRP)

- **Disability Benefits.** A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled from a 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. This funding policy applies to the PERS Defined Benefit Plan and the Other Post-Employment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2023. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Employer contributions for the year ended June 30, 2024, were $25,227,313, excluding amounts to fund employer specific liabilities. A total of $14,366,762 was charged for the year ended June 30, 2024, as PERS benefits expenditures to be used for bond payments as they become due. A total of $7,780,117 was recognized as employer pension revenue during the reporting period.

At June 30, 2024, the District reported a net pension liability of $176,756,276 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to a measurement date of June 30, 2023. 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. At June 30, 2023, the District's proportion was 0.94 percent, a decrease from 1.08 percent at June 30, 2022.

Employer contributions made after the measurement date of the net pension or collective net pension but before the end of the employer's or governmental non-employer contributing entity's reporting period will be recognized as a reduction of the net pension or collective net pension in the subsequent fiscal period rather than in the current fiscal period.

9. PENSION PLAN (Continued)

PERS Schedule of Pension Amounts under GASB 68
June 30, 2024

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net Outflow (Inflow) of Resources
Differences between expected and actual experience	$ 8,643,921	$ (700,854)	$ 7,943,067
Changes of assumptions	15,701,982	(117,075)	15,584,907
Net difference between projected and actual earnings on investments	3,177,034	-	3,177,034
Changes in proportionate share	-	(23,796,418)	(23,796,418)
Differences between employer contributions and employer's proportionate share of system contributions	2,023,500	(14,723,012)	(12,699,512)
Subtotal-Amortized Deferrals	29,546,437	(39,337,359)	$ (9,790,922)
District contributions subsequent to measurement date	25,227,313	-	
Net deferred outflow(inflow) of Resources	$ 54,773,750	$ (39,337,359)	

Other amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense as follows:

Year ending June 30	Amount
2025	$ (6,982,226)
2026	(13,899,515)
2027	10,619,065
2028	1,326,428
2029	(854,674)
Total	$ (9,790,922)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB Statement 68 reporting summary dated February 2, 2024. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

9. PENSION PLAN (Continued)

Actuarial Methods and Assumptions

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	**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-back 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.

(Source: June 30, 2023 PERS Audit Report; page 34)

Actuarial Methods and Assumptions (Continued)

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

9. PENSION PLAN (Continued)

Actuarial Methods and Assumptions (Continued)

- **Discount Rate.** The discount rate used to measure the total pension liability of the Plan was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
- **Long-Term Expected Rate of Return**. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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 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.

TABLE 31

Long-Term Expected Rate of Return [1] Asset Class	Target Allocation	Annual Arithmetic Return [2]	20-Year Annuallized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

[1] Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.
[2] The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

(Source: June 30, 2023 PERS Annual Comprehensive Financial Report; page ; Table 31)

9. PENSION PLAN (Continued)

Actuarial Methods and Assumptions (Continued)

Depletion Date Projection. GASB 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of investment assets, all others at cost) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions of actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

9. PENSION PLAN (Continued)

Actuarial Methods and Assumptions (Continued)

- **Sensitivity**. 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 percentage point lower (5.90 percent) or one percentage point higher (7.90 percent) than the current rate.

Sensitivity of Net Pension Liability to Changes in the Discount Rate As of June 30, 2023 (Measurement Date)

Employers' Net Pension Liability/(Asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension Plan	$ 291,968,086	$ 176,756,276	$ 80,336,200

Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at PO Box 23700, Tigard, OR 97281-3700, or online at http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

10. RISK MANAGEMENT

The District carries commercial insurance for the various risks it is exposed to: torts; theft or damage to, and destruction of, assets; errors and omissions; and natural disasters. The District does not engage in risk-financing activities where the risk is retained (self-insurance).

Settlements have not exceeded insurance coverage for the each of the three years ending June 30, 2024, 2023, and 2022.

11. COMMITMENTS AND CONTINGENCIES

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

The District, in the regular course of business, is a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable. However, in the opinion of the District's management, the resolution of these matters will not have a materially adverse effect on the financial condition of the District.

11. COMMITMENTS AND CONTINGENCIES

The District receives a substantial portion of its operating funding from the State of Oregon. State funding is determined through statewide revenue projections, and is 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 the District to either have increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the District's operations cannot be determined.

The District is committed under various accepted bid agreements and contracts for approximately $0.7 million for goods, services, and construction of facilities.

12. PREPAID EXPENSES

The District has various prepaid expenses throughout the year that consist of worker's compensation premiums, software licenses and utilities. Total prepaid expenses as of June 30, 2024, were as follows:

General Fund	$ 2,201,599
Special Revenue Fund	2,846,678
Capital Projects Fund	244,940
Total	$5,293,217

13. TAX ABATEMENTS

Property tax abatements result from agreements between Washington County and others, which impact the Districts levied property taxes. As of June 30, 2024, the District was affected by tax abatement agreements made by Washington County through five programs.

Exemption Type	Tax Abatement Amount
Construction in Process in Enterprise Zone (ORS 285C.170)	$3,032,000
Enterprise Zone (ORS 285C.175)	$11,138,000
Nonprofit Corporation Low Income Housing (ORS 307.541)	$247,000
Strategic Investment Program (ORS 285C.600)	$128,561,000
Vertical Housing (ORS 307.864)	$498,000

Estimate based on certified tax roll values (10/4/23)

14. PRIOR YEAR RESTATEMENTS

An adjustment to the net position for FY 2022-23 was necessary to correct a miscalculation during the implementation of GASB Statement No. 96.

Adjustment to Government-wide Financial Statements:

Net Position – July 1, 2023 as originally reported	$ (89,708,780)
Due to correcting of the implementation of GASB Statement No. 96	(117,849)
Net Position – July 1, 2023 as restated	$ (89,826,629)

15. NEW ACCOUNTING STANDARDS IMPLEMENTED

For the fiscal year ended June 30, 2024, the District implemented the following new accounting standards:

- **GASB Statement 100**, *Accounting Changes and Error Corrections-an amendments of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. For reporting periods beginning after June 15, 2023.
- **Implementation Guide No. 2023-1**, *"Implementation Guidance Update—2023."* The objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. Implementation will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

16. NEW PRONOUNCEMENTS

The District will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements.

- **GASB Statement 101**, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. For reporting periods beginning after December 15, 2023.
- **GASB Statement 102**, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. For reporting periods beginning after June 15, 2024.

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT IJ
SCHEDULE OF THE CHANGES IN THE TOTAL OPEB LIABILITY FOR MEDICAL SUBSIDY AND SCHEDULE OF THE TOTAL OPEB LIABILITY AND RELATED RATIOS FOR MEDICAL SUBSIDY
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of the Changes in the Total OPEB Liability for Medical Subsidy:

Year Ended June 30,	Service Cost	Interest	Change of Benefit Terms	Difference Between Expected and Actual Experience	Changes of Assumptions or Other Input	Benefit Payments	Net Change in Total OPEB Liability
2024	$ 838,751	$ 496,354	$ -	$ 199,408	$ (2,149,556)	$ (388,690)	$(1,003,733)
2023	846,630	440,902	-	-	(261,157)	(370,487)	655,888
2022[3]	1,084,030	435,558	-	(2,915,555)	(1,253,338)	(338,688)	(2,987,993)
2021	1,047,372	406,193	-	-	-	(506,132)	947,433
2020	952,483	496,396	-	2,274,543	(2,786,471)	(381,721)	555,230
2019[2]	920,273	446,083	-	-	2,808,454	(460,619)	3,714,191
2018	715,180	321,401	-	-	-	(309,852)	726,729

Schedule of the Total OPEB Liability and Related Ratios for Medical Subsidy:

Year Ended June 30,	Total OPEB Liability Beginning	Net Change in Total OPEB Liability	Total OPEB Liability Ending[1]	Covered Employee Payroll	Total OPEB Liability as Percentage of Covered Payroll	Discount Rate
2024	$ 12,591,688	$(1,003,733)	$ 11,587,955	$ 168,400,527	6.9%	4.00%
2023	11,935,800	655,888	12,591,688	136,586,433	9.2%	3.75%
2022	14,923,793	(2,987,993)	11,935,800	132,608,187	9.0%	3.50%
2021	13,976,360	947,433	14,923,793	132,407,882	11.3%	2.75%
2020	13,421,130	555,230	13,976,360	127,930,321	10.9%	2.75%
2019	9,706,939	3,714,191	13,421,130	99,821,417	13.4%	3.50%
2018	8,980,210	726,729	9,706,939	96,445,814	10.1%	3.50%

Notes:
There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan. These schedules are required 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.

1. The amounts presented for each fiscal year were actuarially determined at July 1 of odd years and rolled forward to the measurement date.
2. Change in assumptions for 2019 reflects change in Oregon law (SB 1067) that is expected to impact increases in OEBB healthcare plan premiums.
3. Liability gain due to experience of the OEBB plans keeping a lower than expected premium over last two years and also due to changes in assumptions.

HILLSBORO SCHOOL DISTRICT IJ
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA AND SCHEDULE OF CONTRIBUTIONS FOR RHIA
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of the Proportionate Share of the Net OPEB Liability for RHIA:

Year Ended June 30,	Employer's Portion of the Net OPEB Liability (NOL)	Employer's Proportionate Share of the Net OPEB Liability (NOL)[1]	Employer's Covered Payroll[2]	NOL as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
2024	1.07%	$ (3,905,542)	$ 153,241,890	-2.55%	201.6%
2023	0.89%	(3,166,177)	145,160,653	-2.18%	194.7%
2022	0.93%	(3,195,837)	128,970,064	-2.48%	183.9%
2021	2.17%	(4,431,307)	125,018,722	-3.54%	150.1%
2020	1.22%	(2,352,904)	128,513,691	-1.83%	144.3%
2019	1.21%	(1,350,607)	122,808,685	-1.10%	124.0%
2018	1.18%	(491,786)	117,330,543	-0.42%	108.9%
2017	1.21%	327,825	112,642,257	0.29%	94.1%

Schedule of Employer Contributions for RHIA:

Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percent of Covered Payroll
2024	$ 4,348	$ 4,348	$ -	$ 162,276,007	0.00%
2023	21,019	21,019	-	153,241,890	0.01%
2022	21,961	21,961	-	145,160,653	0.02%
2021	24,901	24,901	-	128,970,064	0.02%
2020	155,305	155,305	-	125,018,722	0.12%
2019	603,483	603,483	-	128,513,691	0.47%
2018	585,850	585,850	-	122,808,685	0.48%
2017	591,455	591,455	-	117,330,543	0.50%

Notes:
These schedules are required 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.

1. The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward 18 months to the measurement date.
2. Amounts for covered payroll use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.

HILLSBORO SCHOOL DISTRICT IJ
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of the Proportionate Share of the Net Pension Liability for PERS:

Year Ended June 30,	Employer's Proportion of the Net Pension Liability (NPL)	Employer's Proportionate Share of the Net Pension Liability (NPL)[1]	Employer's Covered Payroll[2]	NPL as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.94%	$ 176,756,276	$ 153,241,890	115.3%	81.7%
2023	1.08%	164,695,238	145,160,653	113.5%	84.5%
2022[7]	1.09%	129,942,083	128,970,064	100.8%	87.6%
2021	1.16%	252,869,709	125,018,722	202.3%	75.8%
2020	1.18%	203,797,390	128,513,691	158.6%	80.2%
2019[6]	1.24%	188,690,265	122,808,685	153.6%	82.1%
2018	1.17%	158,356,193	117,330,543	135.0%	83.1%
2017[5]	1.11%	167,229,488	112,642,257	142.5%	80.5%
2016[4]	1.05%	60,293,919	100,728,284	59.9%	91.9%
2015[3]	1.39%	(31,454,943)	94,898,635	-33.1%	103.6%

Notes:

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward 18 months to the measurement date.

1. Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

2. The June 30, 2015 NPL reflects benefit changes from the Senate Bills 822 and 861.

3. The June 30, 2016 NPL reflects benefit changes from the Oregon Supreme Court's ruling in Moro v. State of Oregon, which overturned portions of Senate Bills 822 and 861.

4. The June 30, 2017 NPL reflects assumption changes reducing inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.50%.

5. The June 30, 2019 NPL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.

6. The June 30, 2022 NPL reflects assumption changes reducing the long-term expected rate of return from 7.20% to 6.90% and the discount rate from 7.20% to 6.90%.

HILLSBORO SCHOOL DISTRICT IJ
SCHEDULE OF CONTRIBUTIONS FOR PERS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Employer Contributions for PERS:

Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percent of Covered Payroll
2024	$ 25,227,313	$ 25,227,313	$ -	$ 162,276,007	15.5%
2023	24,613,526	24,613,526	-	153,241,890	16.1%
2022	22,298,594	22,298,594	-	145,160,653	15.4%
2021	23,360,881	23,360,881	-	128,970,064	18.1%
2020	22,827,458	22,827,458	-	125,018,722	18.3%
2019	15,731,715	15,731,715	-	128,513,691	12.2%
2018	15,193,032	15,193,032	-	122,808,685	12.4%
2017	9,360,920	9,360,920	-	117,330,543	8.0%
2016	9,876,528	9,876,528	-	112,642,257	8.8%
2015	14,204,644	14,204,664	-	100,728,284	14.1%

Notes:

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward 18 months to the measurement date.

