LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2024

CERTIFIED PUBLIC ACCOUNTANTS
PAULY ROGERS AND CO PC

12700 SW 72nd Ave.
Tigard, OR 97223

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

BOARD OF DIRECTORS 2023-24

Tom Oliver, Chair	June 30, 2025
Nichole Piland, Vice-Chair	June 30, 2025
Clyde Rood	June 30, 2027
Melissa Baurer	June 30, 2027
Aubree Molina	June 30, 2025

ADMINISTRATION

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

Board members receive mail at the District address listed below.

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

TABLE OF CONTENTS

******

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

TABLE OF CONTENTS (CONTINUED)

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

December 26, 2024

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, 2024, 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 the system 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 controls. 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 the District's system 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 system of 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 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 26, 2024 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 26, 2024, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Roy R Rogers

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

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, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS:			
Cash and Investments	$ 16,917,671	$ (259,537)	$ 16,658,134
Receivables:			
Accounts and Grants	5,215,895	-	5,215,895
Property Taxes	694,953	-	694,953
Inventory	31,180	1,418,747	1,449,927
Capital Assets - Nondepreciable	1,611,116	-	1,611,116
Capital Assets - Depreciable, Net of Depreciation	30,739,554	-	30,739,554
Right to Use Asset - Net of Amortization	79,693	-	79,693
Total Assets	**55,290,062**	**1,159,210**	**56,449,272**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Debt Refunding	1,089,801	-	1,089,801
OPEB Related Outflows - RHIA	8,234	-	8,234
Pension Related Outflows - PERS	19,881,877	-	19,881,877
Total Deferred Outflows	20,979,912	-	20,979,912
Total Assets and Deferred Outflows	76,269,974	1,159,210	77,429,184
LIABILITIES:			
Current Liabilities:			
Accounts Payable	929,829	2,019	931,848
Accrued Salaries and Benefits	3,566,131	-	3,566,131
Interest Payable	61,444	-	61,444
Long-Term Liabilities Due within one year	3,447,782	-	3,447,782
Lease Liability (Right-to-use Assets) Due within one year	61,019	-	61,019
Non Current Liabilities:			
Liability Due in more than one year	22,754,323	-	22,754,323
Bond Premium	875,443	-	875,443
Compensated Absences	190,284	-	190,284
Long-Term Lease Liability	19,379	-	19,379
Net Pension Liability - PERS	47,065,183	-	47,065,183
Net OPEB RHIA Liability	747,875	-	747,875
OPEB - Stipend	48,000	-	48,000
Total Liabilities	**79,766,692**	**2,019**	**79,768,711**
DEFERRED INFLOWS OF RESOURCES:			
OPEB Related Inflows - RHIA	118,544	-	118,544
Pension Related Inflows - PERS	5,327,170	-	5,327,170
Total Deferred Inflows	5,445,714	-	5,445,714
Total Liabilities and Deferred Inflows	85,212,406	2,019	85,214,425
NET POSITION:			
Net Investment in Capital Assets	6,362,218	-	6,362,218
Restricted for:			
Deferred Outflows Related to Debt Refunding	1,089,801	-	1,089,801
Grants, Food Service & Student Activities	7,720,692	-	7,720,692
Debt Service	499,901	-	499,901
Unrestricted	(24,615,044)	1,157,191	(23,457,853)
Total Net Position	**$ (8,942,432)**	**$ 1,157,191**	**$ (7,785,241)**

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, 2024

Functions/Programs	Expenditures	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Totals
Governmental Activities:						
Instruction	$ 40,784,265	$ -	$ 9,353,324	$ (31,430,941)	$ -	$ (31,430,941)
Support Services	26,253,064	1,823	5,101,319	(21,149,922)	-	(21,149,922)
Community Services	3,176,882	19,698	4,246,015	1,088,831	-	1,088,831
Interest on Long-Term Debt	1,103,688	-	-	(1,103,688)	-	(1,103,688)
Interest on Lease Liability	640	-	-	(640)	-	(640)
Total Governmental Activities	**$ 71,318,539**	**$ 21,521**	**$ 18,700,658**	**(52,596,360)**	**-**	**(52,596,360)**
Business-Type activities						
House construction	$ -	$ -	$ -	-	-	-
GENERAL REVENUES:						
Property Taxes, Levied for Operations				12,831,185	-	12,831,185
Property Taxes, Levied for Debt Service				4,239,324	-	4,239,324
State Sources				36,162,316	-	36,162,316
Other Local Sources				1,857,988	-	1,857,988
Other Intermediate Sources				332,174	-	332,174
Investment Earnings				1,076,708	-	1,076,708
Debt Subsidy Rebate				92,168	-	92,168
Total General Revenues				56,591,863	-	56,591,863
Gain (Loss) on Disposal of Assets				2,000	-	2,000
Changes in Net Position				3,997,503	-	3,997,503
Net Position - Beginning				(12,939,935)	1,157,191	(11,782,744)
Net Position - Ending				**$ (8,942,432)**	**$ 1,157,191**	**$ (7,785,241)**

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	DEBT SERVICE GO BOND FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and Investments	$ 12,566,590	$ 3,674,189	$ 484,021	$ 16,724,800
Inventory	-	31,180	-	31,180
Receivables				
Accounts and Grants	107,102	116,859	-	223,961
Property Taxes	519,665	-	175,288	694,953
Intergovernmental Accounts	482,390	4,509,544	-	4,991,934
Total Assets	**$ 13,675,747**	**$ 8,331,772**	**$ 659,309**	**$ 22,666,828**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 349,929	$ 579,900	$ -	$ 929,829
Accrued Salaries and Benefits	3,566,131	-	-	3,566,131
Total Liabilities	**3,916,060**	**579,900**	**-**	**4,495,960**
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	472,521	-	159,408	631,929
Total Deferred Inflows of Resources	**472,521**	**-**	**159,408**	**631,929**
Fund Balances:				
Non-spendable	-	31,180	-	31,180
Restricted for:				
Grants, Food Service & Student Activities	-	7,720,692	-	7,720,692
Debt Service	-	-	499,901	499,901
Unassigned	9,287,166	-	-	9,287,166
Total Fund Balances	9,287,166	7,751,872	499,901	17,538,939
Total Liabilites, Deferred Inflows of Resources and Fund Balances	**$ 13,675,747**	**$ 8,331,772**	**$ 659,309**	**$ 22,666,828**

