

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

**FINANCIAL REPORT**  
**For the Year Ended June 30, 2023**



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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

BOARD OF DIRECTORS 2022-23

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

ADMINISTRATION

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

Board members receive mail at the District address listed below.

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

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

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

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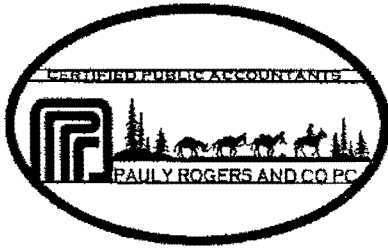
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December 12, 2023

## INDEPENDENT AUDITORS' REPORT

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

### **Opinions**

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

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

### **Basis for Opinions**

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

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

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

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

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

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

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

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

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

## **Required Supplementary Information**

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

## Supplementary Information

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

## Other Information

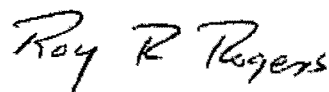
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include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

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

## Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 12, 2023 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

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



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

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

BASIC FINANCIAL STATEMENTS



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

**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
<b>ASSETS:</b>			
Cash and Investments	\$ 9,633,991	\$ (194,724)	\$ 9,439,267
Receivables:			
Accounts and Grants	5,290,388	407,799	5,698,187
Property Taxes	642,477	-	642,477
Inventory	32,389	1,490,600	1,522,989
Net OPEB RHIA Asset	539,507	-	539,507
Capital Assets - Nondepreciable	1,411,570	-	1,411,570
Capital Assets - Depreciable, Net of Depreciation	31,286,882	-	31,286,882
Right to Use Asset - Net of Amortization	134,051	-	134,051
<b>Total Assets</b>	<b>48,971,255</b>	<b>1,703,675</b>	<b>50,674,930</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows Related to Debt Refunding	1,271,435	-	1,271,435
OPEB Related Outflows - RHIA	121,768	-	121,768
Pension Related Outflows - PERS	17,149,324	-	17,149,324
Total Deferred Outflows	18,542,527	-	18,542,527
<b>Total Assets and Deferred Outflows</b>	<b>67,513,782</b>	<b>1,703,675</b>	<b>69,217,457</b>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	609,341	73,260	682,601
Accrued Salaries and Benefits	1,160	-	1,160
Interest Payable	49,100	-	49,100
Long-Term Liabilities Due within one year	3,150,000	-	3,150,000
Lease Liability (Right-to-use Assets) Due within one year	57,596	-	57,596
<b>Non Current Liabilities:</b>			
Liability Due in more than one year	25,450,000	-	25,450,000
Bond Premium	1,021,351	-	1,021,351
Compensated Absences	187,927	-	187,927
Long-Term Lease Liability	77,299	-	77,299
Net Pension Liability - PERS	35,937,444	-	35,937,444
OPEB - Stipend	156,000	-	156,000
OPEB - Health Care	80,717	-	80,717
<b>Total Liabilities</b>	<b>66,777,935</b>	<b>73,260</b>	<b>66,851,195</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
OPEB Related Inflows - RHIA	73,747	-	73,747
Pension Related Inflows - PERS	13,602,035	-	13,602,035
Total Deferred Inflows	13,675,782	-	13,675,782
<b>Total Liabilities and Deferred Inflows</b>	<b>80,453,717</b>	<b>73,260</b>	<b>80,526,977</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	4,347,692	-	4,347,692
Restricted for:			
Deferred Outflows Related to Debt Refunding	1,271,435	-	1,271,435
OPEB - RHIA Asset	539,507	-	539,507
Grants, Food Service & Student Activities	7,578,661	-	7,578,661
Debt Service	411,530	-	411,530
Unrestricted	(27,088,760)	1,630,415	(25,458,345)
<b>Total Net Position</b>	<b>\$ (12,939,935)</b>	<b>\$ 1,630,415</b>	<b>\$ (11,309,520)</b>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

Functions/Programs	Expenditures	Net (Expense) Revenue and Changes in Net Position				
		Program Revenues		Governmental Activities	Primary Government	
		Charges for Services	Operating Grants and Contributions		Business-Type Activities	Totals
<b>Governmental Activities:</b>						
Instruction	\$ 35,519,266	\$ -	\$ 2,976,633	\$ (32,542,633)	\$ -	\$ (32,542,633)
Support Services	21,363,459	2,178	1,276,200	(20,085,081)	(22,752)	(20,107,833)
Community Services	2,604,456	18,751	2,774,013	188,308	-	188,308
Interest on Long-Term Debt	1,262,237	-	-	(1,262,237)	-	(1,262,237)
Interest on Lease Liability	930	-	-	(930)	-	(930)
<b>Total Governmental Activities</b>	<b>\$ 60,750,348</b>	<b>\$ 20,929</b>	<b>\$ 7,026,846</b>	<b>(53,702,573)</b>	<b>(22,752)</b>	<b>(53,725,325)</b>
<b>GENERAL REVENUES:</b>						
Property Taxes, Levied for Operations				12,273,648	-	12,273,648
Property Taxes, Levied for Debt Service				4,119,774	-	4,119,774
State Sources				41,467,806	-	41,467,806
Other Local Sources				1,753,585	-	1,753,585
Other Intermediate Sources				382,989	-	382,989
Investment Earnings				665,284	-	665,284
Debt Subsidy Rebate				91,674	-	91,674
<b>Total General Revenues</b>				<b>60,754,760</b>	<b>-</b>	<b>60,754,760</b>
Transfers				(450,000)	450,000	-
Gain (Loss) on Disposal of Assets				3,600	405,158	408,758
<b>Changes in Net Position</b>				<b>6,605,787</b>	<b>832,406</b>	<b>7,438,193</b>
<b>Net Position - Beginning (As Restated)</b>				<b>(19,545,722)</b>	<b>798,009</b>	<b>(18,747,713)</b>
<b>Net Position - Ending</b>				<b>\$ (12,939,935)</b>	<b>\$ 1,630,415</b>	<b>\$ (11,309,520)</b>

See accompanying notes to the basic financial statements.