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual: Budget Basis	Actual: Adjustments	Actual: GAAP Basis	Variance with Final Budget
REVENUES:						
Local sources						
Property taxes	$ 93,524,331	$ 93,524,331	$ 96,770,208	$ -	$ 96,770,208	$ 3,245,877
Charges for services	609,831	609,831	732,077	-	732,077	122,246
Earnings on investments	639,744	639,744	2,443,382	-	2,443,382	1,803,638
Contributions & donations	4,925	4,925	1,180	-	1,180	(3,745)
Other	2,136,374	2,136,374	3,377,169	-	3,377,169	1,240,795
Intermediate sources	5,255,911	5,255,911	5,060,729	-	5,060,729	(195,182)
State sources	154,252,132	154,252,132	148,465,523	-	148,465,523	(5,786,609)
Total Revenues	256,423,248	256,423,248	256,850,268	-	256,850,268	427,020
EXPENDITURES:						
Current						
Instruction	148,925,330	154,322,579	154,281,058	(154,031)	154,127,027	41,521
Support services	96,016,281	103,819,032	103,789,766	(184,296)	103,605,470	29,266
Enterprise and community services	656,430	656,430	584,373	-	584,373	72,057
Debt service						
Principal	-	-	-	249,324	249,324	-
Interest	-	-	-	17,314	17,314	-
Capital outlay	-	-	-	306,167	306,167	-
Contingency	13,200,000	-	-	-	-	-
Total Expenditures	258,798,041	258,798,041	258,655,197	234,478	258,889,675	142,844
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,374,793)	(2,374,793)	(1,804,929)	(234,478)	(2,039,407)	569,864
OTHER FINANCING SOURCES (USES)						
Issuance of subscription	-	-	-	234,478	234,478	-
NET CHANGE IN FUND BALANCE	(2,374,793)	(2,374,793)	(1,804,929)	-	(1,804,929)	569,864
FUND BALANCE, July 1, 2023	12,824,439	12,824,439	14,629,602	-	14,629,602	1,805,163
FUND BALANCE, June 30, 2024	$ 10,449,646	$ 10,449,646	$ 12,824,673	$ -	$ 12,824,673	$ 2,375,027

Reconciliation to Governmental Fund Balance as required by GASB Statement 54	
Ending Fund Balance:	
Internal Service Fund for Long-Term Planning	8,500,000
	$ 21,324,673

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

			Actual			
	Original Budget	Final Budget	Budget Basis	Adjustments	GAAP Basis	Variance with Final Budget
REVENUES:						
Local sources						
Construction excise tax	$ 1,500,000	$ 1,500,000	$ 2,830,366	$ -	$ 2,830,366	$ 1,330,366
Charges for services	4,980,000	4,980,000	7,042,748	-	7,042,748	2,062,748
Contributions & donations	1,456,000	1,456,000	1,114,563	-	1,114,563	(341,437)
Other	385,000	385,000	458,067	-	458,067	73,067
Intermediate sources	1,520,000	2,520,000	2,287,450	-	2,287,450	(232,550)
State sources	35,032,000	35,032,000	33,685,856 (1)	-	33,685,856	(1,346,144)
Federal sources	34,652,000	50,652,000	37,445,471	-	37,445,471	(13,206,529)
Total Revenues	79,525,000	96,525,000	84,864,521	-	84,864,521	(11,660,479)
EXPENDITURES:						
Current						
Instruction	39,851,995	39,851,995	37,202,315	(514,077)	36,688,238	2,649,680
Support services	27,727,626	37,727,626	37,559,900	(5,412,639)	32,147,261	167,726
Enterprise and community services	12,163,995	18,163,995	13,557,493	(455,643)	13,101,850	4,606,502
Facilities acquisition and construction	1,000,000	2,000,000	1,335,954	(1,229,551)	106,403	664,046
Debt service						
Principal	400,000	400,000	381,066	49,407	430,473	18,934
Interest	60,000	60,000	55,086	988	56,074	4,914
Captial outlay	-	-	-	7,561,515	7,561,515	-
Total Expenditures	81,203,616	98,203,616	90,091,814	-	90,091,814	8,111,802
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,678,616)	(1,678,616)	(5,227,293)	-	(5,227,293)	(3,548,677)
OTHER FINANCING SOURCES (USES)						
Sale or compensation for loss of capital assets	19,000	19,000	-	-	-	(19,000)
Transfers in	400,000	400,000	-	-	-	(400,000)
Transfers out	(400,000)	(400,000)	-	-	-	400,000
Total Other Financing Sources (Uses)	19,000	19,000	-	-	-	(19,000)
NET CHANGE IN FUND BALANCE	(1,659,616)	(1,659,616)	(5,227,293)	-	(5,227,293)	(3,567,677)
FUND BALANCE, July 1, 2023	5,005,000	5,005,000	23,168,053	-	23,168,053	18,163,053
FUND BALANCE, June 30, 2024	$ 3,345,384	$ 3,345,384	$ 17,940,760	$ -	$ 17,940,760	$ 14,595,376

(1) Includes $78,469.95 State Revenue Lunch Program Match

Note 1: Budget Basis of Accounting:

The schedule of revenues, expenditures, and changes in fund balances – budget and actual have been prepared on the prescribed budget basis of accounting for the District. All District Funds were budgeted on a generally accepted accounting principles (GAAP) basis. Normal adjustments were made to budgeted expenses to accommodate operational needs of the District that were within functions required by Oregon Budget Law.

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions are as follows:

Summary: Properties acquired by long-term financing such as lease or subscriptions.

Budgetary Basis: Only the current year's payment is recorded as an expenditure of the fund in which the payments are budgeted.

GAAP Basis: The net present value of the total stream of payments is recorded in the fund from which payments will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.

Summary: Classification of expenditures by character.

Budgetary Basis: Budgets and appropriations are made at the major function.

GAAP Basis: Expenditures are classified and reported by character within the financial statements. For some expenditures such as debt service, the character of expenditures is at the object level.

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
Washington County, Oregon

OTHER SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Budget & GAAP Basis Actual	Variance with Final Budget
REVENUES:				
Local sources				
Property taxes	$ 40,683,717	$ 40,683,717	$ 41,082,808	$ 399,091
Interest on investments	100,500	100,500	1,089,473	988,973
Services provided to other funds	14,438,037	14,438,037	14,366,227	(71,810)
Intermediate sources	-	-	35,817	35,817
Total Revenues	55,222,254	55,222,254	56,574,325	1,352,071
EXPENDITURES:				
Current				
Support services	10,000	10,000	-	10,000
Debt service				
Principal	34,335,000	34,335,000	34,335,000	-
Interest	21,877,254	21,877,254	21,877,254	-
Total Expenditures	56,222,254	56,222,254	56,212,254	10,000
NET CHANGE IN FUND BALANCE	(1,000,000)	(1,000,000)	362,071	1,362,071
FUND BALANCE, July 1, 2023	1,000,000	1,000,000	1,687,033	687,033
FUND BALANCE, June 30, 2024	$ -	$ -	$ 2,049,104	$ 2,049,104

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

			Actual			
	Original Budget	Final Budget	Budget Basis	Adjustments	GAAP Basis	Variance with Final Budget
REVENUES:						
Local sources						
Interest on investments	$ 250,000	$ 250,000	$ 532,713	$ -	$ 532,713	$ 282,713
Other	-	-	16,669	-	16,669	16,669
Total Revenues	250,000	250,000	549,382	-	549,382	299,382
EXPENDITURES:						
Current						
Facilities acquisition and construction	9,250,000	9,250,000	7,027,684	(4,827,300)	2,200,384	2,222,316
Debt service						
Principal	-	-	-	11,437	11,437	-
Interest	-	-	-	343	343	-
Capital outlay	-	-	-	4,815,520	4,815,520	-
Total Expenditures	9,250,000	9,250,000	7,027,684	-	7,027,684	2,222,316
NET CHANGE IN FUND BALANCE	(9,000,000)	(9,000,000)	(6,478,302)	-	(6,478,302)	2,521,698
FUND BALANCE, July 1, 2023	9,000,000	9,000,000	17,537,378	-	17,537,378	8,537,378
FUND BALANCE, June 30, 2024	$ -	$ -	$ 11,059,076	$ -	$ 11,059,076	$ 11,059,076

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Budget Basis Actual	Variance with Final Budget
OTHER FINANCING SOURCES (USES):				
Transfers in	$ -	$ -	$ -	$ -
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2023	8,500,000	8,500,000	8,500,000	-
FUND BALANCE, June 30, 2024	$ 8,500,000	$ 8,500,000	$ 8,500,000	$ -

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF REVENUES - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Fund 100	Fund 200	Fund 300
REVENUES:			
Revenue from local sources:			
1110 Ad valorem taxes paid by District	$ 96,611,837	$ -	$ 41,016,758
1130 Construction excise tax	-	2,830,366	-
1190 Penalties and interest on taxes	158,371	-	66,050
1400 Transportation fees	28,579	-	-
1500 Earning on investments	2,443,382	-	1,089,473
1600 Food service	-	1,071,587	-
1700 Extracurricular activities	358,623	5,845,354	-
1800 Community services activities	-	71,042	-
1910 Rentals	344,875	125,807	-
1920 Contributions & donations	1,180	1,114,563	-
1960 Recovery of prior year	153,863	811	-
1970 Services provided other funds	-	-	14,366,227
1980 Fees charged to grants	1,351,437	-	-
1990 Miscellaneous	1,871,869	386,214	-
Total revenue from local sources	103,324,016	11,445,744	56,538,508
Revenue from intermediate sources:			
2101 County school funds	343,362	-	-
2102 ESD	4,632,719	-	-
2180 Strategic investment program - unrestricted	-	389,574	-
2199 Other intermediate sources	84,648	-	35,817
2200 Restricted revenue	-	1,897,876	-
Total revenue from intermediate sources	5,060,729	2,287,450	35,817
Revenue from state sources:			
3101 State school fund - general support	135,173,830	-	-
3102 State school fund - school lunch match	-	78,470	-
3103 Common school fund	2,588,261	-	-
3104 State managed county timber	935,048	-	-
3105 State school fund - transportation grant	9,768,384	-	-
3120 Supplemental breakfast	-	313,301	-
3121 Supplemental lunch	-	1,222,787	-
3199 Other unrestricted grants	-	79,917	-
3200 Restricted grants-in-aid	-	3,349,337	-
3222 State school fund transportation equipment	-	1,534,799	-
3299 Other restricted grants-in-aid	-	27,107,245	-
Total revenue from state sources	148,465,523	33,685,856	-
Revenue from federal sources:			
4100 Unrestricted direct from federal government	-	37,572	-
4200 Unrestricted federal revenue through state	-	83,281	-
4500 Restricted revenue from federal government	-	36,362,491	-
4700 Restricted revenue from federal government through intermediate sources	-	336,773	-
4900 Revenue for/on behalf of the District	-	625,354	-
Total revenue from federal sources	-	37,445,471	-
Revenue from other sources:			
5400 Resources - beginning fund balance	14,629,602	23,168,053	1,687,033
Total revenue from other sources	14,629,602	23,168,053	1,687,033
TOTAL REVENUES	**$ 271,479,870**	**$ 108,032,574**	**$ 58,261,358**

Fund 400	Fund 600	Total
$ -	$ -	$ 137,628,595
-	-	2,830,366
-	-	224,421
-	-	28,579
532,713	-	4,065,568
-	-	1,071,587
-	-	6,203,977
-	-	71,042
-	-	470,682
-	-	1,115,743
9,609	-	164,283
-	-	14,366,227
-	-	1,351,437
7,060	-	2,265,143
549,382	-	171,857,650
-	-	343,362
-	-	4,632,719
-	-	389,574
-	-	120,465
-	-	1,897,876
-	-	7,383,996
-	-	135,173,830
-	-	78,470
-	-	2,588,261
-	-	935,048
-	-	9,768,384
-	-	313,301
-	-	1,222,787
-	-	79,917
-	-	3,349,337
-	-	1,534,799
-	-	27,107,245
-	-	182,151,379
-	-	37,572
-	-	83,281
-	-	36,362,491
-	-	336,773
-	-	625,354
-	-	37,445,471
17,537,378	8,500,000	65,522,066
17,537,378	8,500,000	65,522,066
$ 18,086,760	**$ 8,500,000**	**$ 464,360,562**

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

		Salaries Object 100	Associated Payroll Costs Object 200
EXPENDITURES:			
Instruction:			
1111 Primary programs		$ 34,017,176	$ 16,724,233
1113 Elementary extracurricular		14,278	28,466
1121 Middle school programs		8,321,785	4,090,287
1122 Middle school extracurricular		69,413	34,629
1131 High school programs		17,031,874	8,544,757
1132 High school extracurricular		1,814,146	565,016
1133 High school Saturday school		16,919	7,029
1140 Pre-Kindergarten programs		28,213	16,675
1210 Talented and gifted program		313,740	158,568
1220 Students with disabilities - restricted programs		10,027,742	5,994,254
1230 Physically Disabled		48,965	15,779
1250 Students with disabilities - less restricted programs		9,814,740	5,368,864
1260 Early Intervention		38,141	24,277
1272 Title 1		-	4,738
1280 Alternative education		62,760	(2,647)
1291 English second language programs		11,390,316	5,761,112
1292 Teen parent programs		252,215	138,228
1299 Other programs		117,497	61,066
Total instruction		93,379,920	47,535,331
Support services:			
2110 Attendance and social work services		2,515,425	1,328,838
2120 Guidance services		4,159,077	1,901,836
2130 Health services		1,226,530	620,224
2140 Psychological services		527,635	245,975
2150 Speech pathology services		3,382,079	1,499,501
2190 Service direction, student special education		159,629	71,411
2210 Improvement of Instructional services		583,689	255,664
2220 Educational media services		550,944	391,910
2230 Assessment and testing		14,964	4,819
2240 Instructional staff development		1,512,750	641,607
2310 Board of Education services		87,646	26,194
2320 Executive administration services		364,832	238,268
2410 Office of the principal services		11,576,839	6,105,562
2490 Other support services school administration		2,207,062	1,080,428
2510 Direction of business support services		768,709	408,365
2520 Fiscal services		921,312	381,579
2540 Operation and maintenance of plant		6,062,651	2,931,562
2550 Student transportation services		10,459,590	6,342,919
2570 Internal services		271,699	161,164
2610 Direction of Central Support Services		-	-
2630 Information/production services		418,852	224,186
2640 Staff services		1,513,638	1,206,476
2660 Technology services		2,887,628	1,479,351
2670 Records management services		-	-
Total support services		52,173,180	27,547,839
Enterprise and community services:			
3300 Other community services		283,871	156,087
Total enterprise and community services		283,871	156,087
TOTAL EXPENDITURES	135	**$ 145,836,971**	**$ 75,239,257**