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, 2024

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		$ 17,538,939
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	$ 106,057,927	
Accumulated Depreciation	(73,707,257)	32,350,670
Deferred outflows of resources for debt refunding charges are not reported in the governmental funds		1,089,801
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	(47,065,183)	
OPEB Liability - Stipend	(48,000)	
OPEB Liability - RHIA	(747,875)	(47,861,058)
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	(5,327,170)	
Deferred Inflows - RHIA	(118,544)	
Deferred Outflows - RHIA	8,234	
Deferred Outflows - PERS	19,881,877	14,444,397
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	(61,444)	
Bond Premium	(875,443)	
Compensated Absences	(190,284)	
Financed Purchase Obligations Payable	(752,105)	
General Obligation Bonds Payable	(25,450,000)	(27,329,276)
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.		192,871
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	472,521	
Debt Service Fund	159,408	631,929
Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.		
Lease Right-to-use asset, Net		79,693
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		(80,398)
TOTAL NET POSITION		$ (8,942,432)

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, 2024

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local Sources	$ 14,684,484	$ 1,598,429	$ 4,170,074	$ 20,452,987
Intermediate Sources	322,340	9,834	-	332,174
State Sources	36,546,290	5,754,748	-	42,301,038
Federal Sources	223,867	11,865,066	-	12,088,933
Total Revenues	51,776,981	19,228,077	4,170,074	75,175,132
EXPENDITURES:				
Current:				
Instruction	28,314,946	8,585,481	-	36,900,427
Support Services	18,269,127	5,012,699	-	23,281,826
Community Services	18,418	2,803,175	-	2,821,593
Facilities Acquisition	-	5,285,392	-	5,285,392
Debt Service	-	-	4,373,871	4,373,871
Total Expenditures	46,602,491	21,686,747	4,373,871	72,663,109
Revenues Over (Under) Expenditures	5,174,490	(2,458,670)	(203,797)	2,512,023
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	-	92,168	92,168
Transfer In	-	1,836,908	200,000	2,036,908
Transfer Out	(2,036,908)	-	-	(2,036,908)
Lease Purchase Receipts	-	762,584	-	762,584
Proceeds From Sale of Assets	2,000	-	-	2,000
Total Other Financing Sources (Uses)	(2,034,908)	2,599,492	292,168	856,752
Net Change in Fund Balance	3,139,582	140,822	88,371	3,368,775
Beginning Fund Balance	6,147,584	7,611,050	411,530	14,170,164
Ending Fund Balance	$ 9,287,166	$ 7,751,872	$ 499,901	$ 17,538,939

See accompanying notes to the basic financial statements.

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, 2024

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS		$ 3,368,775
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 depreciation expense exceeds capital outlays in the current period.		
Expenditures for capital assets	$ 1,180,824	
Less current year depreciation	(1,528,606)	(347,782)
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.		(120,321)
The OPEB - RHIA Income (Expense) represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.		(1,445,713)
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.		(2,357)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.		
Bonds Payments	3,150,000	
Issuance of Financed Purchase Obligations	(795,484)	
Financed Purchase Obligation Payments	43,379	
Premium Amortization	145,908	2,543,803
Change in net OPEB liability		
Health Insurance Subsidy	80,717	
Stipend	108,000	188,717
Governmental funds expend the costs of debt refunding. These costs are reported as deferred outflows of resounces that are amortized in the Statement of Activities.		(181,634)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(12,344)
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.		(39,641)
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		
Change in General Fund	36,563	
Change in Debt Service Fund	9,298	45,861
Payment on Lease Liability for right to use assets decreases liabilities in the Statement of Net Position.		
Payment on Lease Liability		57,590
Amortization Expense for right to use assets increases the expenses on the Statement of Activities.		
Amortization Expense		(57,451)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 3,997,503

See accompanying notes to the basic financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2024

PROPRIETARY FUNDS

	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ (259,537)	$ 192,871
Work in Process	1,418,747	-
TOTAL ASSETS	1,159,210	192,871
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,019	-
TOTAL LIABILITIES	2,019	-
NET POSITION		
Unrestricted	1,157,191	192,871
TOTAL NET POSITION	$ 1,157,191	$ 192,871

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

PROPRIETARY FUNDS

	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
OPERATING EXPENSES		
Support services	$ -	$ 39,641
TOTAL OPERATING EXPENSES	-	39,641
CHANGE IN NET POSITION	-	(39,641)
NET POSITION - BEGINNING	1,157,191	232,512
NET POSITION - ENDING	$ 1,157,191	$ 192,871

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

PROPRIETARY FUNDS

	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received for services	$ 407,799	$ -
Payments for goods and services	(472,612)	(39,641)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(64,813)	(39,641)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(64,813)	(39,641)
CASH AND CASH EQUIVALENTS, BEGINNING	(194,724)	232,512
CASH AND CASH EQUIVALENTS, ENDING	$ (259,537)	$ 192,871
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ -	$ (39,641)
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	(401,371)	-
Increase (decrease) in Accounts Payable	(71,241)	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (64,813)	$ (39,641)

See accompanying notes to the basic financial statements

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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.

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.

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.

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, 2024, 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 two years. 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.

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:

Assets	Years
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, 2024, 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, 2024, 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, 2024, there also were deferred inflows representing PERS pension related deferrals, and OPEB-RHIA related deferrals in the Statement of Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-to-use lease Assets

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

Leases Payable

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

Retirement Plans

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

Net Position

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

Net investment in capital assets – consists of all capital assets, and lease right-to-use assets, net of accumulated depreciation, amortization, 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.

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, 2024.

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.

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, 2024, except for Special Revenue Fund – Support Services, which was overexpended by $445,963.

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.

4. CASH AND INVESTMENTS

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

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

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

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:		
Demand Deposits	$	3,353,568
Enterprise Fund Deposits		(259,537)
Investments		13,564,103
Total Cash and investments	$	16,658,134

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statues 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, 2024 was $3,323,596, 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, 2024. 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.***

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, 2024, the fair value of the position in the ***LGIP is 100.39%*** 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
If the link has expired please contact the Oregon Short Term Fund directly.

At year-end, investment balances were as follows:

		Investment Maturities (In Months)		
Investment Type	Fair Value	Less Than 3	3-18	18-59
State Treasurer's Local Government Investment Pool	$ 731,973	$ 731,973	$ -	$ -
Other Investments	12,832,130	2,979,190	9,852,940	-
Total	$ 13,564,103	$ 3,711,163	$ 9,852,940	$ -

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, 2024, 5.40% of total investments were in the State Treasurer's Investment Pool, 50.55% of investments were in U.S Treasury Securities, and 44.05% of investments were in U.S Government Bonds. State statutes do not limit the percentage of investments in these instruments. 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, 2024, 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.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

Governmental Activities:	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets Not being Depreciated:				
Land	$ 1,411,570	$ -	$ -	$ 1,411,570
Construction in Progress	-	199,546	-	199,546
Total Capital Assets Not Being Depreciated	1,411,570	199,546	-	1,611,116
Capital Assets Being Depreciated:				
Land Improvements	5,000	-	-	5,000
Buildings and Improvements	94,580,027	7,198	-	94,587,225
Machinery and Equipment	9,478,450	974,080	(597,944)	9,854,586
Total Capital Assets Being Depreciated	104,063,477	981,278	(597,944)	104,446,811
Accumulated Depreciation:				
Land Improvements	472	333	-	805
Buildings and Improvments	66,239,482	1,016,323	-	67,255,805
Machinery and Equipment	6,536,641	511,950	(597,944)	6,450,647
Total Accumulated Depreciation	72,776,595	1,528,606	(597,944)	73,707,257
Governmental Activities				
Capital Assets, Net	$ 32,698,452			$ 32,350,670

Deletions represent the disposal of twelve vehicles during the current year.