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

**BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2023**

	<u>GENERAL FUND</u>	<u>SPECIAL GRANTS AND REVENUES FUND</u>	<u>DEBT SERVICE GO BOND FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS:</b>				
Cash and Investments	\$ 5,911,645	\$ 3,092,712	\$ 397,122	\$ 9,401,479
Inventory	-	32,389	-	32,389
Receivables				
Accounts and Grants	38,996	62,183	-	101,179
Property Taxes	477,959	-	164,518	642,477
Intergovernmental Accounts	513,029	4,676,180	-	5,189,209
<b>Total Assets</b>	<u><u>\$ 6,941,629</u></u>	<u><u>\$ 7,863,464</u></u>	<u><u>\$ 561,640</u></u>	<u><u>\$ 15,366,733</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
Liabilities:				
Accounts Payable	\$ 356,927	\$ 252,414	\$ -	\$ 609,341
Accrued Salaries and Benefits	1,160	-	-	1,160
<b>Total Liabilities</b>	<u>358,087</u>	<u>252,414</u>	<u>-</u>	<u>610,501</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	435,958	-	150,110	586,068
<b>Total Deferred Inflows of Resources</b>	<u>435,958</u>	<u>-</u>	<u>150,110</u>	<u>586,068</u>
Fund Balances:				
Non-spendable	-	32,389	-	32,389
Restricted for:				
Grants, Food Service & Student Activities	-	7,578,661	-	7,578,661
Debt Service	-	-	411,530	411,530
Unassigned	6,147,584	-	-	6,147,584
<b>Total Fund Balances</b>	<u>6,147,584</u>	<u>7,611,050</u>	<u>411,530</u>	<u>14,170,164</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$ 6,941,629</u></u>	<u><u>\$ 7,863,464</u></u>	<u><u>\$ 561,640</u></u>	<u><u>\$ 15,366,733</u></u>

See accompanying notes to the basic financial statements.

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

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

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

See accompanying notes to the basic financial statements.

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

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

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

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

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

<b>TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>1,785,669</b>
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Expenditures for capital assets	\$ 740,213	
Less current year depreciation	<u>(1,647,665)</u>	(907,452)
<p>The PERS Pension Income (Expense) represents the changes in Net Pension Liability from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		2,377,507
<p>The OPEB - RIIIA Income (Expense) represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits</p>		
		9,549
<p>Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities, these liabilities are recognized as an expenditure when earned.</p>		
		(1,104)
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments</p>		
Bonds Payments	2,940,000	
Premium Amortization	<u>145,908</u>	3,085,908
<p>Change in net OPEB liability</p>		
Health Insurance Subsidy	56,241	
Stipend	<u>120,000</u>	176,241
<p>Governmental funds expend the costs of debt refunding. These costs are reported as deferred outflows of resources that are amortized in the Statement of Activities</p>		
		(181,634)
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		4,096
<p>Internal service funds are used by management to charge the costs of insurance activities to individual funds. This activity is consolidated with the governmental activities in the Statement of Activities.</p>		
		(8,270)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied</p>		
Change in General Fund	201,819	
Change in Debt Service Fund	<u>63,631</u>	265,450
<p>Payment on Lease Liability for right to use assets decreases liabilities in the Statement of Net Position</p>		
Payment on Lease Liability		60,374
<p>Amortization Expense for right to use assets increases the expenses on the Statement of Activities</p>		
Amortization Expense		<u>(60,547)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>6,605,787</u></b>

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

STATEMENT OF NET POSITION - PROPRIETARY FUND  
June 30, 2023

	<u>PROPRIETARY FUNDS</u>	
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ (194,724)	\$ 232,512
Receivables:		
Accounts	407,799	-
Work in Process	1,490,600	-
	1,703,675	232,512
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	73,260	-
	73,260	-
<b>TOTAL LIABILITIES</b>		
<b>NET POSITION</b>		
Unrestricted	1,630,415	232,512
	\$ 1,630,415	\$ 232,512
<b>TOTAL NET POSITION</b>		

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

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

	<u>PROPRIETARY FUNDS</u>	
	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
OPERATING EXPENSES		
Instruction	-	-
Support services	\$ 22,752	\$ 8,270
TOTAL OPERATING EXPENSES	22,752	8,270
OPERATING INCOME	(22,752)	(8,270)
NONOPERATING REVENUES (EXPENSES)		
Transfers In	450,000	-
Facilities Acquisition	-	-
Sale of Capital Assets	405,158	-
CHANGE IN NET POSITION	832,406	(8,270)
NET POSITION - BEGINNING	798,009	240,782
NET POSITION - ENDING	\$ 1,630,415	\$ 232,512

See accompanying notes to the basic financial statements



LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

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

	<u>Business-Type Activity Enterprise Fund</u>	<u>Internal Service Fund Insurance</u>
<u>PROPRIETARY FUNDS</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Received for services	\$ (407,799)	\$ -
Payments for goods and services	(804,389)	(8,270)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(1,212,188)	(8,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers	450,000	-
NET CASH USED BY FINANCING ACTIVITIES	855,158	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(357,030)	(8,270)
CASH AND CASH EQUIVALENTS, BEGINNING	162,306	240,782
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ (194,724)</u>	<u>\$ 232,512</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (22,752)	\$ (8,270)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Decrease (increase) in Accounts Receivable	(407,799)	-
Decrease (increase) in Work in process inventory	(630,152)	-
Increase (decrease) in Accounts Payable	(151,485)	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (1,212,188)</u>	<u>\$ (8,270)</u>