Purchased Services Object 300	Supplies and Materials Object 400	Capital Outlay Object 500	Other Objects Object 600	Total
$ 2,362,650	$ 966,634	$ -	$ 777	$ 54,071,470
7,297	15,834	-	100	65,975
486,676	208,287	-	939	13,107,974
503	5,784	-	-	110,329
1,323,030	425,764	18,354	3,576	27,347,355
555,934	155,341	14,909	71,577	3,176,923
757	-	-	-	24,705
771	416	-	-	46,075
13,812	39,015	-	119	525,254
867,040	184,066	-	65,782	17,138,884
1,324	4,431	-	-	70,499
643,252	22,225	-	-	15,849,081
-	-	-	-	62,418
4,629	-	-	-	9,367
3,158,151	700,613	-	95,836	4,014,713
574,710	348,052	-	100	18,074,290
8,846	286	-	-	399,575
6,207	1,401	-	-	186,171
10,015,589	3,078,149	33,263	238,806	154,281,058
1,417,832	161,210	-	4,942	5,428,247
265,564	132,966	-	3,186	6,462,629
119,386	22,001	1,595	1,395	1,991,131
14,043	3,778	-	-	791,431
132,843	14,384	-	-	5,028,807
404,669	15,662	-	89	651,460
186,626	131,249	-	4,750	1,161,978
32,929	81,526	-	1,410	1,058,719
46,055	71,809	-	-	137,647
702,148	128,688	-	30,077	3,015,270
124,088	16,684	-	18,333	272,945
39,835	68,548	6,650	5,218	723,351
302,725	618,448	11,930	14,542	18,630,046
257,035	115,444	9,522	125	3,669,616
39,373	14,724	-	2,893	1,234,064
199,753	41,699	-	374,421	1,918,764
9,961,983	1,962,188	22	53,196	20,971,602
474,440	1,399,421	-	336,439	19,012,809
(211,235)	161,832	8,707	370	392,537
2,507	-	-	-	2,507
100,082	60,018	-	215	803,353
682,832	55,054	-	64,064	3,522,064
562,539	1,907,650	-	2,030	6,839,198
30,219	39,372	-	-	69,591
15,888,271	7,224,355	38,426	917,695	103,789,766
111,852	32,563	-	-	584,373
111,852	32,563	-	-	584,373
$ 26,015,712	**$ 10,335,067**	**$ 71,689**	**$ 1,156,501**	**$ 258,655,197**

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF SPECIAL REVENUE FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

		Salaries Object 100	Associated Payroll Costs Object 200	Purchased Services Object 300	Supplies and Materials Object 400
EXPENDITURES:					
Instruction:					
1111	Primary programs	$ 3,328,764	$ 1,762,916	$ 2,299,202	$ 335,502
1113	Elementary extracurricular	220,989	75,914	377,195	90,894
1121	Middle school programs	1,454,780	713,646	272,460	765,363
1122	Middle school extracurricular	56,081	15,878	32,286	26,224
1131	High school programs	3,093,439	1,529,374	528,279	1,737,135
1132	High school extracurricular	31,481	7,783	8,475	5,499,958
1140	Pre-kindergarten programs	146,419	52,212	3,682	36,973
1200	Special programs	1,593	517	338	4,319
1221	Students with disabilities - restrictive programs	1,284,701	623,465	1,280,302	328,832
1250	Students with disabilities - less restrictive programs	389,823	186,284	9,354	-
1260	Early intervention	37,600	23,645	-	-
1272	Title I	1,560,978	833,039	155,442	174,264
1280	Alternative education	567,240	250,848	1,446,697	294,095
1291	English second language programs	262,796	126,147	15,736	74,035
1293	Migrant education	886,710	359,385	147,259	15,330
1295	English language learner	14,468	5,272	16,049	8,469
1300	Adult/continuing education programs	-	-	3,360	-
1400	Summer school programs	281,925	86,614	30,101	91,511
	Total instruction	13,619,787	6,652,939	6,626,217	9,482,904
Support services:					
2110	Attendance and social work services	1,914,777	947,281	2,290,164	28,998
2120	Guidance services	2,494,104	1,230,412	45,481	622
2130	Health services	332,824	165,556	97,102	21,190
2140	Psychological services	766,825	314,216	467,260	5,127
2150	Speech pathology and audiology services	196,346	88,547	-	-
2160	Student treatment center	163,474	86,188	2,136	-
2190	Service direction, student special education	512,896	275,935	15,952	66
2210	Improvement of instruction services	216,263	80,966	153,619	1,771,422
2220	Media services	312,540	153,426	-	50,301
2240	Instructional staff development	1,890,667	849,636	459,739	144,368
2410	Office of the principal services	612,217	348,832	20,729	28,318
2490	Other support services school administration	554,990	245,860	2,845	466
2510	Direction of business support services	29,220	9,272	-	-
2520	Fiscal services	34,322	25,679	-	38
2540	Operation and maintenance of plant	2,499,215	1,654,824	654,268	462,905
2550	Student transportation services	-	-	263,967	5,654
2570	Internal Services	-	-	836	8,653
2610	Direction of central support services	566,691	258,707	365	551
2620	Planning, research and development services	-	-	13,943	4,185
2630	Information/production services	-	-	-	1,562
2640	Recruitment and placement	102,782	46,209	26,258	12,300
2660	Technology services	554,267	283,655	20	669,473
2680	Staff development	591,007	171,207	-	-
2690	Other support services central	-	-	-	-
	Total support services	14,345,427	7,236,408	4,514,684	3,216,199
Enterprise and community services:					
3100	Food services	3,454,485	2,001,935	289,266	4,622,498
3300	Community services	921,245	489,306	1,142,103	123,019
	Total enterprise and community services	4,375,730	2,491,241	1,431,369	4,745,517
Facilities acquisition and construction:					
4150	Building acquisition, construction & improvements	-	-	103,924	-
	Total facilities acquisition and construction	-	-	103,924	-
Debt service:					
5110	Long-term debt service	-	-	-	-
	Total debt service	-	-	-	-
TOTAL EXPENDITURES		**$ 32,340,944**	**$ 16,380,588**	**$ 12,676,194**	**$ 17,444,620**

Capital Outlay Object 500	Other Objects Object 600	Total
$ -	$ 1,024	$ 7,727,408
-	40,498	805,490
3,833	-	3,210,082
-	16,002	146,471
125,731	24,030	7,037,988
-	520	5,548,217
5,500	4,120	248,906
-	-	6,767
-	11,058	3,528,358
-	-	585,461
		61,245
3,666	141,110	2,868,499
375,347	3,869	2,938,096
-	-	478,714
-	62,546	1,471,230
-	1,614	45,872
-		3,360
-	-	490,151
514,077	306,391	37,202,315
-	7,375	5,188,595
-	-	3,770,619
4,962	79,617	701,251
-	-	1,553,428
-	-	284,893
-	-	251,798
-	236,926	1,041,775
-	12,014	2,234,284
-	112	516,379
-	24,391	3,368,801
-	13	1,010,109
-	3,010	807,171
-	-	38,492
-	-	60,039
1,419,679	1,650,173	8,341,064
3,602,996	-	3,872,617
8,502	601,946	619,937
-	23,569	849,883
307,801	-	325,929
68,699	-	70,261
-	-	187,549
-	-	1,507,415
-	-	762,214
-	195,397	195,397
5,412,639	2,834,543	37,559,900
405,248	72,147	10,845,579
-	36,241	2,711,914
405,248	108,388	13,557,493
1,229,551	2,479	1,335,954
1,229,551	2,479	1,335,954
-	436,152	436,152
-	436,152	436,152
$ 7,561,515	**$ 3,687,953**	**$ 90,091,814**

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF DEBT SERVICE FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

	Salaries Object 100	Associated Payroll Costs Object 200	Purchased Services Object 300	Supplies and Materials Object 400	Capital Outlay Object 500	Other Objects Object 600	TOTAL
EXPENDITURES:							
Debt Service:							
5100 Debt service	$ -	$ -	$ -	$ -	$ -	$ 56,212,254	$ 56,212,254
TOTAL EXPENDITURES	$ -	$ -	$ -	$ -	$ -	$ 56,212,254	$ 56,212,254

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF CAPITAL PROJECTS FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

		Salaries Object 100	Associated Payroll Costs Object 200	Purchased Services Object 300
EXPENDITURES:				
Facilities acquisition & construction:				
4150	Building acquisition, construction, & improvement services	187,245	110,501	1,320,391
4180	Other capital purchases	-	-	24,264
	Total facilities acquisition & construction	187,245	110,501	1,344,655
TOTAL EXPENDITURES		**$ 187,245**	**$ 110,501**	**$ 1,344,655**

Supplies and Materials Object 400	Capital Outlay Object 500	Other Objects Object 600	Total
408,109	4,726,449	24,128	6,776,823
137,526	89,071	-	250,861
545,635	4,815,520	24,128	7,027,684
$ 545,635	**$ 4,815,520**	**$ 24,128**	**$ 7,027,684**

HILLSBORO SCHOOL DISTRICT 1J

OREGON DEPARTMENT OF EDUCATION
255 Capitol Street NE
Salem, Oregon 97310

Office of Finance and Administration
Budget and Analysis

SUPPLEMENTAL INFORMATION, 2023-24

A. Energy Bill for Heating - **All Funds**:
Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & 327
Function 2540	$ 6,968,685
Function 2550	$ 67,922

B. Replacement of Equipment - **General Funds**:
Include all General Fund expenditures in objects 542, except for the following exclusions:
Exclude these functions: $ -

1113	Elementary Extracurricular
1122	Middle/Junior High School Extracurricular
1132	High School Extracurricular
1140	Pre-Kindergarten
1300	Continuing Education
1400	Summer School
2550	Pupil Transportation
3100	Food Service
3300	Community Services
4150	Construction

HILLSBORO SCHOOL DISTRICT 1J

STATISTICAL SECTION TABLE OF CONTENTS

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

Contents	Page
Financial Trends	**98**
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	**106**
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	**114**
Demographic and Economic Information	**120**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	**122**
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

HILLSBORO SCHOOL DISTRICT 1J
NET POSITION BY CATEGORY
Last Ten Fiscal Years
2015 Through 2024
(accrual basis of accounting)

	2024	2023	2022	2021
Governmental activities:				
Net investment in capital assets	$ 135,133,524	$ 121,381,055	$ 114,624,306	$ 100,801,173
Restricted for:				
Special programs	15,001,022	23,168,053	21,390,982	13,223,960
Debt service	1,835,685	1,400,522	2,339,519	2,488,915
OPEB RHIA	3,905,542	3,467,711	-	-
Unrestricted	(223,118,328)	(239,126,121)	(254,170,798)	(271,439,019)
Total primary government net position	$ (67,242,555)	$ (89,708,780)	$ (115,815,991)	$ (154,924,971)

2020	2019	2018	2017	2016	2015
$ 120,863,366	$ 119,425,365	$ 132,523,519	$ 114,594,309	$ 93,370,283	$ 78,831,288
9,467,040	7,098,095	7,932,428	7,582,360	8,634,227	5,369,178
-	2,027,936	-	3,148,710	6,070,721	7,410,609
-	-	-	-	-	-
(253,043,365)	(225,603,901)	(200,783,225)	(173,946,689)	(148,835,008)	(94,426,208)
$ (122,712,959)	$ (97,052,505)	$ (60,327,278)	$ (48,621,310)	$ (40,759,777)	$ (2,815,133)

HILLSBORO SCHOOL DISTRICT 1J
CHANGES IN NET POSITION
Last Ten Fiscal Years
2015 Through 2024

(accrual basis of accounting)