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

Governmental Activities		
Instruction	$	906,250
Support Services		553,059
Community Services		69,297
Total Depreciation Expense		
Governmental Activities	$	1,528,606

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.

Santander – Bus Loans

The District purchased Blue Bird Buses in the amount of $795,484 during fiscal year 2023-24. Interest rates are 6.17% fixed and are pledged as collateral. In the event of default on the bank loan, the obligation contains a remedy clause. If the District is unable to make payments, the lender may declare the entire unpaid principal and unpaid accrued interest immediately due. The Special Revenue Fund is used to liquidate the related debt.

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

	Interest Rates	Original Issue	Outstanding July 1, 2023	Issued	Matured and Redeemed	Outstanding June 30, 2024	Due within one year
Bonds Payable:							
GO Bond 2005	3-5%	$ 19,515,000	$ 11,670,000	$ -	$ -	$ 11,670,000	$ 160,000
GO Bond 2019	4-5%	18,790,000	15,035,000	-	(3,150,000)	11,885,000	3,160,000
QSCB 2011	5.13%	1,895,000	1,895,000	-	-	1,895,000	-
Total			28,600,000	-	(3,150,000)	25,450,000	3,320,000
Financed Purchases:							
Santander Bus Purchases		876,120	-	795,484	(43,379)	752,105	127,782
Total			-	795,484	(43,379)	752,105	127,782
Premium Related to Bond							
Premium 2005		2,013,612	1,021,351	-	(145,908)	875,443	-
Total Long-Term Liabilities			$ 29,621,351	$ 795,484	$ (3,339,287)	$ 27,077,548	$ 3,447,782
Deferred Outflow on Debt Refunding							
Defeased GO Bond 2011			$ 1,271,435	-	(181,634)	$ 1,089,801	$ -
Total Deferred Outflow			$ 1,271,435	$ -	$ (181,634)	$ 1,089,801	$ -

7. LONG-TERM OBLIGATIONS (CONTINUED)

Future maturities of long term obligations are as follows:

Fiscal Year Ending Ending June 30,	GO Bonds Principal	Interest
2025	$ 3,320,000	$ 933,519
2026	3,510,000	852,786
2027	3,760,000	720,505
2028	4,025,000	566,171
2029	4,315,000	396,704
2030-2034	4,625,000	208,696
	$ 23,555,000	$ 3,678,381

Fiscal Year Ending Ending June 30,	Financed Purchases Principal	Interest
2025	$ 127,782	$ 18,822
2026	111,699	34,905
2027	99,827	29,204
2028	105,361	23,670
2029	111,203	17,828
2030-2034	117,271	11,760
	$ 673,143	$ 136,189

Fiscal Year Ending Ending June 30,	QSCB Principal	Interest
2025	$ -	$ 97,214
2026	1,895,000	97,213
	$ 1,895,000	$ 194,427

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/ACFR/2023-ACFR.pdf

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

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

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

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

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

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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, 2021 actuarial valuation, which became effective July 1, 2023. 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, 2024 were $9,003,966, excluding amounts to fund employer specific liabilities.

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2024, the District reported a net pension liability of $47,065,183 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. 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, 2023 and 2022, the District's proportion was 0.25 percent and 0.23 percent, respectively. Pension expense for the year ended June 30, 2024 was $120,321.

The rates in effect for the year ended June 30, 2024 were:
(1) Tier 1/Tier 2 – 27.87%
(2) OPSRP general services – 25.03%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 2,301,631	$ 186,618
Changes in assumptions	4,180,993	31,174
Net difference between projected and actual earnings on pension plan investments	845,954	-
Net changes in proportionate share	2,520,480	3,201,381
Differences between District contributions and proportionate share of contributions	1,028,853	1,907,997
Subtotal - Amortized Deferrals (below)	10,877,911	5,327,170
District contributions subsequent to measurement date	9,003,966	-
Deferred outflow (inflow) of resources	$ 19,881,877	$ 5,327,170

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, 2025.

Subtotal amounts related to pension as deferred outflows of resources $10,877,911, and deferred inflows of resources, ($5,327,170), net to $5,550,741 and will be recognized in pension income as follows:

Year ending June 30,	Amount
2025	$ 636,075
2026	(1,501,501)
2027	4,377,233
2028	1,677,223
2029	361,711
Thereafter	-
Total	$ 5,550,741

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, 2024. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, 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, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
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 *Moro* decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
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, 2023 PERS ACFR; p. 125)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund of Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Assumed Inflation - Mean		*2.35%*

(Source: June 30, 2023 PERS ACFR; p. 92)

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, 2023 and 2022 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)	$ 77,742,821	$ 47,065,183	$ 21,391,252

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, 2023, 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.

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, 2024.

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

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, 2024. 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, 2024, the District reported a net OPEB asset of $587,528 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2023 and 2022, the District's proportion was 0.20 percent and 0.15 percent, respectively. OPEB expense for the year ended June 30, 2024 was $1,445,713.

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(86,559)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		40,889
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)		-
Employer's Total OPEB Expense/(Income)	$	(45,670)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources		Deferred Inflow of Resources	
Difference between expected and actual experience	$	-	$	18,776
Changes in assumptions		-		8,064
Net difference between projected and actual earnings on pension plan investments		2,121		-
Net changes in proportionate share		6,113		91,704
Differences between District contributions and proportionate share of contributions		-		-
Subtotal - Amortized Deferrals (below)		8,234		118,544
District contributions subsequent to measuring date		N/A		N/A
Deferred outflow (inflow) of resources	$	8,234	$	118,544

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, 2025.

Subtotal amounts related to OPEB as deferred outflows of resources, $8,234, and deferred inflows of resources, ($118,544), net to ($110,310) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount	
2025	$	(98,575)
2026		(49,286)
2027		27,639
2028		9,912
2029		-
Thereafter		-
Total	$	(110,310)

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, 2023. That independently audited report was dated February 2, 2024 and can be found at:
https://www.oregon.gov/pers/emp/Documents/GASB/2023/Oregon%20Public%20Employees%20Retirement%20System%20-%20GASB%2075%20RHIA%20-%20YE%206.30.2023%20-%20SECURED.pdf

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
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, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Assumed Inflation - Mean		*2.35%*

(Source: June 30, 2023 PERS ACFR; p. 92)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	$ (679,820)	$ (747,875)	$ (806,266)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

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, 2024 to be paid out by June 30, 2025. At June 30, 2024, there was a total potential OPEB liability for the Early Retirement Stipend of $48,000 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).