See accompanying notes to the basic financial statements

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. The Financial Reporting Entity**

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

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

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

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

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

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

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

**For the Year Ended June 30, 2023**

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

**GOVERNMENTAL FUND TYPES**

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

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

Financial operations are accounted for in the following major funds:

**General Fund**

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

**Special Revenue Fund**

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

**Debt Service – GO Bonds Fund**

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

**Capital Projects Fund**

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

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

**For the Year Ended June 30, 2023**

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

In addition, the District reports the following proprietary funds:

**Enterprise Fund**

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

**Internal Service Fund**

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

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

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

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

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

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

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

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

**For the Year Ended June 30, 2023**

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

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

**Cash and Investments**

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

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

**Property Taxes**

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

**Grants**

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

**Capital Assets**

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

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

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

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

**For the Year Ended June 30, 2023**

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

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

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

**Compensated Absences**

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

**Long Term Obligations**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

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

**For the Year Ended June 30, 2023**

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

**Right-to-use lease Assets**

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

**Leases Payable**

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

**Subscription Assets**

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the Subscription Based Information Technology Arrangements (SBITA) vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

**Subscription Liabilities**

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the Subscription Based Information Technology Arrangements (SBITA) vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

**Retirement Plans**

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

**Net Position**

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

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

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

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



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

**For the Year Ended June 30, 2023**

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

**Fund Balance**

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

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

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

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

**Use of Estimates**

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

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

**For the Year Ended June 30, 2023**

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**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

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

**LEVEL OF CONTROL**

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

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

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

**3. BUDGETARY BASIS OF ACCOUNTING**

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

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

**For the Year Ended June 30, 2023**

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**4. CASH AND INVESTMENTS**

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

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

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

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	\$ (606,850)
Enterprise Fund Deposits	(194,724)
Investments	10,240,841
Total Cash and investments	<u>\$ 9,439,267</u>

**DEPOSITS**

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

**Credit Risk – Deposits**

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

**INVESTMENTS**

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

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

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

**For the Year Ended June 30, 2023**

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

**INVESTMENTS (CONTINUED)**

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

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

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

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

At year-end, investment balances were as follows:

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

**Interest Rate Risk- Investments**

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

**Credit Risk – Investments**

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

**Concentration of Credit Risk**

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

**5. RECEIVABLES**

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

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**6. CAPITAL ASSETS**

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

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

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

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

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

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**7. LONG-TERM OBLIGATIONS**

**Bonds Payable**

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

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

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

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

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

Future maturities of long term obligations are as follows:

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

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**8. DEFINED BENEFIT PENSION PLAN**

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

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

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.  
A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

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

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$8,354,276, excluding amounts to fund employer specific liabilities.



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

**Pension Asset or Liability** – At June 30, 2023, the District reported a net pension liability of \$35,937,444 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2022 and 2021, the District’s proportion was .023 percent and .026 percent, respectively. Pension expense (income) for the year ended June 30, 2023 was (\$768,767).

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

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

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

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

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

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

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

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

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

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

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

**Actuarial Methods and Assumptions:**

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

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

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

**Assumed Asset Allocation:**

<b>Asset Class/Strategy</b>	<b>Low Range</b>	<b>High Range</b>	<b>OIC Target</b>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

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

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

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

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

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

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

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2022 and 2021 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**Changes Subsequent to the Measurement Date**

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

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

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

*Plan Description:*

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

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

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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

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

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

**Plan Description:**

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

**Funding Policy:**

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2023, the District reported a net OPEB liability (asset) of (\$539,507) for its proportionate share of the net OPEB asset. The OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability (asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2022 and 2021, the District's proportion was .015 percent and .016 percent, respectively. OPEB expense (income) for the year ended June 30, 2023 was \$9,549.

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**LEBANON, OREGON**

**For the Year Ended June 30, 2023**

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

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

Employer's proportionate share of collective system OPEB Expense/(Income)	\$	(80,776)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		74,960
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
		-
Employer's Total OPEB Expense/(Income)	\$	(5,816)

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

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

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

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

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

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at: <https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

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

**For the Year Ended June 30, 2023**

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

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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



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

**For the Year Ended June 30, 2023**

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

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

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

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

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

**Changes Subsequent to the Measurement Date**

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

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

**For the Year Ended June 30, 2023**

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

**Early Retirement (Stipends)**

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

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

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

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

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

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

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

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

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

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

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

**For the Year Ended June 30, 2023**

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

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

**Funding Policy**

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

**Net Other Post-employment Benefit Liability**

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

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

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	0
	1

**Actuarial Methods and Assumptions**

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

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

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

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

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

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

**For the Year Ended June 30, 2023**

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

Changes in the Net Other Post-employment Benefit Liability

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

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

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

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

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

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

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

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

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

**For the Year Ended June 30, 2023**

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

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

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

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

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

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

Future lease liability payments are as follows:

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

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

**For the Year Ended June 30, 2023**

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

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

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

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

**13. PROPERTY TAX LIMITATION**

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

**14. RISK MANAGEMENT**

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

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

**For the Year Ended June 30, 2023**

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**15. COMMITMENTS AND CONTINGENCIES**

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

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

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

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

Amounts were comprised of the following:

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

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

**17. TAX ABATEMENTS**

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

**18. PRIOR PERIOD ADJUSTMENT**

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**



LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

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

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

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

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

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

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

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

**LEBANON SCHOOL DISTRICT  
LEBANON, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2023

**PERS**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.23 %	\$ 35,937,444	\$ 26,324,755	136.5 %	84.5 %
2022	0.26	31,472,878	23,572,946	133.5	87.6
2021	0.26	55,989,795	21,834,903	256.4	75.8
2020	0.26	45,003,219	21,486,185	209.5	80.2
2019	0.27	41,328,208	19,595,401	210.9	82.1
2018	0.26	35,578,592	19,237,669	184.9	83.1
2017	0.28	41,360,281	17,568,345	235.4	80.5
2016	0.01	19,039,703	17,185,736	110.8	91.9
2015	0.36	(8,236,146)	N/A	N/A	103.6

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

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

**SCHEDULE OF CONTRIBUTIONS**

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 6,745,536	\$ 6,745,536	\$ -	\$ 25,181,852	26.8 %
2022	8,025,709	8,025,709	-	26,324,755	30.5
2021	8,051,779	8,051,779	-	23,572,946	34.2
2020	7,558,671	7,558,671	-	21,834,903	34.6
2019	6,452,727	6,452,727	-	21,486,185	30.0
2018	5,979,757	5,979,757	-	19,595,401	30.5
2017	4,963,690	4,963,690	-	19,237,669	25.8
2016	4,637,109	4,637,109	-	17,568,345	26.4
2015	3,344,918	3,344,918	-	17,185,736	19.5

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

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

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

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

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

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

**SCHEDULE OF CONTRIBUTIONS FOR RHIA**

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ N/A	\$ N/A	\$ N/A	\$ 25,181,852	N/A %
2022	N/A	N/A	N/A	26,324,755	N/A
2021	N/A	N/A	N/A	23,572,946	N/A
2020	N/A	N/A	N/A	21,834,903	N/A
2019	N/A	N/A	N/A	21,486,185	N/A
2018	N/A	N/A	N/A	19,595,401	N/A

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

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

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

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

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

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

(1) Appropriation Level

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

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

**SPECIAL REVENUE FUND**

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

(1) Appropriation Level

(2) Included in this amount is the state revenue match of \$15,997 for National School Lunch Program support.

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

**SUPPLEMENTARY INFORMATION**

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

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

**DEBT SERVICE - GO BONDS FUND**

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

(1) Appropriation Level

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

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

**CAPITAL PROJECTS - SEISMIC REHAB**

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

(1) Appropriation Level



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

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

	<b><u>ENTERPRISE FUND</u></b>			<b>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b><u>BUDGET</u></b>		<b><u>ACTUAL</u></b>	
	<b><u>ORIGINAL</u></b>	<b><u>FINAL</u></b>		
<b>EXPENDITURES:</b>				
Support Services	27,273	27,273 (1)	22,752	4,521
Facility Acquisition	767,727	767,727 (1)	-	767,727
<b>Total Expenditures</b>	<b>795,000</b>	<b>795,000</b>	<b>22,752</b>	<b>772,248</b>
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers in	450,000	450,000	450,000	-
Sale of Capital Assets	340,000	340,000	405,158	65,158
<b>Total Other Financing Sources, (Uses)</b>	<b>790,000</b>	<b>790,000</b>	<b>855,158</b>	<b>65,158</b>
<b>Net Change in Fund Balance</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>832,406</b>	<b>837,406</b>
<b>Beginning Fund Balance</b>	<b>5,000</b>	<b>5,000</b>	<b>798,009</b>	<b>793,009</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,630,415</b>	<b>\$ 1,630,415</b>

(1) Appropriation Level

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

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

**INSURANCE FUND**

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

(1) Appropriation Level

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

**OTHER INFORMATION**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

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

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

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

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

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

RECONCILIATION TO REVENUE:

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

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

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

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A. Energy bills for heating, fuel, water and sewage - all funds:		<u>Objects 325, 326 and 327</u>
	Function 2540	\$ 915,438
	Function 2550	-

B. Replacement of equipment - General Fund: All General Fund expenditures in Object 542:		<u>Object 542</u>
		\$ 82,007

These functions are Excluded:

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

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

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$12,071,233		\$4,056,143				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax		\$247,143					
1190 Penalties and Interest on Taxes	\$596						
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals	\$7,058						
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$604,566	\$43,354	\$13,268				
1600 Food Service		\$11,693					
1700 Extracurricular Activities		\$986,810					
1800 Community Services Activities							
1910 Rentals	\$2,178						
1920 Contributions and Donations From Private Sources		\$257,242					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$6,500						
1970 Services Provided Other Funds							
1980 Fees Charged to Grants	\$42,803						
1990 Miscellaneous	\$334,846	\$146,485	\$32,801				\$490
<b>Total Revenue from Local Sources</b>	<b>\$13,069,760</b>	<b>\$1,691,727</b>	<b>\$4,102,212</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$490</b>

Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$27,380						
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue	\$196,250	\$159,359					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
<b>Total Revenue from Intermediate Sources</b>	<b>\$223,630</b>	<b>\$159,359</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$33,301,010						
3102 State School Fund - School Lunch Match							
3103 Common School Fund	\$773,780						
3104 State Managed County Timber	\$332,920						
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$337,669	\$1,213,934					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid		\$6,179,062					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
<b>Total Revenue from State Sources</b>	<b>\$34,745,380</b>	<b>\$7,393,016</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government	\$77,546	\$42,533					
4500 Restricted Revenue From the Federal Government Through the State		\$5,425,098					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$132,246					
4801 Federal Forest Fees	\$160,194						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$218,594					
<b>Total Revenue from Federal Sources</b>	<b>\$237,739</b>	<b>\$5,818,472</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources			\$91,874				
5200 Interfund Transfers	\$0	\$1,872,845	-\$31,513		\$450,000		
5300 Sale of or Compensation for Loss of Fixed Assets	\$3,600				\$405,156		
5400 Resources - Beginning Fund Balance	\$6,109,409	\$5,763,388	\$512,698		\$798,009	\$240,782	\$2,879
<b>Total Revenue from Other Sources</b>	<b>\$6,112,009</b>	<b>\$7,636,233</b>	<b>\$572,858</b>	<b>\$0</b>	<b>\$1,653,167</b>	<b>\$240,782</b>	<b>\$2,879</b>

**Grand Total**    \$54,398,538.26    \$22,698,606    \$4,675,070    \$0    \$1,653,167    \$240,782    \$3,369

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

Fund: 100 General Fund

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$9,465,496	\$6,692,305	\$3,513,420	\$199,940	\$59,830			
1113	Elementary Extracurricular	\$11,700	\$8,500	\$3,200					
1121	Middle/Junior High Programs	\$3,705,849	\$2,201,312	\$1,409,806	\$70,742	\$23,989			
1122	Middle/Junior High School Extracurricular	\$46,731	\$35,304	\$11,427					
1131	High School Programs	\$5,309,253	\$3,158,707	\$1,854,024	\$217,585	\$74,919		\$4,018	
1132	High School Extracurricular	\$81,529	\$59,013	\$22,516					
1140	Pre-Kindergarten Programs	\$61,020			\$61,020				
1210	Programs for the Talented and Gifted	\$50,828	\$23,049	\$8,781	\$2,566	\$15,633			\$779
1220	Restrictive Programs for Students with Disabilities	\$2,467,209	\$1,318,509	\$1,049,639	\$91,992	\$7,069			
1250	Less Restrictive Programs for Students with Disabilities	\$3,061,161	\$1,596,485	\$1,193,211	\$256,674	\$14,791			\$0
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$34,012	\$17,551	\$16,461					
1280	Alternative Education	\$3,541,584	\$611,871	\$395,811	\$2,517,977	\$15,868			\$256
1291	English Second Language Programs	\$360,651	\$213,012	\$136,993	\$5,335	\$4,311			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$24,559			\$24,559				
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		<b>\$28,221,581</b>	<b>\$14,935,618</b>	<b>\$9,615,290</b>	<b>\$3,449,410</b>	<b>\$216,210</b>	<b>\$0</b>	<b>\$5,053</b>	<b>\$0</b>

<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	\$851,819	\$454,044	\$273,347	\$123,485	\$943			\$0
2120	Guidance Services	\$1,005,369	\$636,171	\$364,358	\$4,016	\$824			
2130	Health Services	\$376,403	\$200,010	\$148,261	\$22,755	\$4,921			\$455
2140	Psychological Services	\$268			\$258				
2150	Speech Pathology and Audiology Services	\$467,548	\$292,161	\$168,536	\$4,189	\$1,408			\$1,255
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$538,551	\$303,252	\$179,680	\$36,812	\$18,771			\$36
2210	Improvement of Instruction Services	\$442,465	\$206,984	\$100,783	\$45,518	\$88,231			\$950
2220	Educational Media Services	\$404,839	\$204,138	\$171,874	\$2,874	\$25,954			\$0
2230	Assessment & Testing	\$50,426			\$1,371	\$38,133			\$10,923
2240	Instructional Staff Development	\$122,392	\$20,403	\$7,307	\$74,012	\$1,093			\$19,568
2310	Board of Education Services	\$71,754			\$83,284	\$1,217			\$7,253
2320	Executive Administration Services	\$758,431	\$421,412	\$285,715	\$20,176	\$15,908			\$15,220
2410	Office of the Principal Services	\$3,392,620	\$2,050,560	\$1,196,521	\$48,605	\$75,877	\$15,173		\$6,083
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$857,885	\$515,644	\$284,594	\$28,798	\$22,833			\$5,816
2540	Operation and Maintenance of Plant Services	\$4,718,329	\$1,349,677	\$833,609	\$1,644,762	\$475,340	\$68,084		\$346,858
2550	Student Transportation Services	\$2,044,372	\$805,031	\$540,237	\$298,823	\$323,499			\$76,781
2570	Internal Services	\$23,422	\$13,546	\$7,132		\$2,744			
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630	Information Services	\$225,736	\$123,850	\$62,731	\$21,342	\$17,813			
2640	Staff Services	\$610,301	\$340,050	\$199,735	\$13,581	\$49,247			\$7,689
2650	Technology Services	\$725,930	\$261,233	\$132,683	\$97,232	\$226,982			\$7,800
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$5,374	\$4,000	\$1,374					
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$24,587		\$24,587					
<b>Total Support Services Expenditures</b>		<b>\$17,718,801</b>	<b>\$8,202,366</b>	<b>\$4,983,062</b>	<b>\$2,551,893</b>	<b>\$1,391,537</b>	<b>\$83,257</b>	<b>\$506,685</b>	<b>\$0</b>

<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	\$9,240	\$9,073	\$168					
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		<b>\$9,240</b>	<b>\$9,073</b>	<b>\$168</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	\$0							
5200	Transfers of Funds	\$2,291,332							\$2,291,332
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		<b>\$2,291,332</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,291,332</b>