	2024	2023	2022	2021
Governmental Activities:				
Expenses				
Instruction	$ 191,862,618	$ 184,724,831	$ 165,703,515	$ 189,492,027
Support services	137,048,339	128,857,634	107,802,885	115,618,677
Enterprise & community services	13,877,692	13,133,132	11,992,089	12,828,735
Interest on long-term debt	18,034,620	19,121,338	19,926,581	21,466,007
Total expenses	360,823,269	345,836,935	305,425,070	339,405,446
Program Revenues:				
Charges for services:				
Instruction	6,232,556	5,997,057	3,323,714	822,495
Support services	470,682	382,793	276,803	176,528
Enterprise & community services	1,071,587	1,378,891	85,754	(20,147)
Operating grants & contributions:				
Instruction	34,446,390	16,765,009	34,964,286	12,461,839
Support services	32,066,828	43,766,739	18,462,130	15,445,829
Enterprise & community services	9,916,866	8,958,556	11,114,325	11,419,117
Facilities acquisition and construction	412,174			
Interest on long-term debt	594,481	544,577	498,840	435,041
Capital grants & contributions:				
Support services	-	-	-	-
Facilities	-	451,351	-	-
Total program revenues	85,211,564	78,244,973	68,725,852	40,740,702
Net (Expenses)	(275,611,705)	(267,591,962)	(236,699,218)	(298,664,744)
General Revenues				
Property taxes, levied for general purposes	96,885,816	92,640,845	85,978,848	82,014,256
Property taxes, levied for debt service	41,132,370	38,647,134	38,559,001	38,748,464
State school fund - general support	148,465,523	148,854,408	145,150,323	138,615,199
Unrestricted intermediate sources	5,060,729	4,535,690	4,208,696	4,248,409
Earnings on investments	4,065,568	3,692,649	543,906	1,735,545
Gain on sale of capital assets	-	2,571,675	-	-
Miscellaneous	2,585,773	2,738,984	1,367,422	1,295,891
Total general revenues	298,195,779	293,681,385	275,808,196	266,657,764
CHANGE IN NET POSITION	$ 22,584,074	$ 26,089,423	$ 39,108,978	$ (32,006,980)

2020	2019	2018	2017	2016	2015
$ 184,652,127	$ 186,964,257	$ 162,864,021	$ 149,844,084	$ 161,454,482	$ 90,177,101
113,220,605	109,178,393	98,545,523	97,716,311	103,928,959	71,099,128
10,936,422	11,452,926	10,288,193	10,128,229	10,354,697	8,308,170
21,740,215	20,914,030	15,800,759	11,802,160	12,218,456	13,029,323
330,549,369	328,509,606	287,498,496	269,490,784	287,956,594	182,613,722
3,336,764	4,172,060	4,119,900	4,270,223	4,837,643	4,531,645
248,858	291,027	230,761	362,020	346,318	159,545
1,481,151	2,046,648	1,643,568	1,628,711	1,639,366	1,512,339
11,600,412	12,091,201	11,469,126	7,919,459	10,413,580	10,258,791
7,748,399	7,383,616	8,329,519	9,067,847	3,990,770	4,144,617
6,500,827	6,598,480	6,652,121	6,848,551	6,727,933	6,522,598
396,948	2,051,297	-	-	-	-
8,000,000	-	-	-	-	-
-	-	300,000	-	-	-
39,313,359	34,634,329	32,744,995	30,096,811	27,955,610	27,129,535
(291,236,010)	(293,875,277)	(254,753,501)	(239,393,973)	(260,000,984)	(155,484,187)
78,662,450	75,019,638	71,823,536	69,217,233	66,578,201	59,703,224
35,834,950	33,697,947	32,050,326	31,654,333	30,857,723	29,812,298
140,731,871	133,882,639	134,002,096	125,998,472	120,567,483	121,330,286
3,579,750	4,022,484	3,899,102	3,683,221	3,393,998	5,137,388
5,487,890	9,229,868	1,588,315	793,933	459,813	337,386
-	-	-	-	-	-
1,278,645	1,297,474	392,516	185,248	199,122	433,204
265,575,556	257,150,050	243,755,891	231,532,440	222,056,340	216,753,786
$ (25,660,454)	$ (36,725,227)	$ (10,997,610)	$ (7,861,533)	$ (37,944,644)	$ 61,269,599

HILLSBORO SCHOOL DISTRICT 1J
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
2015 Through 2024
(modified accrual basis of accounting)

	2024	2023	2022	2021
FUND BALANCES:				
Nonspendable, reported in:				
General fund	$ 2,214,737	$ 1,349,764	$ 1,839,445	$ 1,085,113
Special revenue fund	3,371,753	197,867	379,477	384,150
Capital projects fund	244,940	376,068	502,769	401,141
Restricted, reported in:				
Special revenue fund	14,569,007	22,970,186	21,011,505	14,076,894
Debt service fund	2,049,104	1,687,033	2,574,335	2,868,600
Capital projects fund	10,814,136	17,161,310	52,484,838	108,259,548
Assigned, reported in:				
Supplies and carryover	-	3,234,544	10,666,883	11,245,779
Long term planning fund	8,500,000	8,500,000	-	-
Unassigned, reported in:				
General fund	10,609,936	10,045,294	9,491,915	8,863,139
TOTAL FUND BALANCES	$ 52,373,613	$ 65,522,066	$ 98,951,167	$ 147,184,364

2020	2019	2018	2017	2016	2015
$ 1,212,815	$ 1,460,812	$ 591,385	$ 403,952	$ 280,224	$ 341,786
223,828	225,736	345,821	213,461	218,283	227,945
59,045	-	-	-	-	-
9,243,212	6,872,359	7,586,607	7,368,899	8,415,944	5,141,233
2,018,562	2,400,290	2,537,190	2,122,466	1,661,262	1,433,967
205,491,770	223,535,859	302,160,060	1,346,696	2,245,328	2,865,775
630,000	743,421	-	1,332,092	1,175,000	-
-	-	1,000,000	2,000,000	2,000,000	1,500,000
10,130,419	7,886,309	12,204,414	10,975,030	13,103,229	17,262,483
$ 229,009,651	$ 243,124,786	$ 326,425,477	$ 25,762,596	$ 29,099,270	$ 28,773,189

HILLSBORO SCHOOL DISTRICT 1J
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
2015 Through 2024
(modified accrual basis of accounting)

	2024	2023	2022
Revenues			
Property taxes	$ 140,683,382	$ 133,709,000	$ 126,857,851
Charges for services	7,774,825	7,758,741	3,686,271
Earnings on investments	4,065,568	3,692,649	543,906
Contributions and donations	1,115,743	1,364,657	1,031,960
Services provided to other funds	14,366,227	13,723,431	13,131,381
Other	3,851,905	4,565,628	3,163,999
Intermediate sources	7,383,996	7,513,173	6,088,185
State school support	182,151,379	182,979,423	175,017,944
Federal	37,445,471	29,691,717	29,128,248
Total revenues	398,838,496	384,998,419	358,649,745
EXPENDITURES:			
Current operating			
Instruction	190,815,265	182,829,687	170,707,291
Support services	135,752,731	127,166,915	110,462,878
Enterprise & community services	13,686,223	12,864,582	12,201,655
Facilities acquisition & construction	2,306,787	6,772,002	12,647,864
Capital outlay	12,683,202	37,378,783	46,892,671
Debt service			
Principal	35,026,234	32,583,391	29,053,160
Other	-	-	-
Interest	21,950,985	22,798,927	23,945,210
Total expenditures	412,221,427	422,394,287	405,910,729
Excess (deficiency) of revenues over expenditures	(13,382,931)	(37,395,868)	(47,260,984)
Other financing sources (uses)			
Bond proceeds	-	-	-
Issuance of debt	-	-	-
Bond payments	-	-	-
Sale or compensation for loss of capital assets	-	3,643,818	264,871
Leases	234,478	322,949	-
Transfers in	-	8,500,000	-
Transfers out	-	(8,500,000)	-
Total other financing sources (uses)	234,478	3,966,767	264,871
NET CHANGE IN FUND BALANCES	$ (13,148,453)	$ (33,429,101)	$ (46,996,113)
Expenditures for capital assets	$ 13,333,506	$ 39,097,439	$ 67,838,650
Debt service as a percentage of noncapital expenditures	14.3%	14.4%	15.7%

2021	2020	2019	2018	2017	2016	2015
$ 120,815,438	$ 114,141,482	$ 110,354,767	$ 105,110,078	$ 100,563,776	$ 96,961,752	$ 89,919,268
978,876	5,078,518	6,506,044	5,934,229	5,840,940	6,435,189	6,271,278
1,735,545	5,487,890	9,229,868	1,588,315	792,628	459,813	337,386
578,440	1,264,365	921,097	12,287,154	-	-	-
12,307,736	11,877,350	11,383,708	774,808	-	-	-
4,694,823	4,504,733	3,743,311	2,039,298	15,523,161	11,848,859	10,224,931
5,594,121	5,064,973	5,554,127	5,282,937	5,143,721	4,472,616	6,074,738
155,258,573	154,763,876	140,210,422	138,590,827	128,504,148	122,728,879	123,226,336
19,761,420	14,688,361	17,307,183	17,429,206	16,066,023	15,803,705	16,174,120
321,724,972	316,871,548	305,210,527	289,036,852	272,434,397	258,710,813	252,228,057
148,611,026	147,591,454	151,845,563	144,762,335	132,360,582	125,511,177	116,762,389
92,774,197	92,283,659	89,883,107	89,053,814	88,182,891	84,067,564	86,021,094
10,506,654	9,168,415	9,712,559	9,556,661	9,439,332	8,963,982	9,352,157
18,644,018	26,703,165	26,349,203	5,250,508	269,989	228,203	-
82,158,437	172,946,831	63,330,436	16,114,412	3,035,920	4,086,509	3,065,081
25,479,036	29,258,514	19,833,089	34,678,369	31,946,756	28,702,136	28,212,756
317,369	-	-	(28)	2,206	419	-
26,763,592	21,552,229	28,700,352	10,379,197	11,802,160	12,251,716	12,571,394
405,254,329	499,504,267	389,654,309	309,795,268	277,039,836	263,811,706	255,984,871
(83,529,357)	(182,632,719)	(84,443,782)	(20,758,416)	(4,605,439)	(5,100,893)	(3,756,814)
-	27,701,843	-	51,600,506	-	-	-
40,360,000	139,605,000	-	268,395,000	-	3,406,866	58,496,864
(40,023,984)	-	-	-	-	-	(58,461,404)
130,969	10,353	58,281	128,717	14,205	52,685	5,405
1,237,085	1,200,388	1,084,810	1,297,074	1,254,560	1,967,423	1,430,050
-	-	-	-	-	500,000	-
-	-	-	-	-	(500,000)	-
1,704,070	168,517,584	1,143,091	321,421,297	1,268,765	5,426,974	1,470,915
$ (81,825,287)	$ (14,115,135)	$ (83,300,691)	$ 300,662,881	$ (3,336,674)	$ 326,081	$ (2,285,899)
$ 89,068,573	$ 176,967,913	$ 60,984,598	$ 16,114,412	$ 3,043,901	$ 4,086,508	$ 6,606,532
16.6%	15.8%	14.8%	15.3%	16.0%	15.8%	16.4%

HILLSBORO SCHOOL DISTRICT 1J
ASSESSED VALUE OF TAXABLE PROPERTY WITHIN SCHOOL DISTRICT BOUNDARIES
Last Ten Fiscal Years
2015 Through 2024

	Measure 5 Real Market Value			
Fiscal Year Ending June 30	Real Property	Manufactured Property	Personal Property	Public Utility
2024	$ 34,122,809,566	$ 111,162,040	$ 1,584,783,891	$ 1,193,220,710
2023	32,444,352,877	87,088,530	1,105,462,766	1,060,790,512
2022	27,099,446,178	73,669,450	1,088,529,500	959,453,588
2021	24,897,457,210	71,467,160	1,016,962,793	825,165,827
2020	23,571,311,414	67,956,450	881,946,816	703,713,952
2019	22,462,321,901	57,291,960	818,419,521	660,469,231
2018	20,288,380,311	46,986,620	1,191,209,440	689,947,131
2017	18,412,341,722	43,872,310	901,787,645	618,365,578
2016	16,631,044,681	35,460,830	821,813,499	595,704,571
2015	14,727,467,792	29,912,970	739,888,186	547,677,942

Note: Measure 5 Real Market Value includes Total Real Market Value and offsets for specially assessed property such as farm/forest land and Strategic Investment Programs
Note: Represents Washington County, Yamhill & Multnomah Counties
Source: Oregon Department of Revenue - Oregon Property Tax Statistics

	District Assessed Value				
Total Market Value	Total Taxable Assessed Value	Total Direct Tax Rate	Amount Tax Rate Will Raise	Less: Reduction and Adjustments	Total Taxes Imposed (Not Levy)
$ 37,011,976,207	$ 21,503,155,360	$ 6.95	$ 98,864,958	$ (176,670)	$ 98,688,288
34,697,694,685	19,977,130,780	6.97	93,627,297	(267,949)	93,359,348
29,221,098,716	18,554,022,551	7.11	88,858,008	(874,546)	87,983,462
26,811,052,990	17,506,912,143	6.34	108,075,641	(969,052)	107,106,589
25,224,928,632	16,682,866,306	6.27	102,187,175	(1,067,314)	101,119,861
23,998,502,613	15,915,917,572	6.22	96,530,663	(1,260,026)	95,270,637
22,216,523,502	15,503,796,073	5.84	88,314,271	(1,460,254)	86,854,017
19,976,367,255	14,586,782,181	5.86	85,458,330	(1,474,312)	83,984,018
18,084,023,581	14,019,008,427	5.87	82,318,095	(1,557,153)	80,760,942
16,044,946,890	12,527,948,271	5.94	74,376,721	(1,254,961)	73,121,760

HILLSBORO SCHOOL DISTRICT 1J
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
2015 Through 2024

(rate per $1,000 of assessed value)