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	4.21% from the S&P Municipal Bond 20 year High-Grade Rate Index as of June 30, 2024
Medical premium annual trend rate	7.4% in FY23-24, steadily decreasing each year to 4.5% in FY37-38, 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 ion 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 4.21%, based on all years discounted at the municipal bond rate.

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 4.13% to 4.21%. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

	Liability
Total OPEB Liability Balance 6/30/2023	$ 80,717
Changes for the Year:	
Service Cost	-
Interest	1,633
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of Assumptions or other input	-
Benefit payments	(82,350)
Net Change in total OPEB Liability	(80,717)
Total OPEB Liability Balance 6/30/2024	$ -

For the year ended June 30, 2024, the District recognized Other Post-employment Benefit income of $80,717. At June 30, 2024, the District reported no deferred outflows or inflows of resources related to Other Post-employment benefits.

11. LEASE LIABILITY (RIGHT TO USE ASSETS)

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 24 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 $37,113. As of 06/30/2024, the value of the lease liability is $3,099. 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 06/30/2024 of $21,649 with accumulated amortization of $18,556 is included with Buildings on the Lease Class activities table found below.

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 06/30/2024, the value of the lease liability is $77,299. 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 06/30/2024 of $248,953 with accumulated amortization of $172,353 is included with Equipment on the Lease Class activities table found below.

Total lease liability for the year ended June 30, 2024 was as follows:

	Outstanding 7/1/2023	Adjustments	Matured and Redeemed	Outstanding 6/30/2024	Due Within One Year
Equipment	$ 134,895	$ -	$ 57,596	$ 77,299	$ 57,920
Buildings	-	21,667	18,568	3,099	3,099
Total	$ 134,895	$ 21,667	$ 76,164	$ 80,398	$ 61,019

Future lease liability payments are as follows:

Year Ended June 30,	Principal	Interest
2025	$ 61,019	$ 285
2026	19,379	23
	$ 80,398	$ 308

12. RIGHT-TO-USE LEASE ASSET

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

Total right-to-use asset activity for the year ended June 30, 2024 was as follows:

	Balance 7/1/2023	Adjustments	Additions	(Deletions)	Balance 6/30/2024
Right-to-Use Asset					
Equipment	$ 248,953	$ -	$ -	$ -	$ 248,953
Buildings	18,579	21,649		(18,579)	21,649
Total	267,532	21,649	-	(18,579)	270,602
Accumulated Amortization					
Equipment	114,902	-	57,451	-	172,353
Buildings	18,579	18,556	-	(18,579)	18,556
Total	133,481	18,556	57,451	(18,579)	190,909
Net Right-to-Use Assets	$ 134,051				$ 79,693

Adjustments represent the renewal of the Modern Building Systems lease.

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.

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	$ 2,036,908	$ -
Special Revenue Fund	-	1,836,908
Debt Service Fund	-	200,000
	$ 2,036,908	$ 2,036,908

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, 2024, 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, 2024 is deemed by management to be immaterial.

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, 2024

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

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 Paytments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2024	$ 80,717	$ -	$ 1,633	$ -	$ -	$ -	$ (82,350)	$ -	$ N/A	N/A
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 illustratee 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.

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

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
2024	0.25 %	$ 47,065,183	$ 25,181,852	186.9 %	81.7 %
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 measurement date of 6/30 for each year presented.

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2024	$ 9,003,966	$ 9,003,966	$ -	$ 28,499,284	31.6 %
2023	8,354,276	8,354,276	-	25,181,852	33.2
2022	8,025,709	8,025,709	-	26,324,755	30.5
2021	8,051,779	8,051,779	-	23,572,946	34.2
2020	7,558,671	7,558,671	-	21,834,903	34.6
2019	6,452,727	6,452,727	-	21,486,185	30.0
2018	5,979,757	5,979,757	-	19,595,401	30.5
2017	4,963,690	4,963,690	-	19,237,669	25.8
2016	4,637,109	4,637,109	-	17,568,345	26.4
2015	3,344,918	3,344,918	-	17,185,736	19.5

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

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

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)
2024	0.20420 %	$ 747,875	$ 25,181,852	2.97 %	201.6 %
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 Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2024	$ N/A	$ N/A	$ N/A	$ 28,499,284	N/A %
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. 41).

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, 2024

GENERAL FUND

	BUDGET				VARIANCE TO FINAL BUDGET POSITIVE
	ORIGINAL	FINAL		ACTUAL	(NEGATIVE)
REVENUES:					
Local Sources	$ 13,554,740	$ 13,554,740		$ 14,684,484	$ 1,129,744
Intermediate Sources	235,000	235,000		322,340	87,340
State Sources	36,541,402	36,541,402		36,546,290	4,888
Federal Sources	180,000	180,000		223,867	43,867
Total Revenue	50,511,142	50,511,142		51,776,981	1,265,839
EXPENDITURES:					
Instruction	29,669,816	29,419,816	(1)	28,314,946	1,104,870
Support Services	18,040,795	18,290,795	(1)	18,269,127	21,668
Community Services	40,587	40,587	(1)	18,418	22,169
Operating Contingencies	100,000	100,000	(1)	-	100,000
Total Expenditures	47,851,198	47,851,198		46,602,491	1,248,707
Revenues Over (Under) Expenditures	2,659,944	2,659,944		5,174,490	2,514,546
OTHER FINANCING SOURCES, (USES)					
Transfers Out	(2,184,000)	(2,184,000)	(1)	(2,036,908)	147,092
Proceeds From Sale of Assets	2,000	2,000		2,000	-
Total Other Financing Sources, (Uses)	(2,182,000)	(2,182,000)		(2,034,908)	147,092
Net Change in Fund Balance	477,944	477,944		3,139,582	2,661,638
Beginning Fund Balance	5,400,000	5,400,000		6,147,584	747,584
Ending Fund Balance	$ 5,877,944	$ 5,877,944		$ 9,287,166	$ 3,409,222