**Grand Total** \$48,240,954 \$23,147,057 \$14,598,520 \$6,001,303 \$1,807,747 \$83,257 \$511,738 \$2,291,332



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

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$1,923,439	\$828,903	\$670,525	\$52,424	\$370,587			
1113	Elementary Extracurricular	\$46,873			\$4,114	\$42,588		\$171	
1121	Middle/Junior High Programs	\$319,109	\$62,267	\$28,257	\$118,783	\$108,802			
1122	Middle/Junior High School Extracurricular	\$97,895	\$43,623	\$11,649	\$21,223	\$19,171		\$1,830	
1131	High School Programs	\$661,476	\$218,481	\$145,434	\$26,276	\$105,988	\$84,113	\$1,184	
1132	High School Extracurricular	\$1,241,151	\$232,520	\$84,570	\$451,474	\$414,494	\$8,163	\$49,930	
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$22,785	\$16,200	\$6,108		\$477			
1250	Less Restrictive Programs for Students with Disabilities	\$900,801	\$524,461	\$366,392	\$9,601	\$348			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$29,777	\$2,580	\$995	\$798	\$24,397			
1272	Title I	\$1,185,127	\$685,796	\$479,799	\$2,613	\$16,919			
1280	Alternative Education	\$891,701	\$177,126	\$90,793	\$623,482	\$300			
1291	English Second Language Programs	\$169,300	\$94,805	\$57,389		\$17,108			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$577,831	\$268,480	\$94,021	\$186,880	\$28,450			
<b>Total Instruction Expenditures</b>		<b>\$7,995,064</b>	<b>\$3,156,449</b>	<b>\$2,035,931</b>	<b>\$1,497,669</b>	<b>\$1,149,926</b>	<b>\$92,276</b>	<b>\$53,114</b>	<b>\$0</b>
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$416,733	\$226,307	\$151,134	\$0	\$39,291			
2120	Cuidance Services	\$187,637	\$106,521	\$63,292	\$1,871	\$15,953			
2130	Health Services	\$9,867	\$6,113	\$1,074		\$2,780			
2140	Psychological Services	\$291,304	\$180,013	\$103,172	\$354	\$7,765			
2150	Speech Pathology and Audiology Services	\$2,202	\$1,600	\$602					
2160	Other Student Treatment Services	\$0							
2190	Service Director, Student Support Services	\$102,135	\$103,859	\$58,278	\$0				
2210	Improvement of Instruction Services	\$329,582	\$129,862	\$61,366	\$107,133	\$31,221			
2220	Educational Media Services	\$12,277	\$2,800	\$1,043		\$9,434			
2230	Assessment & Testing	\$12,113				\$12,113			
2240	Instructional Staff Development	\$132,389	\$42,737	\$15,537	\$63,375	\$740		\$10,000	
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$13,791	\$800	\$314	\$79	\$12,598			
2410	Office of the Principal Services	\$994,645	\$622,597	\$357,794		\$14,264			
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$59,017	\$2,400	\$928				\$52,689	
2540	Operation and Maintenance of Plant Services	\$51,020	\$10,800	\$4,268	\$21,529	\$14,423			
2550	Student Transportation Services	\$552,896	\$35,281	\$13,433	\$80,480		\$413,722		
2570	Internal Services	\$1,563				\$1,563			
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services Grant Writing and Statistical S	\$0							
2630	Information Services	\$551	\$400	\$151					
2640	Staff Services	\$202,047	\$67,238	\$11,942	\$68,444	\$54,424			
2660	Technology Services	\$418,540	\$1,200	\$452	\$37,094	\$186,453	\$189,114	\$2,228	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$75,071	\$33,456	\$28,465	\$13,130				
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$128,180	\$120,000	\$9,180					
<b>Total Support Services Expenditures</b>		<b>\$4,049,860</b>	<b>\$1,693,973</b>	<b>\$882,444</b>	<b>\$403,469</b>	<b>\$402,022</b>	<b>\$602,835</b>	<b>\$64,917</b>	<b>\$0</b>
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$2,626,114	\$790,209	\$601,910	\$19,488	\$1,047,140	\$141,878	\$25,489	
3200	Other Enterprise Services	\$0							
3300	Community Services	\$19,503	\$159	\$59	\$6,785	\$12,500			
3500	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		<b>\$2,645,617</b>	<b>\$790,368</b>	<b>\$601,969</b>	<b>\$26,273</b>	<b>\$1,059,640</b>	<b>\$141,878</b>	<b>\$25,489</b>	<b>\$0</b>
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$407,416					\$407,416		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>\$407,416</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$407,416</b>	<b>\$0</b>	<b>\$0</b>
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							\$0
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>		<b>\$15,087,757</b>	<b>\$5,640,789</b>	<b>\$3,520,343</b>	<b>\$1,927,411</b>	<b>\$2,611,288</b>	<b>\$1,244,406</b>	<b>\$143,520</b>	<b>\$0</b>

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

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1283	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2670	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3600	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	\$4,263,541						\$4,263,541	
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		\$4,263,541	\$0	\$0	\$0	\$0	\$0	\$4,263,541	\$0

<b>Grand Total</b>	\$4,263,541	\$0	\$0	\$0	\$0	\$0	\$0	\$4,263,541	\$0
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**DISTRICT AUDIT EXPENDITURE SUMMARY  
LEBANON COMMUNITY SCHOOL DISTRICT #9**

Fund: 400 Capital Projects Funds

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

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

**Fund: 500 Enterprise Funds**

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2193	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$22,752	\$16,171	\$6,581					
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		\$22,752	\$16,171	\$6,581	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction and Improvement Services	\$0			\$0		\$0		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>		\$22,752	\$16,171	\$6,581	\$0	\$0	\$0	\$0	\$0