DIRECT:	2024	2023	2022	2021	2020
Hillsboro School District	$ 6.9456	$ 6.9669	$ 5.7642	$ 6.3395	$ 6.2679
Hillsboro School District - after 10/6/01	-	-	1.3428	0.9109	0.9119
OVERLAPPING GOVERNMENTS:					
Washington County	2.2484	2.2484	2.2484	2.2484	2.2484
Washington County - after 10/6/01	0.0663	0.0665	0.0675	0.0674	0.0691
Washington County - after 1/1/13	0.6900	0.6900	0.6900	0.6400	0.6400
Enhanced Sheriff Patrol	1.4663	1.3165	1.3165	1.3165	1.3165
Urban Road Maintenance	0.2456	0.2456	0.2456	0.2456	0.2456
Port of Portland	0.0701	0.0701	0.0701	0.0701	0.0701
City of Beaverton	4.6180	8.8440	8.8440	8.8440	8.8440
City of Beaverton after 01/01/13	0.1863	0.1891	0.1906	0.1816	0.1927
City of Hillsboro	3.6665	3.6665	3.6665	3.6665	3.6665
City of Hillsboro - after 10/6/01	1.7200	1.7200	1.7200	1.7200	1.7200
City of North Plains	2.1712	2.1712	2.1712	2.1712	2.1712
City of Cornelius	4.4706	4.4706	4.4706	4.4706	4.4706
Cornelius RFPD	1.0537	1.0680	1.0882	0.8681	0.8681
Washington County RFFD #2	-	-	-	-	-
Washington County RFFD #2 - after 10/6/01	-	-	-	-	-
Tualatin Valley Fire and Rescue	1.5252	1.5252	1.5252	1.5252	1.5252
Tualatin Valley Fire and Rescue - after 10/6/01	0.1337	0.1375	0.1411	0.1415	0.0973
Tualatin Valley Fire and Rescue - after 1/1/13	0.4500	0.4500	0.4500	0.4500	0.4500
Gaston RFPD	1.7621	1.7621	1.7621	1.7621	1.7621
Banks RFPD	2.4891	2.4905	2.5024	2.5069	2.1462
Forest Grove RFPD	1.2766	1.2766	1.2766	1.2766	1.2766
Metro Service District	0.0966	0.0966	0.0966	0.0966	0.0966
Metro Service District - after 10/6/01	0.3820	0.3735	0.3774	0.3974	0.4702
Metro Service District - after 1/1/13	0.0960	0.0960	0.0960	0.0960	0.0960
Tualatin Hills Park & Recreation	1.3073	1.3073	1.3073	1.3073	1.3073
Tualatin Hills Park & Recreation - after 10/6/01	0.2684	0.2776	0.2905	0.2863	0.3068
Northwest Regional ESD	0.1538	0.1538	0.1538	0.1538	0.1538
Portland Community College	0.2828	0.2828	0.2828	0.2828	0.2828
Portland Community College - after 10/6/01	0.3560	0.3867	0.3803	0.3970	0.4022
Rainbow Lanes Road	0.4888	0.4888	0.4888	0.4888	0.4888
Urban Renewal - Hillsboro	-	-	-	-	-
Urban Renewal - Beaverton	-	-	-	-	-

Source: The Washington County Department of Assessment and Taxation.

2019	2018	2017	2016	2015
$ 6.2166	$ 5.8396	$ 5.8605	$ 5.8738	$ 5.9389
0.9222	1.3116	1.3357	1.3509	1.4811
2.2484	2.2484	2.2484	2.2484	2.2484
0.0699	0.0700	0.0709	0.5900	0.5900
0.6400	0.6400	0.6400	-	-
1.3165	1.3165	1.3165	1.3165	1.3165
0.2456	0.2456	0.2456	0.2456	0.2456
0.0701	0.0701	0.0701	0.0701	0.0701
8.9492	4.3454	8.8013	4.3279	-
0.0945	0.0304	-	-	-
3.6665	3.6665	6.5997	5.8664	8.0663
1.7200	1.7200	3.0960	2.7520	3.7840
2.1712	2.1712	2.1712	2.1712	2.1712
4.4706	4.4706	4.4706	4.4706	3.9836
0.7620	1.1642	1.2052	1.2237	1.2558
-	-	1.1219	1.1219	1.1219
-	-	0.5700	0.5700	0.5700
1.5252	1.5252	1.5252	1.5252	1.5252
0.1087	0.1023	0.1226	0.5826	0.3659
0.4500	0.4500	0.4500	-	-
1.7621	1.7621	1.7621	1.7621	1.7621
2.1689	2.0043	2.0562	2.0854	2.1499
1.2766	1.2766	1.2766	1.2766	1.2766
0.0966	0.0966	0.1118	0.1117	0.1852
0.2801	0.2162	0.1892	0.2766	0.2733
0.0960	0.0960	0.0960	-	-
1.3073	1.3073	1.3073	1.3973	1.4146
0.3168	0.3038	0.3119	0.3173	0.3021
0.1538	0.1538	0.1538	0.1538	0.1538
0.2828	0.2828	0.2828	0.2828	0.4185
0.4046	0.3222	0.3957	0.3027	0.3037
0.4888	0.4888	0.4888	0.4888	0.4888
-	-	-	0.0867	-
-	-	-	0.0982	-

HILLSBORO SCHOOL DISTRICT 1J
PRINCIPAL PROPERTY TAXPAYERS FOR WASHINGTON COUNTY
Current Year (2024) and Nine Years Prior (2015)

		2024			
Taxpayer	Name	Measure 50 Assessed Value (AV)	Taxes Levied	Percentage of HSD AV	Percentage of Washington County AV
1	Intel Corporation	$ 1,943,426,395	$ 32,410,226	9.04%	2.35%
2	Nike Inc	1,493,386,339	26,658,765	6.94%	1.81%
3	Portland General Electric Co	1,224,054,160	20,765,177	5.69%	1.48%
4	Northwest Natural Gas Co	486,389,960	7,902,687	2.26%	0.59%
5	Pacific Reality Associates	452,136,083	7,839,644	2.10%	0.55%
6	Comcast Corporation	413,757,290	7,636,884	1.92%	0.50%
7	Genentech Inc	388,963,760	6,553,106	1.81%	0.47%
8	Maxim Integrated Products Inc	348,935,270	5,813,611	1.62%	0.42%
9	Verizon Communications Inc	296,776,860	5,006,885	1.38%	0.36%
10	Northwest Fiber LLC	264,086,950	4,403,572	1.23%	0.32%
-	Frontier Communications			-	-
-	PPR Washington Square LLC			-	-
	All other Washington County	75,307,363,093	1,350,419,401		
Total Washington County		$ 82,619,276,160	$ 1,475,409,958		
Hillsboro School District		$ 21,503,155,360			

Note: Represents Washington County only. Multnomah and Yamhill County portions of the District comprise less than 0.02% of the District's assessed value.

Source: Washington County Department of Assessment and Taxation.

	2015			
Rank	Measure 50 Assessed Value (AV)	Taxes Levied	Percentage of HSD AV	Percentage of Washington County AV
1	$ 1,268,747,218	$ 20,966,671	10.07%	2.37%
2	588,016,502	9,786,400	4.67%	1.10%
3	438,565,853	6,944,441	3.48%	0.82%
6	313,709,270	4,840,127	2.49%	0.59%
5	323,845,870	5,281,160	2.57%	0.61%
4	305,716,500	5,399,100	2.43%	0.57%
	-	-	-	-
8	156,283,590	2,605,822	1.24%	0.29%
9	147,694,000	2,443,372	1.17%	1.17%
	-	-	-	-
7	242,410,000	4,009,372	1.92%	0.45%
10	138,610,228	2,370,746	1.10%	0.26%
	49,739,956,919	853,742,925		
	$ 53,515,861,950	$ 915,946,764		
	$ 12,596,591,377			

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
2015 Through 2024

Fiscal Year Ending June 30	Net Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	$ 142,196,819	$ 137,132,146	96.44%	$ -	$ 137,132,146	96.44%
2023	135,260,994	130,985,456	96.84%	1,050,238	132,035,694	97.62%
2022	127,868,208	122,959,983	96.16%	959,493	123,919,476	96.91%
2021	124,164,238	119,259,552	96.05%	1,262,352	120,521,904	97.07%
2020	117,575,368	112,800,608	95.94%	1,301,091	114,101,699	97.05%
2019	111,269,635	106,810,743	95.99%	1,255,835	108,066,578	97.12%
2018	108,740,079	104,171,341	95.80%	1,405,340	105,576,681	97.09%
2017	103,666,996	99,478,687	95.96%	1,301,205	100,779,892	97.22%
2016	100,046,726	95,613,087	95.57%	1,395,039	97,008,126	96.96%
2015	92,272,618	88,208,658	95.60%	1,597,219	89,805,877	97.33%

Taxes extended, less discounts allowed

HILLSBORO SCHOOL DISTRICT 1J
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net General Bonded Debt: General Bonded Debt	Net General Bonded Debt: Per ADMw	Net General Bonded Debt: Per Capita	Pension Obligation Bonds	Certificates of Participation
2024	$ 442,745,039	$ (1,835,685)	$ 440,909,354	$ 23,702	$ 3,163	$ 67,190,000	$ -
2023	470,165,156	(1,400,522)	468,764,634	25,003	3,267	78,070,000	-
2022	495,740,273	(2,339,519)	493,400,754	26,340	3,481	87,865,000	-
2021	519,070,390	(2,488,915)	516,581,475	27,019	3,664	96,655,000	-
2020	535,725,507	-	535,725,507	26,769	3,839	104,510,000	-
2019	391,470,386	(2,027,936)	389,442,450	19,267	2,793	111,495,000	510,000
2018	405,480,411	-	405,480,411	20,069	2,789	117,570,000	1,000,000
2017	114,662,851	(3,418,710)	111,244,141	5,453	758	122,985,000	1,455,141
2016	140,365,702	(6,070,721)	134,294,981	6,530	950	127,705,000	1,895,283
2015	161,985,745	(7,847,015)	154,138,730	7,739	1,341	131,410,000	2,320,425

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Notes Payable	Qualified Energy Conservation Bond	Lease Payable	SBITA Payable	Total Debt: Total District	Total Debt: Per ADMw	Total Debt: Per Capita	Total Net Assessed Valuation	Average Daily Membership
$ -	$ 1,299,435	$ 26,795	$ 298,292	$ 511,559,561	$ 27,500	$ 3,669	$ 21,503,155,360	18,602
246,362	1,434,139	117,355	283,422	550,316,434	29,332	3,832	19,977,130,780	18,748
655,391	1,563,318	441,518	208,494	586,473,994	31,274	4,133	18,554,022,551	18,732
-	1,735,125	796,176	-	618,256,691	32,416	4,396	17,506,912,143	19,119
-	2,164,679	-	-	642,400,186	32,099	4,621	16,682,866,306	20,013
-	2,586,363	-	-	506,061,749	25,036	3,647	15,915,917,572	20,213
-	3,000,365	-	-	527,050,776	26,086	3,644	15,503,796,073	20,204
335,102	3,406,866	-	-	242,844,960	11,904	1,675	14,586,782,181	20,400
721,014	3,406,866	-	-	274,093,865	13,328	1,936	14,019,008,427	20,566
1,089,976	-	-	-	296,806,146	14,902	1,481	12,527,948,271	19,917

(This page intentionally left blank)

HILLSBORO SCHOOL DISTRICT 1J
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024

Overlapping Issuer	Net Property Tax Backed Debt	Percent Overlapping	Net Overlapping Debt
Multnomah County	$ 509,757,429	0.0006%	$ 3,059
Metro	765,485,443	7.3095%	55,953,158
Northwest Regional ESD	13,060,000	19.1619%	2,502,544
Portland Community College	617,155,000	10.6661%	65,826,369
Washington County	134,636,465	24.3161%	32,738,337
Tualatin Hills Park & Recreation District	40,267,598	1.7526%	705,730
Banks Fire District 13	3,245,000	2.3862%	77,432
Tualatin Valley Fire & Rescue District	48,930,000	6.4588%	3,160,291
City of Hillsboro	70,920,000	88.9337%	63,071,780
Chehalem Park & Recreation District	19,360,000	0.0147%	2,846
City of Cornelius	1,835,703	35.2505%	647,095
City of Beaverton	28,850,000	0.0000%	-
Yamhill County	7,531,693	0.0182%	1,371
Subtotal, overlapping debt			224,690,012
Direct District net property tax backed debt			464,345,000
Total direct and overlapping debt			$ 689,035,012

(1) The percentage of overlapping debt is estimated by dividing the value of the property in the overlapping area by the total value of the property of the District.

Source: https://www.oregon.gov/treasury/oregon-bonds/municipal-debt-advisory/Pages/Overlapping-Debt-Request.aspx

HILLSBORO SCHOOL DISTRICT 1J
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
2015 Through 2024

	2024	2023	2022	2021
Debt Limit	$ 5,112,534,993	$ 4,589,350,073	$ 3,837,759,870	$ 3,480,787,777
Total net debt applicable to the limit	511,559,561	470,165,156	495,740,273	450,705,000
Legal debt margin	$ 4,600,975,432	$ 4,119,184,917	$ 3,342,019,597	$ 3,030,082,777
Total net debt applicable to the limit as a percentage of debt limit	10.01%	10.24%	12.92%	12.95%

ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates governed by real market values of all taxable properties within the District are based on the following:

For each grade from Kindergarten to Eighth for which the District operates schools, fifty-five one-hundredths of one percent (0.0055) of the real market value.