(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, 2024

SPECIAL REVENUE FUND

	BUDGET					VARIANCE TO FINAL BUDGET POSITIVE
	ORIGINAL	FINAL		ACTUAL		(NEGATIVE)
REVENUES:						
Local Sources	$ 1,441,681	$ 1,441,681		$ 1,598,429		$ 156,748
Intermediate Sources	156,983	156,983		9,834		(147,149)
State Sources	4,409,167	4,622,864		5,754,748		1,131,884
Federal Sources	12,896,344	12,896,344		11,865,066		(1,031,278)
Total Revenue	18,904,175	19,117,872		19,228,077		110,205
EXPENDITURES:						
Instruction	8,599,283	8,599,283	(1)	8,585,481		13,802
Support Services	4,566,736	4,566,736	(1)	5,012,699		(445,963)
Community Services	3,487,077	3,487,077	(1)	2,803,175		683,902
Facilities Acquisition	7,167,000	7,167,000	(1)	5,285,392		1,881,608
Total Expenditures	23,820,096	23,820,096		21,686,747		2,133,349
Revenues Over (Under) Expenditures	(4,915,921)	(4,702,224)		(2,458,670)		2,243,554
OTHER FINANCING SOURCES, (USES)						
Transfers In	1,784,000	1,784,000		1,836,908	(2)	52,908
Lease Purchase Receipts	-	-		762,584		762,584
Total Other Financing Sources, (Uses)	1,784,000	1,784,000		2,599,492		815,492
Net Change in Fund Balance	(3,131,921)	(2,918,224)		140,822		3,059,046
Beginning Fund Balance	6,000,972	6,000,972		7,611,050		1,610,078
Ending Fund Balance	$ 2,869,051	$ 3,082,748		$ 7,751,872		$ 4,669,124

(1) Appropriation Level
(2) Included in this amount is the state revenue match of $18,450 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, 2024

DEBT SERVICE - GO BONDS FUND

	BUDGET			VARIANCE TO FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES:				
Local Sources	$ 4,300,000	$ 4,300,000	$ 4,170,074	$ (129,926)
Total Revenues	4,300,000	4,300,000	4,170,074	(129,926)
EXPENDITURES:				
Debt Service	4,373,879	4,373,879 (1)	4,373,871	8
Total Expenditures	4,373,879	4,373,879	4,373,871	8
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	-	-	92,168	92,168
Transfers In	200,000	200,000	200,000	-
Total Other Financing Sources, (Uses)	200,000	200,000	292,168	92,168
Net Change in Fund Balance	126,121	126,121	88,371	(37,750)
Beginning Fund Balance	481,513	481,513	411,530	(69,983)
Ending Fund Balance	$ 607,634	$ 607,634	$ 499,901	$ (107,733)

(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, 2024

ENTERPRISE FUND

	BUDGET			VARIANCE TO FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
EXPENDITURES:				
Support Services	23,563	23,563 (1)	-	23,563
Facility Acquisition	400,000	767,727 (1)	-	767,727
Total Expenditures	423,563	791,290	-	791,290
OTHER FINANCING SOURCES, (USES)				
Transfers In	200,000	200,000	-	(200,000)
Sale of Capital Assets	375,000	375,000	-	(375,000)
Total Other Financing Sources, (Uses)	575,000	575,000	-	(375,000)
Net Change in Fund Balance	151,437	151,437	-	(151,437)
Beginning Fund Balance	195,000	195,000	1,157,191	962,191
Ending Fund Balance	$ 346,437	$ 346,437	$ 1,157,191	$ 810,754

(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, 2024

INSURANCE FUND

	BUDGET			VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
EXPENDITURES:				
Support Services	$ 130,000	$ 130,000 (1)	$ 39,641	$ 90,359
Total Expenditures	130,000	130,000	39,641	90,359
Net Change in Fund Balance	(130,000)	(130,000)	(39,641)	90,359
Beginning Fund Balance	230,000	230,000	232,512	2,512
Ending Fund Balance	$ 100,000	$ 100,000	$ 192,871	$ 92,871

(1) Appropriation Level

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2024

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2023	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2024
GENERAL FUND:						
Current:						
2023-24	$ 13,203,136	$ 350,280	$ (9,582)	$ 3,883	$ 12,577,817	$ 269,340
Prior Years:						
2022-23	253,236	(101)	(15,918)	7,965	117,693	127,691
2021-22	111,986	(16)	(13,986)	7,251	37,457	67,810
2020-21	64,972	(2)	(9,905)	9,368	35,308	29,129
2019-20	26,276	(3)	(6,173)	5,810	18,041	7,875
Prior Years:	21,489	-	(2,477)	1,971	3,163	17,820
Total Prior	477,959	(122)	(48,459)	32,365	211,662	250,325
Total General Fund	$ 13,681,095	$ 350,158	$ (58,041)	$ 36,248	$ 12,789,479	$ 519,665

RECONCILIATION TO REVENUE:	GENERAL FUND
Cash Collections by County Treasurer Above	$ 12,789,479
Accrued at June 30, 2023	(42,001)
Accrued at June 30, 2024	47,144
Changes from Prior year Unavailable Revenue, see page 6	36,563
Total Revenue	$ 12,831,185

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2024

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/23	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 06/30/24
DEBT SERVICE FUND:						
Current:						
2023-24	$ 4,362,596	$ 115,740	$ (3,165)	$ 1,283	$ 4,155,978	$ 88,996
Prior Years:						
2022-23	85,023	(34)	(5,345)	2,674	39,515	42,871
2021-22	38,686	(5)	(4,831)	2,505	12,940	23,425
2020-21	22,720	(1)	(3,464)	3,276	12,347	10,186
2019-20	9,524	(1)	(2,238)	2,106	6,539	2,854
Prior Years:	8,565	-	(1,143)	769	1,235	6,956
Total Prior	164,518	(41)	(17,021)	11,330	72,576	86,292
Total Debt Service Fund	$ 4,527,114	$ 115,699	$ (20,186)	$ 12,613	$ 4,228,554	$ 175,288

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	$ 4,228,554
Accrued at June 30, 2023	(14,408)
Accrued at June 30, 2024	15,880
Changes from Prior year Unavailable Revenue, see page 6	9,298
Total Revenue	$ 4,239,324

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

OTHER INFORMATION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

OTHER INFORMATION
As Required by The Oregon Department of Education
For the Year Ended June 30, 2024

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

		Objects 325, 326 and 327
Function 2540	$	940,387
Function 2550		-

B. Replacement of equipment - General Fund:
All General Fund expenditures in Object 542:

	Object 542
$	28,409

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	$ (12,793,354)	$ -	$ (4,230,027)	$ -	$ -	$ -	$ -
1130 Construction Excise Tax	-	(338,040)	-	-	-	-	-
1190 Penalties and Interest on Taxes	(1,268)	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	(8,920)	-	-	-	-	-	-
1500 Earnings on Investments	(1,007,729)	(69,458)	(11,865)	-	-	-	-
1600 Food Service	-	(10,778)	-	-	-	-	-
1700 Extracurricular Activities	-	(764,787)	-	-	-	-	-
1910 Rentals	(1,823)	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	-	(86,929)	-	-	-	-	-
1980 Fees Charged to Grants	(386,074)	-	-	-	-	-	-
1990 Miscellaneous	(485,316)	(328,437)	71,818	-	-	-	(62)
Total Revenue from Local Sources	**$ (14,684,484)**	**$ (1,598,429)**	**$ (4,170,074)**	**$ -**	**$ -**	**$ -**	**$ (62)**

Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	$ (30,502)	$ -	$ -	$ -	$ -	$ -	$ -
2200 Restricted Revenue	(291,838)	(9,834)	-	-	-	-	-
Total Revenue from Intermediate Sources	**$ (322,340)**	**$ (9,834)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	$ (35,615,581)	$ -	$ -	$ -	$ -	$ -	$ -
3103 Common School Fund	(546,735)	-	-	-	-	-	-
3104 State Managed County Timber	(97,119)	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	(286,855)	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	(5,754,748)	-	-	-	-	-
Total Revenue from State Sources	**$ (36,546,290)**	**$ (5,754,748)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4300 Restricted Revenue From the Federal Government	(80,809)	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	(11,571,819)	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	(132,881)	-	-	-	-	-
4801 Federal Forest Fees	(143,058)	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	(160,366)	-	-	-	-	-
Total Revenue from Federal Sources	**$ (223,867)**	**$ (11,865,066)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	$ -	$ (762,584)	$ (92,168)	$ -	$ -	$ -	$ -
5200 Interfund Transfers	-	(1,836,908)	(200,000)	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	(2,000)	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	(6,147,584)	(7,611,050)	(411,530)	-	(1,157,191)	(232,512)	(3,108)
Total Revenue from Other Sources	**$ (6,149,584)**	**$ (10,210,542)**	**$ (703,698)**	**$ -**	**$ (1,157,191)**	**$ (232,512)**	**$ (3,108)**
Grand Total	**$ (57,926,565)**	**$ (29,438,619)**	**$ (4,873,772)**	**$ -**	**$ (1,157,191)**	**$ (232,512)**	**$ (3,170)**

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	$ 9,159,584	$ 5,362,806	$ 3,369,590	$ 241,537	$ 175,526	$ -	$ 10,125	$ -
1113	Elementary Extracurricular	13,946	10,000	3,946	-	-	-	-	-
1121	Middle/Junior High Programs	3,439,789	1,980,499	1,288,649	76,746	88,739	-	5,156	-
1122	Middle/Junior High School Extracurricular	40,648	28,873	11,775	-	-	-	-	-
1131	High School Programs	5,343,605	3,169,974	1,877,064	163,943	125,920	-	6,704	-
1132	High School Extracurricular	125,300	65,249	24,366	-	35,685	-	-	-
1140	Pre-Kindergarten Programs	111,649	51,566	35,837	19,407	4,839	-	-	-
1210	Programs for the Talented and Gifted	16,579	6,508	2,379	2,258	4,545	-	889	-
1220	Restrictive Programs for Students with Disabilities	2,539,719	1,376,219	1,045,237	92,812	25,451	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	3,437,379	1,842,850	1,424,109	157,409	13,011	-	-	-
1272	Title I	83,436	41,476	23,549	18,411	-	-	-	-
1280	Alternative Education	3,570,217	436,227	258,017	2,860,928	14,290	-	755	-
1291	English Second Language Programs	384,809	223,217	122,749	15,767	23,076	-	-	-
1300	Adult/Continuing Education Programs	24,456	-	-	24,456	-	-	-	-
1400	Summer School Programs	23,830	17,133	6,697	-	-	-	-	-
	Total Instruction Expenditures	$ 28,314,946	$ 14,612,597	$ 9,493,964	$ 3,673,674	$ 511,082	$ -	$ 23,629	$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	$ 701,359	$ 371,651	$ 230,786	$ 96,648	$ 2,274	$ -	$ -	$ -
2120	Guidance Services	1,230,546	764,331	458,830	5,930	1,455	-	-	-
2130	Health Services	347,896	209,053	134,593	1,774	2,297	-	179	-
2150	Speech Pathology and Audiology Services	601,603	282,217	167,393	138,997	11,090	-	1,906	-
2190	Service Direction, Student Support Services	593,282	329,743	185,650	70,560	7,329	-	-	-
2210	Improvement of Instruction Services	316,516	196,447	100,690	(260)	19,639	-	-	-
2220	Educational Media Services	431,591	209,944	190,030	4,501	27,116	-	-	-
2230	Assessment & Testing	48,493	-	-	11,819	36,674	-	-	-
2240	Instructional Staff Development	68,749	11,131	3,604	53,830	54	-	130	-
2310	Board of Education Services	163,040	-	-	120,004	1,683	-	41,353	-
2320	Executive Administration Services	729,087	404,510	291,286	11,911	5,775	-	15,605	-
2410	Office of the Principal Services	3,681,415	2,193,039	1,336,169	37,212	113,235	-	1,760	-
2520	Fiscal Services	826,847	454,288	253,589	22,347	23,474	-	73,149	-
2540	Operation and Maintenance of Plant Services	4,872,630	1,370,556	875,223	1,722,165	422,609	66,946	415,131	-
2550	Student Transportation Services	2,143,709	875,238	590,240	284,606	336,407	-	57,218	-
2570	Internal Services	25,252	14,865	7,997	-	2,390	-	-	-
2630	Information Services	245,771	132,016	70,555	2,691	39,972	-	537	-
2640	Staff Services	652,440	343,474	209,621	19,448	68,953	-	10,944	-
2660	Technology Services	580,660	260,235	144,754	74,354	101,315	-	2	-
2680	Interpretation and Translation Services	4,170	3,000	1,170	-	-	-	-	-
2700	Supplemental Retirement Program	4,071	-	4,071	-	-	-	-	-
	Total Support Services Expenditures	**$ 18,269,127**	**$ 8,425,738**	**$ 5,256,251**	**$ 2,678,537**	**$ 1,223,741**	**$ 66,946**	**$ 617,914**	**$ -**

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	$ 18,418	$ 15,086	$ 3,332	$ -	$ -	$ -	$ -	$ -
	Total Enterprise and Community Services Expenditures	**$ 18,418**	**$ 15,086**	**$ 3,332**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200	Transfers of Funds	$ 2,036,908	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,036,908
	Total Other Uses Expenditures	**$ 2,036,908**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,036,908**
	Grand Total	**$ 48,639,399**	**$ 23,053,421**	**$ 14,753,547**	**$ 6,352,211**	**$ 1,734,823**	**$ 66,946**	**$ 641,543**	**$ 2,036,908**