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

Fund: 600 Internal Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2180	Service Director, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$8,270			\$8,270				
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Director of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2670	Internal Services	\$0							
2610	Director of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>		\$8,270	\$0	\$0	\$8,270	\$0	\$0	\$0	\$0

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Director	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS LAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Grand Total** \$8,270 \$0 \$0 \$8,270 \$0 \$0 \$0 \$0

**LEBANON COMMUNITY SCHOOL DISTRICT NO. 9**  
**LEBANON, OREGON**  
**SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT**  
**June 30, 2023**

**GENERAL OBLIGATION BONDS**

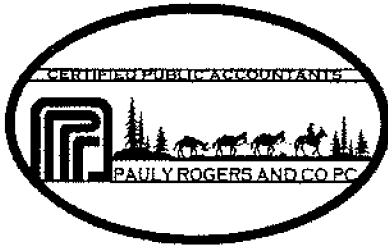
<u>YEAR Ending June 30</u>	G.O. Bonds - 2005 Issue		
	PRINCIPAL	INTEREST	TOTAL
2024	\$ -	\$ 636,162	\$ 636,162
2025	160,000	636,163	796,163
2026	1,635,000	628,962	2,263,962
2027	2,000,000	543,125	2,543,125
2028	2,260,000	433,125	2,693,125
2029	2,615,000	308,824	2,923,824
2030	3,000,000	165,000	3,165,000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

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

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

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

**REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS**



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

December 12, 2023

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

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

#### Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the Lebanon Community School District No. 9 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, for the year ended June 30, 2022, except for:

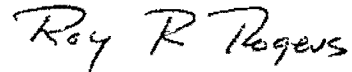
1. Expenditures were within authorized appropriations except as noted on page 17.



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

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

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



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

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

**GRANT COMPLIANCE REVIEW**

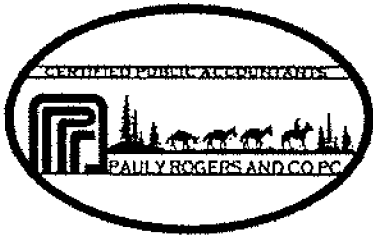
**Lebanon Community School District #9**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2023**