For each grade from Ninth to Twelfth for which the District operates schools, seventy-five one-hundredths of one percent (0.0075) of the real market value.

Allowable Percentage of Real Market Value:	
Kindergarten through Eighth Grade, 9 x 0.0055 =	4.95%
Ninth through Twelfth Grade, 4 x 0.0075 =	3.00%
Allowable Percentage	7.95%

2020	2019	2018	2017	2016	2015
$ 2,901,472,235	$ 2,769,931,244	$ 2,990,941,202	$ 2,715,928,535	$ 2,421,720,350	$ 2,242,004,958
463,395,000	343,800,000	355,230,000	114,395,000	139,830,000	163,325,000
$ 2,438,077,235	$ 2,426,131,244	$ 2,635,711,202	$ 2,601,533,535	$ 2,281,890,350	$ 2,078,679,958
15.97%	12.41%	11.88%	4.21%	5.77%	7.28%

HILLSBORO SCHOOL DISTRICT 1J
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
2015 Through 2024

Year	Population	Personal Income (thousands of dollars) (estimated)	Personal Income	Unemployment Rate
2024	139,412	$7,157,273	$51,339	3.90%
2023	143,502	7,248,143	50,509	3.30%
2022	141,746	5,913,501	41,719	3.50%
2021	140,986	5,420,207	38,445	5.00%
2020	139,536	5,648,696	40,482	11.80%
2019	139,448	5,322,033	38,165	3.80%
2018	145,402	5,340,470	36,729	3.90%
2017	144,785	5,027,080	34,721	4.10%
2016	141,412	4,582,739	32,407	5.20%
2015	135,294	4,220,226	31,193	4.70%

HILLSBORO SCHOOL DISTRICT 1J
PRINCIPAL EMPLOYERS FOR THE PORTLAND, OREGON, METROPOLITAN AREA
Current Year (2024) and Nine Years Ago (2015)

	2024			2015		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers:						
Providence Health & Services	23,100	2	1.78%	15,239	2	1.39%
Intel	22,328	1	1.72%	17,500	1	1.59%
Oregon Health & Science University	19,603	3	1.51%	14,616	3	1.33%
Nike, Inc.	15,522	4	1.19%	8,000	8	0.73%
Legacy Health	13,087	5	1.01%	10,436	5	0.95%
Kaiser Permanente	12,514	6	0.96%	11,881	4	1.08%
Fred Meyer Stores	9,000	7	0.69%	10,237	6	0.93%
Portland Public Schools	7,111	8	0.55%	6,266	9	0.57%
City of Portland	6,753	9	0.52%	8,558	7	0.78%
Multnomah County	6,317	10	0.49%	5,616	10	0.51%
Subtotal of ten largest employers	135,335		8.64%	108,349		8.46%
All Other Employers	1,164,282		89.59%	991,651		90.15%
Total Portland-Vancouver-Hillsboro MSA Employment	1,299,617		98.22%	1,100,000		98.61%

Source: Book of Lists

HILLSBORO SCHOOL DISTRICT 1J
CERTIFIED, CLASSIFIED, AND ADMINISTRATIVE EMPLOYEES
Last Ten Fiscal Years
2015 Through 2024

Fiscal Year	Certified	Classified	Administrative	Supervisory/ Technical	Total
2024	1,247	1,190	86	48	2,571
2023	1,257	1,119	82	44	2,502
2022	1,207	1,049	84	41	2,381
2021	1,091	986	72	36	2,185
2020	1,137	1,102	77	34	2,350
2019	1,156	1,167	77	34	2,434
2018	1,206	843	78	33	2,160
2017	1,106	859	75	30	2,070
2016	1,104	781	74	30	1,989
2015	1,050	777	77	27	1,931

(1) Full-time equivalent (FTE) positions

Source:
Hillsboro School District 1J payroll records

HILLSBORO SCHOOL DISTRICT 1J
STUDENT ENROLLMENT STATISTICS
Last Ten Fiscal Years
2015 Through 2024

Fiscal Year	Average Daily Membership		Percent Free and Reduced	Net Operating Expenditures per ADM	Student to Teacher Ratio
2024	18,602		53%	$ 13,917	15
2023	18,748		45%	13,412	15
2022	18,732	(1)	38%	12,670	16
2021	19,119	(1)	38%	11,454	18
2020	20,013		46%	11,166	18
2019	20,213		44%	10,894	17
2018	20,204		49%	10,597	20
2017	20,400		50%	10,589	18
2016	20,566		50%	10,245	20
2015	19,917		46%	9,899	20

(1) - During the 2019-20 school year, HSD's percentage of free-and-reduced-price-eligible students totaled 46 percent. Due to the pandemic, current data is not reliable and indicates a percentage of only 38% for 2020-21 and 2021-22. Federal actions have allowed all students to receive meals at no cost during the 2020-21 and 2021-22 school year.

HILLSBORO SCHOOL DISTRICT 1J
STUDENT ENROLLMENT AND CAPITAL ASSET STATISTICS
Last Ten Fiscal Years
2014 Through 2023

School/(Year Opened)	Square Footage	Fiscal Year Enrollment		
		2024	2023	2022
Brookwood Elementary (1953)	73,600	340	338	315
Imlay Elementary (2002)	69,435	466	470	450
Butternut Creek Elementary (1977)	34,840	340	332	322
Patterson Elementary (2000)	69,435	376	405	405
Orenco Elementary (2000)	69,435	451	497	480
Indian Hills Elementary (1979)	40,219	387	392	401
Reedville Elementary (1922)	16,247	201	209	207
Eastwood Elementary (1978)	49,163	352	372	364
Farmington View Elementary (1950)	22,867	240	250	245
Free Orchards Elementary (2008)	73,500	397	394	356
Jackson Elementary (1990)	60,502	378	389	393
L.C. Tobias Elementary (1992)	53,964	394	411	394
Groner Elementary (1949)	32,402	132	158	176
Lenox Elementary (1949)	51,074	368	369	355
McKinney Elementary (1970)	49,163	412	412	427
Minter Bridge Elementary (1980)	49,163	320	354	353
Moobery Elementary (1963)	49,496	386	382	378
North Plains Elementary (1954)	56,648	229	187	170
Atfalati Ridge Elementary (2021)	73,600	198	184	173
Rosedale Elementary (2009)	73,700	299	443	409
Quatama Elementary (2008)	73,010	524	497	470
Ladd Acres Elementary (1968)	79,335	408	416	411
Lincoln Street Elementary (2008)	73,400	384	351	361
W.L. Henry Elementary (1968)	52,813	310	317	304
West Union Elementary (1948)	42,757	323	313	318
Witch Hazel Elementary (2003)	69,435	445	425	451
Tamarack Elementary (2023)	73,600	255	-	-
Brown Middle School (1963)	95,414	670	715	705
Evergreen Middle School (1981)	138,000	700	742	783
Hillsboro Online Academy (2012)	8,500	399	431	794
South Meadows Middle School (2009)	152,875	606	693	690
Poynter Middle School (1959)	83,200	699	646	670
Miller Ed Junior High (1959)	9,560	-	-	-
Century High School (1997)	265,000	1,520	1,496	1,492
Glencoe High School (1980)	270,500	1,467	1,464	1,400
Liberty High School (2003)	293,436	1,414	1,432	1,407
Hillsboro High School (1969)	253,652	1,312	1,341	1,310
Oak Street Campus (2022)	7,800	82	75	-
Miller Ed High School (1958)	20,552	-	-	131
		18,184	18,302	18,470

Source:
From 3/1/24 K-12 Enrollment - HR Dept

2021	2020	2019	2018	2017	2016	2015
333	351	335	348	358	391	388
456	557	510	520	530	543	523
325	370	395	404	402	403	381
379	456	456	455	446	464	475
475	592	644	631	654	636	606
388	459	475	478	470	497	495
222	232	248	260	235	247	227
405	441	437	452	476	506	518
258	311	310	309	307	295	292
322	368	361	389	392	402	439
424	551	549	566	560	530	553
415	486	449	450	434	440	484
169	212	208	234	219	153	141
407	482	499	471	472	479	459
433	465	467	490	465	462	460
363	443	473	473	474	508	500
389	420	427	427	455	463	459
310	396	383	353	330	299	301
-	-	-	-	-	-	-
329	418	420	439	432	403	407
425	516	509	482	490	472	466
397	484	539	533	522	529	507
399	461	482	490	518	546	558
361	357	362	359	343	360	413
316	365	370	390	392	366	356
480	522	519	510	538	571	574
-	-	-	-	-	-	-
696	723	726	731	712	709	708
732	785	796	801	823	808	830
1,020	183	195	197	159	163	193
727	736	694	700	721	720	730
662	703	745	745	739	733	769
-	-	-	-	-	-	6
1,504	1,549	1,533	1,506	1,571	1,563	1,611
1,386	1,445	1,476	1,490	1,543	1,619	1,612
1,450	1,462	1,495	1,477	1,499	1,506	1,491
1,259	1,233	1,249	1,268	1,291	1,357	1,340
-	-	-	-	-	-	-
64	86	91	82	65	64	58
18,680	19,620	19,827	19,910	20,037	20,207	20,330

HILLSBORO SCHOOL DISTRICT 1J
TEACHER DATA
2023-24 SCHOOL YEAR

Education	Step	FTE	Salary
BA	A	18.50	$ 50,674
BA	B	23.70	52,802
BA	C	24.30	55,019
BA	D	19.80	57,328
BA	E	9.00	59,735
BA	F	10.25	62,243
BA	G	7.80	64,857
BA	H	5.00	67,580
BA	I	10.60	70,417
BA	J	5.00	73,373
BA	K	39.23	76,454
BA+24	A	0.00	52,196
BA+24	B	0.00	54,388
BA+24	C	3.08	56,671
BA+24	D	3.00	59,051
BA+24	E	1.00	61,530
BA+24	F	1.00	64,113
BA+24	G	1.00	66,805
BA+24	H	0.00	69,610
BA+24	I	2.00	72,532
BA+24	J	1.00	75,577
BA+24	K	4.50	78,750
BA+45	A	0.00	53,764
BA+45	B	0.00	56,021
BA+45	C	2.00	58,374
BA+45	D	1.00	60,824
BA+45	E	0.00	63,378
BA+45	F	0.00	66,039
BA+45	G	1.00	68,812
BA+45	H	0.00	71,701
BA+45	I	4.00	74,711
BA+45	J	0.00	77,848
BA+45	K	4.00	81,116
BA+45	L	1.00	84,522
BA+45	M	2.00	88,070
BA+45	N	10.00	91,768
MA/BA+60	A	8.81	55,379
MA/BA+60	B	19.50	57,704
MA/BA+60	C	38.27	60,127
MA/BA+60	D	35.00	62,651
MA/BA+60	E	20.00	65,282

Education	Step	FTE	Salary
MA/BA+60	F	23.50	$ 68,023
MA/BA+60	G	29.50	70,879
MA/BA+60	H	35.58	73,854
MA/BA+60	I	47.33	76,955
MA/BA+60	J	21.17	80,186
MA/BA+60	K	14.75	83,553
MA/BA+60	L	15.02	87,061
MA/BA+60	M	16.50	90,716
MA/BA+60	N	17.00	94,524
MA/BA+60	O	164.47	98,493
MA+24/BA+90	A	0.00	57,043
MA+24/BA+90	B	1.00	59,438
MA+24/BA+90	C	6.10	61,933
MA+24/BA+90	D	4.00	64,533
MA+24/BA+90	E	7.98	67,243
MA+24/BA+90	F	6.00	70,066
MA+24/BA+90	G	5.00	73,008
MA+24/BA+90	H	4.80	76,073
MA+24/BA+90	I	18.00	79,267
MA+24/BA+90	J	4.00	82,595
MA+24/BA+90	K	3.00	86,062
MA+24/BA+90	L	7.00	89,676
MA+24/BA+90	M	5.00	93,441
MA+24/BA+90	N	9.60	97,364
MA+24/BA+90	O	83.19	101,452
MA+45/BA+120	A	0.00	58,756
MA+45/BA+120	B	0.00	61,223
MA+45/BA+120	C	3.00	63,793
MA+45/BA+120	D	2.00	66,472
MA+45/BA+120	E	0.00	69,263
MA+45/BA+120	F	2.93	72,171
MA+45/BA+120	G	7.00	75,201
MA+45/BA+120	H	13.00	78,358
MA+45/BA+120	I	27.50	81,648
MA+45/BA+120	J	22.75	85,076
MA+45/BA+120	K	17.00	88,648
MA+45/BA+120	L	14.70	92,369
MA+45/BA+120	M	23.03	96,248
MA+45/BA+120	N	19.30	100,288
MA+45/BA+120	O	208.66	104,499

GROVE, MUELLER & SWANK
redw
Advisors & CPAs

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

School Board
Hillsboro School District 1J
Hillsboro, Oregon

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 (*Government Auditing Standards)*, the financial statements of the governmental activities and each major fund of the Hillsboro School District 1J, Washington County, Oregon (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

REDW LLC

Salem, Oregon
December 3, 2024

GROVE, MUELLER & SWANK
redw
Advisors & CPAs

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

School Board
Hillsboro School District 1J
Hillsboro, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hillsboro School District 1J (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hillsboro School District 1J complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Governmental Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hillsboro School District 1J and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