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	$ 2,403,171.00	$ 1,146,008.00	$ 833,084.00	$ 53,822.00	$ 370,257.00	$ -	$ -	$ -
1113	Elementary Extracurricular	91,550.00	-	-	5,688.00	66,684.00	19,178.00	-	-
1121	Middle/Junior High Programs	569,041.00	240,360.00	140,629.00	181,235.00	5,775.00	-	1,042.00	-
1122	Middle/Junior High School Extracurricular	134,698.00	65,755.00	18,895.00	19,045.00	29,922.00	-	1,081.00	-
1131	High School Programs	871,682.00	477,162.00	297,708.00	20,649.00	49,948.00	26,026.00	189.00	-
1132	High School Extracurricular	1,001,553.00	257,100.00	93,958.00	267,901.00	338,714.00	-	43,880.00	-
1140	Pre-Kindergarten Programs	139,825.00	46,804.00	47,532.00	45,489.00	-	-	-	-
1210	Programs for the Talented and Gifted	18,650.00	13,112.00	5,538.00	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	98,025.00	54,631.00	40,603.00	-	2,791.00	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	720,745.00	412,108.00	295,207.00	13,130.00	300.00	-	-	-
1272	Title I	1,290,097.00	742,106.00	529,056.00	1,045.00	17,890.00	-	-	-
1280	Alternative Education	975,424.00	420,838.00	246,686.00	307,701.00	199.00	-	-	-
1291	English Second Language Programs	260,763.00	147,246.00	101,768.00	-	11,749.00	-	-	-
1400	Summer School Programs	10,257.00	7,364.00	2,893.00	-	-	-	-	-
	Total Instruction Expenditures	**$ 8,585,481.00**	**$ 4,030,594.00**	**$ 2,653,557.00**	**$ 915,705.00**	**$ 894,229.00**	**$ 45,204.00**	**$ 46,192.00**	**$ -**

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	$ 387,063.00	$ 178,357.00	$ 155,542.00	$ -	$ 32,019.00	$ 21,145.00	$ -	$ -
2120	Guidance Services	178,811.00	105,186.00	67,184.00	2,184.00	4,257.00	-	-	-
2130	Health Services	9,172.00	4,172.00	-	-	5,000.00	-	-	-
2140	Psychological Services	210,597.00	133,749.00	70,640.00	731.00	5,477.00	-	-	-
2150	Speech Pathology and Audiology Services	266,292.00	89,701.00	56,253.00	120,338.00	-	-	-	-
2190	Service Direction, Student Support Services	226,051.00	146,752.00	79,299.00	-	-	-	-	-
2210	Improvement of Instruction Services	400,068.00	134,598.00	67,923.00	89,016.00	108,531.00	-	-	-
2230	Assessment & Testing	34,329.00	-	-	-	34,329.00	-	-	-
2240	Instructional Staff Development	89,367.00	18,951.00	6,987.00	63,429.00	-	-	-	-
2320	Executive Administration Services	1,305.00	-	-	-	1,305.00	-	-	-
2410	Office of the Principal Services	996,825.00	621,238.00	373,507.00	-	2,080.00	-	-	-
2520	Fiscal Services	398,804.00	-	-	250.00	-	-	398,554.00	-
2540	Operation and Maintenance of Plant Services	93,561.00	-	-	66,259.00	20,104.00	7,198.00	-	-
2550	Student Transportation Services	1,131,825.00	-	-	100,897.00	-	1,030,928.00	-	-
2640	Staff Services	231,349.00	179,170.00	51,652.00	263.00	264.00	-	-	-
2660	Technology Services	109,422.00	-	-	-	75,717.00	33,705.00	-	-
2680	Interpretation and Translation Services	131,596.00	36,096.00	31,380.00	64,120.00	-	-	-	-
2700	Supplemental Retirement Program	116,262.00	108,000.00	8,262.00	-	-	-	-	-
	Total Support Services Expenditures	**$ 5,012,699.00**	**$ 1,755,970.00**	**$ 968,529.00**	**$ 507,487.00**	**$ 289,083.00**	**$ 1,092,976.00**	**$ 398,554.00**	**$ -**

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	$ 2,740,053.00	$ 886,867.00	$ 662,503.00	$ 8,587.00	$ 1,117,281.00	$ 51,855.00	$ 12,960.00	$ -
3300	Community Services	63,122.00	560.00	231.00	39,750.00	22,581.00	-	-	-
	Total Enterprise and Community Services Expenditures	**$ 2,803,175.00**	**$ 887,427.00**	**$ 662,734.00**	**$ 48,337.00**	**$ 1,139,862.00**	**$ 51,855.00**	**$ 12,960.00**	**$ -**

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4150	Building Acquisition, Construction, and Improvement Services	$ 5,285,392.00	$ -	$ -	$ -	$ -	$ 5,285,392.00	$ -	$ -
	Total Facilities Acquisition and Construction Expenditures	**$ 5,285,392.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,285,392.00**	**$ -**	**$ -**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Grand Total	$ 21,686,747.00	$ 6,673,991.00	$ 4,284,920.00	$ 1,471,529.00	$ 2,323,174.00	$ 6,475,427.00	$ 457,706.00	$ -

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 300 Debt Service Funds

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	$ 4,373,871.00	$ -	$ -	$ -	$ -	$ 4,373,871.00	$ -	$ -
	Total Other Uses Expenditures	**$ 4,373,871.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,373,871.00**	**$ -**	**$ -**
	Grand Total	**$ 4,373,871.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,373,871.00**	**$ -**	**$ -**

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 600 Internal Service Funds

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2320	Executive Administration Services	$ 39,641.00	$ -	$ -	$ 39,641.00	$ -	$ -	$ -	$ -
	Total Support Services Expenditures	**$ 39,641.00**	**$ -**	**$ -**	**$ 39,641.00**	**$ -**	**$ -**	**$ -**	**$ -**
	Grand Total	$ 39,641.00	$ -	$ -	$ 39,641.00	$ -	$ -	$ -	$ -

DISTRICT AUDIT EXPENDITURE SUMMARY
LEBANON COMMUNITY SCHOOL DISTRICT #9

Fund: 700 Trust and Agency Funds

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2520	Fiscal Services	$ 969.00	$ -	$ -	$ -	$ 969.00	$ -	$ -	$ -
	Total Support Services Expenditures	**$ 969.00**	**$ -**	**$ -**	**$ -**	**$ 969.00**	**$ -**	**$ -**	**$ -**
	Grand Total	**$ 969.00**	**$ -**	**$ -**	**$ -**	**$ 969.00**	**$ -**	**$ -**	**$ -**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT
June 30, 2024

GENERAL OBLIGATION BONDS

	G.O. Bonds - 2005 Issue		
YEAR Ending June 30	PRINCIPAL	INTEREST	TOTAL
2025	$ 160,000	$ 636,163	$ 796,163
2026	1,635,000	628,962	2,263,962
2027	2,000,000	543,125	2,543,125
2028	2,260,000	433,125	2,693,125
2029	2,615,000	308,824	2,923,824
2030	3,000,000	165,000	3,165,000
TOTALS	$ 11,670,000	$ 2,715,199	$ 14,385,199