Grantor	Program Title	Fund #	Grant Period	AL Number	Pass through #	Grant Amount	2022-23 Revenue	2022-23 Expenditures	Passed through to Sub Recipients
<b>U.S. Department of Education:</b>									
Passed through Oregon State Department of Education:									
Title I-A									
	22-23 Grant	228	7/1/22 - 9/30/23	84 010	72547	\$ 1,119,542	\$ 896,164	\$ 896,164	\$ -
	21-22 Grant	228	7/1/21 - 8/30/22	84 010	67007	1,129,260	351,841	351,841	-
						<u>2,248,802</u>	<u>1,248,005</u>	<u>1,248,005</u>	<u>\$ -</u>
IDEA Part B Children w/ Disabilities									
	Section 611: 22-23	259	7/1/22 - 9/30/24	84 027	74059	\$ 829,026	\$ 829,026	\$ 829,026	\$ -
	Section 611: 21-22	259	7/1/21 - 9/30/23	84 027	68663	806,614	165,874	165,874	-
						<u>\$ 1,635,640</u>	<u>\$ 994,900</u>	<u>\$ 994,900</u>	<u>\$ -</u>
	Section 619: 22-23	257	7/1/22 - 9/30/24	84 173	74246	5,994	5,994	5,994	-
						<u>\$ 5,994</u>	<u>\$ 5,994</u>	<u>\$ 5,994</u>	<u>\$ -</u>
	<b>Total (IDEA Cluster)</b>					<u>1,641,634</u>	<u>1,000,894</u>	<u>1,000,894</u>	<u>-</u>
Title III English Language Acquisition									
	278		7/1/22 - 9/30/23	84 365	73102	\$ 12,098	\$ 11,567	\$ 11,567	\$ -
	278		7/1/21 - 9/30/22	84 365	67143	11,276	8,856	8,856	-
						<u>\$ 23,376</u>	<u>\$ 20,423</u>	<u>\$ 20,423</u>	<u>\$ -</u>
Title II-A Improving Teacher Quality:									
	271		7/1/22 - 9/30/23	84 367	72744	\$ 167,874	\$ 80,511	\$ 80,511	\$ -
	271		7/1/21 - 9/30/22	84 367	67440	182,664	49,417	49,417	-
						<u>\$ 350,538</u>	<u>\$ 129,928</u>	<u>\$ 129,928</u>	<u>\$ -</u>
Title IV-A Student Support and Academic Enrichment									
	228		7/1/22 - 9/30/23	84 424	72941	\$ 87,845	\$ 87,845	\$ 87,845	\$ -
						<u>\$ 87,845</u>	<u>\$ 87,845</u>	<u>\$ 87,845</u>	<u>\$ -</u>
COVID-19 - LEA ESSER II Fund									
	902		5/13/20 - 9/30/23	84 425	64615	\$ 3,721,625	\$ 383,674	\$ 383,674	\$ -
						<u>\$ 3,721,625</u>	<u>\$ 383,674</u>	<u>\$ 383,674</u>	<u>\$ -</u>
COVID-19 - LEA ESSER III Fund									
	503		5/13/20 - 9/30/24	84 425	64920	\$ 8,358,242	\$ 764,775	\$ 493,714	\$ 271,061
						<u>\$ 8,358,242</u>	<u>\$ 764,775</u>	<u>\$ 493,714</u>	<u>\$ 271,061</u>
COVID-19 - Homeless Children & Youth									
	907		5/13/20 - 9/30/24	84 425W	69363	\$ 62,786	\$ 13,630	\$ 13,630	\$ -
						<u>\$ 62,786</u>	<u>\$ 13,630</u>	<u>\$ 13,630</u>	<u>\$ -</u>
	<b>Total (ESSER)</b>					<u>\$ 12,142,653</u>	<u>\$ 1,162,079</u>	<u>\$ 891,018</u>	<u>\$ 271,061</u>
<b>Total Passed Through Oregon Department of Education</b>						<u>\$ 16,494,848</u>	<u>\$ 3,649,174</u>	<u>\$ 3,378,113</u>	<u>\$ 271,061</u>
Direct from the Federal Government									
	Emergency Connectivity	906	7/1/22 - 6/30/23	32 009	N/A	\$ -	\$ 42,533	\$ 42,533	\$ -
						<u>\$ -</u>	<u>\$ 42,533</u>	<u>\$ 42,533</u>	<u>\$ -</u>
Linn Benton Community College									
	Carl Perkins Grant	293	7/1/22 - 6/30/23	84 048	N/A	\$ 69,755	\$ 69,755	\$ 69,755	\$ -
						<u>\$ 69,755</u>	<u>\$ 69,755</u>	<u>\$ 69,755</u>	<u>\$ -</u>
Department of Human Services									
	Youth Transition Program	248	7/1/19 - 6/30/23	84 126a	160725	\$ 268,271	\$ 62,492	\$ 62,492	\$ -
						<u>\$ 268,271</u>	<u>\$ 62,492</u>	<u>\$ 62,492</u>	<u>\$ -</u>
US Department of Defense									
	JROTC	100-4300	7/1/22 - 6/30/23	12.000	N/A	\$ 77,546	\$ 77,546	\$ 77,546	\$ -
						<u>\$ 77,546</u>	<u>\$ 77,546</u>	<u>\$ 77,546</u>	<u>\$ -</u>
<b>U.S. Department of Agriculture:</b>									
Passed through Oregon State Department of Education									
	Fresh Fruit & Vegetables	297	7/1/22 - 6/30/23	10 582	N/A	\$ -	\$ 36,680	\$ 36,680	\$ -
	NSLP School Breakfast	299	7/1/22 - 6/30/23	10 553	N/A	-	509,008	509,008	-
	NSLP School Lunch	299	7/1/22 - 6/30/23	10 556	N/A	-	1,163,923	1,163,923	-
	Supply Chain Assistance	299	7/1/22 - 6/30/23	10 555	N/A	-	70,308	70,308	-
	Commodity NSLP	299	7/1/22 - 6/30/23	10 555	N/A	-	209,014	209,014	-
	Summer Food Program	299	7/1/22 - 6/30/23	10 559	N/A	-	71,812	71,812	-
	Commodity SFSP	299	7/1/22 - 6/30/23	10 559	N/A	-	9,580	9,580	-
	<b>Total</b>					<u>\$ -</u>	<u>\$ 2,070,325.00</u>	<u>\$ 2,070,325.00</u>	<u>\$ -</u>
	Child & Adult Care	299	7/1/22 - 6/30/23	10 558	N/A	-	2,789	2,789	-
	CACFP Cash in Lieu	299	7/1/22 - 6/30/23	10 558	N/A	-	208	208	-
						<u>\$ -</u>	<u>\$ 2,997</u>	<u>\$ 2,997</u>	<u>\$ -</u>
Direct Award									
	Federal Forest Fees	100-4801	7/1/22 - 6/30/23	10 666		\$ -	\$ 160,193	\$ 160,193	\$ -
						<u>\$ -</u>	<u>\$ 160,193</u>	<u>\$ 160,193</u>	<u>\$ -</u>
<b>Total U.S. Department of Agriculture</b>						<u>\$ -</u>	<u>\$ 2,233,515</u>	<u>\$ 2,233,515</u>	<u>\$ -</u>
<b>Total Federal Financial Assistance</b>						<u>\$ 16,910,420</u>	<u>\$ 6,135,015</u>	<u>\$ 5,863,954</u>	<u>\$ 271,061</u>

**RECONCILIATION TO REVENUE**  
Total From Above \$ 6,135,015  
Accruals/Deferrals 78,604  
\$ 6,056,211

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LINN COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



PAULY, ROGERS, AND Co., P.C.  
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December 12, 2023

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

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

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

**Report on Internal Control over Financial Reporting**

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

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

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

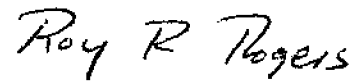
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Report on Compliance and Other Matters**

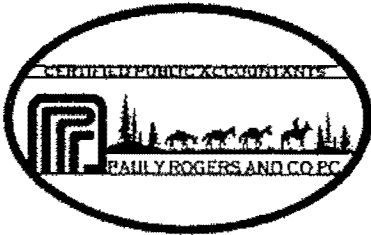
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

**Purpose of this Report**

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



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



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December 12, 2023

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

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

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

***Opinion on Each Major Federal Program***

We have audited Lebanon Community School District No. 9 (the District)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

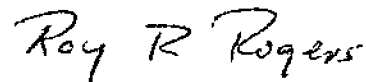
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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



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

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

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



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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9  
LEBANON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

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

**FINANCIAL STATEMENTS**

Type of auditors’ report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**FEDERAL AWARDS**

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Type of auditors’ report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2023

**IDENTIFICATION OF MAJOR PROGRAMS**

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

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

Auditee qualified as low-risk auditee?  yes  no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

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

None

**SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2023

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. **BASIS OF PRESENTATION**

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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