REDW LLC

Salem, Oregon
December 3, 2024

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

July 1, 2023- June 30, 2024 Federal Grantor, Program Title	Assistance Listing Number	Agency or Pass-through Number	Program Period Begin Date	Program Period End Date	Revenue and Expenditures
DEPARTMENT OF AGRICULTURE:					
Passed through Oregon Department of Education:					
Child Nutrition Cluster					
School Breakfast Program (SBP)	10.553	3408001	7/1/2023	6/30/2024	$ 1,245,590
National School Lunch Program (NSLP)	10.555	3408001	7/1/2023	6/30/2024	5,803,412
Summer Food Service Program For Children (SFSPC)	10.559	3408001	7/1/2023	6/30/2024	119,944
				Total Pass-Through Programs from Child Nutrition Cluster	7,168,946
Child and Adult Care Food Program (CACFP)	10.558	3408001	7/1/2023	6/30/2024	146,767
				Pass-Through	146,767
Local Food for Schools Cooperative Agreement Program	10.185	76126	3/1/2023	8/31/2024	62,187
				Pass-Through	62,187
COVID 19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	3408001	3/1/2023	8/31/2024	6,180
				Pass-Through	6,180
				Total Pass-Through Programs from Department of Education	7,384,080
DEPARTMENT OF AGRICULTURE TOTAL					7,384,080
DEPARTMENT OF THE TREASURY:					
Passed through Oregon Department of Administrative Services:					
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	8031	3/3/2021	6/30/2024	812,269
DEPARTMENT OF THE TREASURY TOTAL					812,269
DEPARTMENT OF EDUCATION:					
Indian Education Grants to Local Education Agencies	84.060	S060A222526	7/1/2023	9/30/2024	37,572
				Direct Program	37,572
				Total Direct Programs	37,572
Passed through the Office of Vocational Rehabilitation Services **Rehabilitation Services - Vocational Rehabilitation Grants to States**					
Youth Transition Program	84.126	4694	7/1/2023	6/30/2025	127,899
				Total Pass-Through Programs from Office of Vocational Rehabilitation Services	127,899
Passed through Oregon Department of Education:					
Title IA/D Grants to Local Educational Agencies (LEAs)					
Title IA	84.010	66988	7/1/2021	9/30/2023	122,345
Title IA	84.010	76493	7/1/2023	9/30/2024	3,300,389
Title ID	84.010	76922	7/1/2023	9/30/2024	30,371
Title IA/D - ESSA Partnerships 21-22	84.010	67975	10/1/2021	9/30/2023	24,721
				Pass-Through	3,477,826
Migrant Education - State Grant Program					
Title IC - Migrant Education	84.011	58934	7/1/2020	9/30/2023	72,789
Title IC - Migrant Education	84.011	73275	7/1/2022	9/30/2023	106,328
Title IC - Migrant Education	84.011	77035	7/1/2023	9/30/2024	818,326
Title IC - Migrant Education - Preschool	84.011	58916	7/1/2020	9/30/2023	55,233
Title IC - Migrant Education - Preschool	84.011	68143	7/1/2021	9/30/2024	16,073
Title IC - Migrant Education - Preschool	84.011	76952	7/1/2023	9/30/2024	53,825
Title IC - Migrant Education - Summer	84.011	70938	7/1/2021	9/30/2023	79,238
Title IC - Migrant Education - Summer	84.011	75612	7/1/2022	9/30/2024	389,386
				Pass-Through	1,591,198

See notes to the schedule of expenditures of federal awards

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

July 1, 2023- June 30, 2024 Federal Grantor, Program Title	Assistance Listing Number	Agency or Pass-through Number	Program Period Begin Date	Program Period End Date	Revenue and Expenditures
DEPARTMENT OF EDUCATION (Continued):					
Passed through Oregon Department of Education (Continued):					
Office of Special Education and Rehabilitative Services					
Special Education Cluster (IDEA)					
Special Education Grants to States (IDEA, Part B)					
COVID 19 - IDEA - Part B Section 611 ARP	84.027	68386	7/1/2021	9/30/2023	$ 586,674
IDEA - Equipment and Supplies Grant	84.027	75325	7/1/2022	9/30/2023	37,526
IDEA - Part B Section 611	84.027	74031	7/1/2022	9/30/2024	2,838,047
IDEA - Part B Section 611 Extended Assessment	84.027	73189	7/1/2022	6/30/2023	3,813
				Pass-Through	3,466,060
Special Education Preschool Grants (IDEA Preschool)					
IDEA - Part B Section 619	84.173	74222	7/1/2022	9/30/2024	15,308
				Pass-Through	15,308
	Total Pass-Through Programs from Special Education Cluster (IDEA)				3,481,368
Office of Career, Technical, and Adult Education					
Career and Technical Education - Basic Grants to States					
Perkins Comprehensive Basic	84.048	72333	7/1/2022	9/30/2023	45,884
Perkins Comprehensive Basic	84.048	76385	7/1/2023	9/30/2024	179,043
				Pass-Through	224,927
Office of Educational Improvement and Innovation					
Education for Homeless Children and Youth					
McKinney-Vento Homeless	84.196	74843	7/1/2022	9/30/2023	35,405
McKinney-Vento Homeless	84.196	79857	7/1/2023	9/30/2025	56,393
				Pass-Through	91,798
English Language Acquisition State Grants					
Title III - English Language Acquisition	84.365	67137	7/1/2021	9/30/2023	73,435
Title III - English Language Acquisition	84.365	73096	7/1/2022	9/30/2023	41,129
Title III - English Language Acquisition	84.365	76983	7/1/2023	9/30/2024	458,331
				Pass-Through	572,895
Supporting Effective Instruction State Grants					
Title IIA - Teacher Quality	84.367	58771	7/1/2020	9/30/2023	6,150
Title IIA - Teacher Quality	84.367	67421	7/1/2021	9/30/2023	24,114
Title IIA - Teacher Quality	84.367	72725	7/1/2022	9/30/2023	50,199
Title IIA - Teacher Quality	84.367	76690	7/1/2023	9/30/2024	479,253
				Pass-Through	559,716
Student Support and Academic Enrichment Program					
Title IV-A Student Support and Academic Enrichment	84.424	72922	7/1/2022	9/30/2023	60,069
				Pass-Through	60,069
COVID-19 - Education Stabilization Fund					
COVID-19 ARP Homeless Children & Youth II	84.425	69355	4/23/2021	9/30/2024	114,444
COVID-19 Jumpstart Kindergarten 2022-23	84.425	74693	5/1/2022	9/30/2024	271,104
COVID-19 ESSER III Title VI Native Education Investment	84.425	80406	2/15/2024	9/30/2024	3,331
COVID-19 Teacher Pathways for Bilingual Educators	84.425	75946	3/1/2023	9/30/2024	250,000
COVID-19 ESSER CSASL	84.425	78533	7/1/2023	9/16/2024	447,845
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D	64596	3/13/2020	9/30/2023	509,091
COVID-19 - Elementary and Secondary School Emergency Relief Fund III	84.425D	64901	3/13/2020	9/30/2024	16,546,169
				Pass-Through	18,141,984
	Total Pass-Through from Oregon Department of Education				28,201,781
DEPARTMENT OF EDUCATION TOTAL					28,367,252

See notes to the schedule of expenditures of federal awards

HILLSBORO SCHOOL DISTRICT 1J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

July 1, 2023- June 30, 2024 Federal Grantor, Program Title	Assistance Listing Number	Agency or Pass-through Number	Program Period Begin Date	Program Period End Date	Revenue and Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Passed through the Oregon Department of Health and Human Services:					
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program					
Office of Self Sufficiency Programs My Future-My Choice	93.235	157101	7/1/2018	6/30/2024	$ 19,239
				Pass-Through	19,239
Medicaid Cluster					
Medical Assistance Program (Medicaid; Title XIX)	93.778	114731	7/1/2023	6/30/2024	189,635
		Total Pass-Through Programs from the Medicaid Cluster			189,635
		Total Pass-Through Programs from Oregon Department of Health & Human Services			208,874
Passed through the Oregon Department of Education:					
Administration for Children and Families					
Foster Care Title IV-E	93.658	71662	7/2/2023	6/30/2024	83,281
				Pass-Through	83,281
Substance Abuse and Mental Health Services Project					
Strengthening Mental Health	93.243	71780	1/1/2020	9/30/2027	589,715
				Pass-Through	589,715
		Total Pass-Through Programs from Oregon Department of Education			672,996
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL					881,870
TOTAL FEDERAL FINANCIAL ASSISTANCE					$ 37,445,471

See notes to the schedule of expenditures of federal awards

Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") is a supplementary schedule to the District's financial statements and is presented for purposes of additional analysis. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net position, or the operating funds' revenues, expenditures and changes in fund balances of the District.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the Schedule is presented in accordance with the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance due to the District having a negotiated indirect cost rate with Oregon Department of Education and thus is not allowed to use the de minimis rate.

Federal Financial Assistance

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

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

Reporting Entity

The reporting entity is fully described in notes to the financial statements. Additionally, the Schedule includes all federal programs administered by the District for the year ended June 30, 2024.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where expenditures are incurred. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

Assistance Listing Number(s)	***Name of Federal Program or Cluster***
84.011	Migrant Education State Grant Program
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$1,123,364
Auditee qualified as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2023-001 Significant Deficiency in Internal Controls over Compliance with State Laws

Criteria and Condition: The District is required to adopt an annual budget pursuant to Oregon Local Budget Law that sets limits on legal spending from each fund at the various appropriation levels (major function). The District is required to have controls in place to prevent expenditures in excess of appropriations before they happen, and if additional appropriations are needed, the Board can either approve a transfer of appropriations or adopt a full supplemental budget, depending on the amount of additional appropriations needed. The Board approved a transfer of appropriations in late-June; however, those additional appropriations were insufficient to prevent over-expenditures. The District's internal controls did not prevent expenditures beyond what was legally authorized, and did not identify that a supplemental budget was required to ensure sufficient spending authority.

Context: The District last received a Significant Deficiency Finding in 2017-18 for expenditures in excess of appropriations and recommendations have been made to management to ensure that controls over budget compliance are properly designed and operating effectively to avoid unauthorized spending. The District responded at that time with Planned Corrective Actions that included improved controls that did not prevent expenditures in excess of appropriations in the 2022-23 fiscal year.

The General Fund and Special Revenue Fund had expenditures in excess of appropriations totaling approximately $4.3 million and $12.0 million, respectively. The additional expenditures within the General Fund were largely the result of staffing challenges and the need to use contractors at higher costs for services in specialty areas. The additional expenditures within the Special Revenue Fund were primarily the result of expenditures of grant revenues awarded at higher than anticipated levels.

Effect or Potential Effect: The failure of controls to prevent transactions from occurring without sufficient spending authority has resulted in the District's noncompliance with Oregon's Local Budget Law and has permitted significant expenditures to be made without legal authority. This could lead to the loss of taxpayer faith in the organization as it pertains to the spending of public funds.

Cause: A large portion of the District's expenditures are typically incurred in the last month of the fiscal year. While Management performs regular comparisons of budget to actual throughout the year, these comparisons may not fully estimate the expenditures that will be incurred in that last month. The sheer volume of expenditures that were incurred at year end were not fully anticipated with sufficient time to prepare and adopt a supplemental budget.

Recommendation: Management should review their controls over compliance with Oregon Local Budget Law to ensure that they are properly designed and operating effectively to prevent expenditures from being incurred without sufficient budget authority.

Views of Responsible Official(s) and Planned Corrective Actions: The 2022-23 was unique to budget for and mitigate as programming returned to pre-pandemic levels, staffing remained a challenge, supply chain issues created a delay in project completion and delivery of goods from the prior year, and a portion of operations were transitioned to special revenues for major state and federal grants. The preceding year held significant challenges as well that resulted in expenditures far below appropriation levels. Throughout 2022-23, staff were successfully focused on fund balances based on available resources which represent the end and beginning points for each year as represented in the budget document. As one-time federal relief funds expire, it is anticipated that being responsive to the needs of operations will require exchanges between major funds and functions rather than exceeding appropriations.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS (Continued)

2023-001 Significant Deficiency in Internal Controls over Compliance with State Laws (Continued)

Corrective Measure:
The action plan components for this issue include technical and structured activity improvements.

1. (From 2017-18) The District will continue to use analytics software to monitor and project end-of-year expenditures by fund, function, and object. Management positions have been restructured to align monitoring of budget appropriations against actual expenditures. Appropriations will be adjusted to include any targeted carryover identified in the prior year annual financial report.
2. After the final adjustments and review of the prior year (usually November), staff will identify any areas that will require appropriation changes based on final revenue and expenditure trends.
3. A timeline will be developed to determine whether or not a Supplemental Budget or Appropriations Change Resolution will be required for the current fiscal year. This timeline will be shared with the Board in December in conjunction with the budget development calendar.

Timeline: This measure is to be implemented immediately.

Current year update:
This significant deficiency in controls over compliance with State laws has been fully corrected.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

GROVE, MUELLER & SWANK
redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
Hillsboro School District 1J
Hillsboro, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Hillsboro School District 1J, Washington County, Oregon (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 3, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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.

Internal Control

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

Restriction on Use

This report is intended solely for the information and use of the school board and management of the Hillsboro School District 1J and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Larry E. Grant, Principal
For REDW LLC
Salem, Oregon
December 3, 2024

HILLSBORO SCHOOL DISTRICT 1J
December 10, 2024
ADOPT PLANNING CALENDAR FOR THE 2025-26 BUDGET

SITUATION

Each year, the Board of Directors adopts a budget planning calendar for the upcoming year, in accordance with ORS 294.305 – 294.565 and Board policy DBC. Key dates on the calendar include:

- The 2025-26 Proposed Budget will be presented during the Budget Committee meeting on April 22, 2025.
- Provision has been made for an additional Budget Committee meeting on May 6, 2025, if needed.
- The calendar provides for the Public Hearing and Board actions to be taken during the regular June 17, 2025, Board meeting.

The Supplemental Budget timeline for the current fiscal year will align with the Budget Development calendar.

- If needed, the 2024-25 Supplemental Budget will be presented during the Budget Committee meeting on April 22, 2025.
- Provision has been made for an additional Budget Committee meeting on May 6, 2025, if needed.
- The calendar provides for the Public Hearing and Board actions to be taken during the regular June 17, 2025, Board meeting.

RECOMMENDATION

The Superintendent recommends that the Board of Directors adopt the planning calendar for the 2025-26 budget.

> *I move that the Board of Directors adopt the planning calendar for the 2025-26 budget.*

Budget Planning Calendar

Hillsboro School District Budget Development activities are listed in the table below. The items may be modified as relevant information becomes available. Please watch for new information on the Budget Matters website.

Date	Activity
November 12, 2024	Appoint Budget Committee Members to Vacant Positions
December 10, 2024	Budget Planning Calendar Approved
January 28, 2025	Budget Development Update: Preliminary Outlook
February 25, 2025	Budget Development Update: Investment Plan
Interim Period	Gather input and update projections for Proposed Budget
April 22, 2025	Budget Committee Meeting: Committee members review proposed budget documents, receive Budget Message, and may approve the budget for Hearing. If needed, a Supplemental Budget for the Current Year will also be proposed.
May 6, 2025	Additional Budget Committee Meeting (if needed)
June 17, 2025	Budget Hearing: Board Adopts Budget, Makes Appropriations, Declares the Levy.
July 1, 2025	Implement Budget
July 15, 2025	Levy Certified to Assessor, and Adopted Budgets distributed per Local Budget Law and district best practice.

Publications:

Per local budget law (ORS 294.305 – 294.565), the Notice of Budget Meeting will be published in the Hillsboro Tribune twice; the first time not more than 30 days prior to the meeting date and the second time not less than 5 days prior to the meeting (with a minimum of 7 days in between publications. The Notice of Budget Hearing and Budget Summary will be published once not more than 25 days or less than 5 days prior to the Budget Hearing date.

Code: KG-AR(1)
Revised/Reviewed: 12/11; 5/14/19
Orig. Code: KG-AR(1)

Community Use of District Facilities

The following will govern the use of District school buildings, facilities, and grounds:

Priority of Scheduling and Use

The Superintendent or designee shall determine group classifications, fees to be charged, and have final approval for the use of school buildings, facilities, and grounds in keeping with Board policy and these administrative regulations.

Scheduling and use of school buildings, facilities, and grounds shall be in the following order of priority:

Tier A

District-sponsored and school-sponsored activities will take priority over all other users. "District-sponsored and school-sponsored activities" are those that serve the youth of Hillsboro School District schools and are coordinated, funded, planned, and directed by the District or a District school and its staff.

Tier B

1. Hillsboro School District ~~District School~~ Affiliates. "~~District school~~ A~~a~~ffiliates" are non-profit organizations whose mission is to provide activities for Hillsboro or Hillsboro School District Youth. ~~District youth (K-8) in a particular District feeder school (e.g., Century, Glencoe, Hilhi, Liberty). These activities will be aligned with programming at the feeder school.~~ Affiliates must have 80% of their participants be residents of the city of Hillsboro or enrolled as students in the Hillsboro School District. Organizations may apply for affiliate status through submitting rosters to the Hillsboro School District.

2. Hillsboro School District Contracted Partners. "Contracted partners" are organizations that have a reciprocity or financial contract with the District.

Tier C

Non-Profit Organizations.~~Organizations within the Hillsboro School District boundary area whose purpose is to provide educational or extracurricular activities for Hillsboro resident youth.~~

Priority of reservations are determined by:

1. Number of Hillsboro Youth or HSD students served

2. In season activities over out of season activities as defined by the OSAA.

Tier D

For Profit Organizations or private entities. ~~Non-resident organizations whose purpose is to conduct educational or extracurricular activities for non-resident youth.~~

~~**Tier E**~~
~~For-profit or non-profit organizations whose purpose is to conduct activities for adults.~~

Prohibited Activities

Lack of regulations and supervision often results in misuse, damage~~s~~, and safety hazards. As a result, it is necessary that the following activities be prohibited in all forms on all District-owned property:

1. The use of any form of tobacco or tobacco-related products and inhalant delivery systems is prohibited on District property and in school or District buildings;

2. The use of alcoholic liquors in any form is prohibited in the schools or District buildings or on District grounds;

3. The possession or usage of firearms or other weapons without the written approval of the Superintendent or their designee.

4. Operation and/or racing of automobiles, motorcycles, motor bikes, go-carts, or other such vehicles;

5. Operation of power-driven model airplanes or other mechanical, electrical, or remote-controlled devices for practice, amusement, or exhibition (except as approved by administration, e.g., Lego Robotics, unmanned aircraft systems or drones, etc.);

6. Horseback riding or other animal-related activities~~;~~

7. Golf practice;

8. Archery practice;

9. Persons or groups using a gymnasium for recreational purposes shall wear appropriate recreational shoes or non-marking shoes and shall not wear street shoes or shoes suspected of marking the floors;

10. The use of all roller devices (e.g., roller shoes, skateboards, scooters, etc.) is prohibited.

11. No eating or drinking as per individual school policy or this administrative regulation.

12. All activities listed in Board policy KGB – Public Conduct on District Property are prohibited.

Misuse of Facilities

Unauthorized use of District property and facilities, including unauthorized overnight stays, is prohibited.

All vehicles on school or District property are subject to the traffic laws of the state of Oregon, and applicable county, city, and those rules adopted by the Board.

Persons or groups using school buildings or facilities shall be assessed fees for violating rental agreements or for misuse of, or damage to District property (e.g., excessive garbage, excessive water usage, surpassing rental time period, etc.). The Superintendent or designee shall be the sole judge of damage to the District's property.

The District reserves the right to refuse use of school or District facilities and grounds to persons and groups whose previous use of the facilities and grounds resulted in violation of the rental agreement or misuse of District property.

Reservation Requests

All classifications (i.e. designated tiers) of District facility or property usage will submit reservations through the District's online rental platform, accessible via the District's website.

District personnel are prohibited from circumventing the official District reservation process. District personnel are not permitted to rent out spaces without District approval.

No reservation requests from non-district organizations submitted fewer than ten ~~five~~ business days in advance will be considered for approval.

Reservation requests made by non-District organizations will not be considered for approval more than three ~~two~~ months in advance.

Typically, facility use approval will be completed within ten ~~five~~ business days following the submission of a reservation request. Reservation confirmation will be completed via the scheduling platform.

Cancellation notifications by renters will be made to the District, a minimum of 24 ~~48~~ hours in advance of scheduled use or will be subject to late cancellation fees.

The District reserves the right to deny usage for prior misuse, or for violation of, or noncompliance with District facility or property use registration requirements and fees, and permitted groups as delineated in this administrative regulation.

Overnight reservation requests may be authorized if they fulfill all District requirements, including safety, supervision, and insurance.

Community Use

District schools are not eligible for rental during the academic day (i.e., 7:00 a.m. to 4:00 p.m.) and are closed on District holidays. ~~Elementary and middle schools may be available between the hours of 5:00 p.m. and 9:00 p.m. on weekdays during the school year.~~Elementary and middle schools may be available between 5:00 p.m. and 9:00 p.m. on weekdays during the school year. High schools are generally not available during evening hours throughout the week. Weekend usage varies by site, and availability can be reviewed via the District's online scheduling platform. ~~Overnight reservation requests may be authorized if they fulfill all District requirements, including safety, supervision, and insurance.~~ Summer facility usage is restricted due to District maintenance and cleaning schedules.

Payment

Payment for use of buildings or facilities, when required, shall be made in advance of the reservation through the District's online scheduling platform. The payment shall be in accordance with the schedule of fees approved by the Board (see KG-AR(2) – Facilities Use Fee Schedule).

Supervision and Use of Buildings and Facilities

~~The renter will be responsible for the supervision of all minors attending the activity at all times.~~The renter will always supervise all minors attending the activity. The maximum number of people permitted in the various buildings or facilities shall be restricted to their seating capacity or by fire codes. Groups must confine their activities to that part of the building or facility for which the application was made, and a designated person shall be in charge.

Use of School Equipment

1. School equipment may not be removed from the school premises.

3. All school equipment and furniture, including pianos, shall be used only with the approval of the building principal, and requested use must be included in the user's request for approval.

Fund Raisers and Donations

Non-profit organizations that are facilitating fund raisers where all raised money is donated to a school or District program can be granted facility usage free of charge. ~~For-profit organizations that provide school programs with a donation for using District facilities are only allowed to use the school facility of the program to which they are donating.~~

Use of Food Service Facilities

All use of District kitchen and food service preparation areas is to be approved through Nutrition Services in addition to the normal approval process.

Parking

Vehicles are prohibited from parking on playgrounds or athletic fields. The renter is responsible ~~to keep~~for keeping vehicles in the designated parking areas.

Liability Insurance

Organizations, businesses, and other groups requesting the use of District facilities must provide proof of insurance that meets the District's minimal standard for liability coverage. The minimum insurance standard is outlined ~~on~~ in the reservation system.

All users except Tier A groups or individuals will assume all liability for damage to District facilities and agree to indemnify and hold harmless the District from all claims, losses, or damages arising out of the use of such facility or equipment through submission of the reservation via the online reservation system.

Schedule of Charges.

See Facilities Use Fee Schedule, KG-AR(2) for current fees.

Code: **KG-AR(2)**
Revised/Reviewed: 5/14/19

Facility Use Fee Schedule

Tiers are defined in administrative regulation KG-AR(1) – Community Use of District Facilities.

Users recognized as Tiers A and B will not be charged rental fees, but may be required to pay custodial, utility and/or supervisory fees, depending on the time and scope of the event.

Users recognized as Tiers C, and D, ~~and E~~ will pay cost-per-hour fees listed in the table below as follows:

Tier C – Non Profit Organizations
~~2019-20~~ 2025-26 School Year
Pay 33% of the direct hourly cost for building, facility or grounds.
~~Non-profits: 20 percent of cost per hour, for requested building, facility, or grounds.~~
~~For-profits: 60 percent of cost per hour, for requested building, facility, or grounds.~~

~~2020-21~~ 2026-27 School Year
Pay 42% of the direct hourly cost for building, facility or grounds.
~~Non-profits: 25 percent of cost per hour, for requested building, facility, or grounds.~~
~~For-profits: 60 percent of cost per hour, for requested building, facility, or grounds.~~

~~2021-22~~ 2027-28 School Year
Pay 50% of the direct hourly cost for building, facility or grounds.
~~Non-profits: 30 percent of cost per hour, for requested building, facility, or grounds.~~
~~For-profits: 60 percent of cost per hour, for requested building, facility, or grounds.~~

Tier D – For Profit Organizations
Are charged 100% of the direct cost per hour for requested building, facility, or grounds.
~~Non-profits: 60 percent of cost per hour for requested school building, facility, or grounds.~~
~~For-profits: 75 percent of cost per hour for requested school building, facility, or grounds.~~

~~**Tier E**~~
~~Non-profits: 75 percent of cost per hour for requested school building, facility, or grounds.~~
~~For-profits: 100 percent of cost per hour for requested school building, facility, or grounds.~~

Facility	**Direct Cost Per Hour**
Hare Field or Liberty Stadium (large events using all facilities)	$300.00~~299.84~~
Track	$45.00 ~~$40.00~~
High school main gym	$122.00~~$89.66~~

Facility	Direct Cost Per Hour
Middle school gym or large elementary gym. ~~or elementary school large gym or High school small gym~~	$90.00 ~~$62.84~~
Elementary school small gym ~~or Middle school small gym~~	$55.00 ~~27.33~~
High school auditorium	$142.00 ~~101.61~~
Middle school theater/stage	$75.00
High school cafeteria	$79.00~~66.08~~
Middle school cafeteria	$52.00 ~~45.01~~
Elementary school cafeteria	$30.00 ~~27.33~~
High school library	$87.00 ~~39.18~~
Middle school library	$73.00 ~~27.69~~
Elementary school library	$57.00 ~~18.06~~
Standard classroom	$24.00 ~~13.91~~
Choir/Music/Band room	$39.00 ~~21.09~~
Tennis court~~s~~	$20.00 ~~17.13~~
Wrestling/Exercise room	$40.00 ~~23.09~~
High school grass field	$55.00 ~~32.40~~
Middle school grass field	$41.00 ~~20.65~~
Elementary school grass field	$30.00 ~~20.65~~
Turf field	$135.00 ~~26.03~~
High school parking lot	$75.00 ~~77.08~~
Middle school parking lot	$31.00 ~~$25.02~~
Elementary school parking lot	$24.00 ~~21.18~~

- Custodial/Monitor fee may be applicable ~~is $33 per hour~~ with a 2-hour minimum regardless of Tier or requested building, facility, or grounds.
- Turf field lights cost an additional $12 ~~9~~ per hour, regardless of Tier.
- ~~Rate increases of approximately two percent per year are anticipated.~~The direct hourly cost for all facilities will be updated annually.