	QSCB School Construction Bonds - 2011 Issue		
YEAR Ending June 30	PRINCIPAL	INTEREST	TOTAL
2025	$ -	$ 97,214	$ 97,214
2026	1,895,000	97,213	1,992,213
TOTALS	$ 1,895,000	$ 194,427	$ 2,089,427

	G.O. Bonds - 2019 Issue		
YEAR Ending June 30	PRINCIPAL	INTEREST	TOTAL
2025	$ 3,160,000	$ 297,356	$ 3,457,356
2026	1,875,000	223,824	2,098,824
2027	1,760,000	177,380	1,937,380
2028	1,765,000	133,046	1,898,046
2029	1,700,000	87,880	1,787,880
2030	1,625,000	43,696	1,668,696
TOTALS	$ 11,885,000	$ 963,182	$ 12,848,182

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LINN COUNTY, OREGON

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

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

December 26, 2024

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, 2024, and have issued our report thereon dated December 26, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the 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, 2024, except as follows:

1. Expenditures of the various funds were within authorized appropriations except as noted on page 17 of this report

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
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 (SEFA)

For the Fiscal Year Ended June 30, 2024

Grantor	Program Title	Fund #	Grant Period	AL Number	Grant #	Grant Amount	2023-24 Revenues	2023-24 Expenditures	Passed-through Sub Recipients
U.S. Department of Education:									
Passed through Oregon State Department of Education:									
	Title I-A :	228							
	22-23 Grant	228	7/1/22 - 9/30/23	84.010	72547	$ 1,119,542	$ 223,378	$ 223,378	$ -
	23-24 Grant	228	7/1/23 - 9/30/24	84.010	76512	1,300,316	1,084,318	1,084,318	-
						$ 2,419,858	$ 1,307,696	$ 1,307,696	$ -
	IDEA Part B Children w/ Disabilities:								
	Section 611: 22-23	259	7/1/22 - 9/30/24	84.027	74059	$ 835,694	$ 6,668	$ 6,668	$ -
	Section 611: 23-24	259	7/1/23 - 9/30/25	84.027	77999	1,024,851	1,024,851	1,024,851	-
	Extended Assessments	259	7/1/23 - 6/30/24	84.027	79959	1,099	1,099	1,099	-
	Section 619: 22-23	257	7/1/22 - 9/30/24	84.173	74246	7,294	1,300	1,300	-
	Section 619: 23-24	257	7/1/23 - 9/30/25	84.173	77814	3,678	3,678	3,678	-
			Total			$ 1,872,616	$ 1,037,596	$ 1,037,596	$ -
	Title III English Language Acquistion:								
	22-23 Grant	278	7/1/22 - 9/30/23	84.365	73102	$ 12,098	$ 531	$ 531	$ -
	23-24 Grant	278	7/1/23 - 9/30/24	84.365	76989	11,278	7,503	7,503	-
						$ 23,376	$ 8,034	$ 8,034	$ -
	Title II-A Improving Teacher Quality:								
	22-23 Grant	271	7/1/22 - 9/30/23	84.367	72744	$ 167,874	$ 87,363	$ 87,363	$ -
	23-24 Grant	271	7/1/23 - 9/30/24	84.367	76709	182,664	76,191	76,191	-
						$ 350,538	$ 163,554	$ 163,554	$ -
	Title IV-A Student Support and Academic Enrichment								
		228	7/1/23 - 9/30/24	84.424	77133	$ 82,055	$ 82,055	$ 82,055	$ -
						$ 82,055	$ 82,055	$ 82,055	$ -
	LEA ESSER II Fund								
		902	5/13/20 - 9/30/23	84.425D	64615	$ 3,721,625	$ 1,938,915	$ 1,938,915	$ -
						$ 3,721,625	$ 1,938,915	$ 1,938,915	$ -
	LEA ESSER III Fund								
		903	5/13/20 - 9/30/24	84.425U	64920	$ 8,358,242	$ 5,001,739	$ 4,969,238	$ 32,501
						$ 8,358,242	$ 5,001,739	$ 4,969,238	$ 32,501
	Homeless Children & Youth								
		907	5/13/20 - 9/30/24	84.425W	69363	$ 62,786	$ 40,093	$ 40,093	$ -
						$ 62,786	$ 40,093	$ 40,093	$ -
Total Passed Through Oregon Department of Education						$ 16,828,310	$ 9,579,682	$ 9,547,181	$ 32,501
Linn Benton Community College:									
	Carl Perkins Grant	293	7/1/22 - 6/30/23	84.048	N/A	$ 72,738	$ 72,738	$ 72,738	$ -
						$ 72,738	$ 72,738	$ 72,738	$ -
Department of Human Services:									
	Youth Transition Program	248	7/1/19 - 6/30/24	84.126a	160725	$ 341,640	$ 60,143	$ 60,143	$ -
						$ 341,640	$ 60,143	$ 60,143	$ -
US Department of Defense:									
	JROTC	100-4300	7/1/23 - 6/30/24	12.000	N/A	$ 73,499	$ (80,809)	$ (80,809)	$ -
						$ 73,499	$ (80,809)	$ (80,809)	$ -
U.S. Department of Agriculture:									
Passed through Oregon State Department of Education:									
	NSLP School Breakfast	299	7/1/23 - 6/30/24	10.553	N/A	$ -	$ 569,942	$ 569,942	$ -
	NSLP School Lunch	299	7/1/23 - 6/30/24	10.555	N/A	-	1,247,102	1,247,102	-
	Supply Chain Assistance	299	7/1/23 - 6/30/24	10.555	N/A	-	34,197	34,197	-
	Commodity NSLP	299	7/1/23 - 6/30/24	10.555	N/A	-	159,092	159,092	-
	Summer Food Program	299	7/1/23 - 6/30/24	10.559	N/A	-	70,797	70,797	-
	Commodity SFSP	299	7/1/23 - 6/30/24	10.559	N/A	-	1,275	1,275	-
	Fresh Fruit & Vegetables	297	7/1/23 - 6/30/24	10.582	N/A	-	38,976	38,976	-
			Total			$ -	$ 2,121,381	$ 2,121,381	$ -
	Local Food For Schools	219	7/1/23 - 6/30/24	10.185	N/A	$ -	$ 26,456	$ 26,456	$ -
						$ -	$ 26,456	$ 26,456	$ -
	Child & Adult Care	299	7/1/23 - 6/30/24	10.558	N/A	$ -	$ 710	$ 710	$ -
	CACFP Cash in Lieu	299	7/1/23 - 6/30/24	10.558	N/A	-	49	49	-
						$ -	$ 759	$ 759	$ -
	CNP SNAP P-EBT	297	7/1/23 - 6/30/24	10.649	N/A	$ -	$ 3,908	$ 3,908	$ -
						$ -	$ 3,908	$ 3,908	$ -
Direct Award:									
	Federal Forest Fees	100-4801	7/1/22 - 6/30/23	10.666	N/A	$ -	$ 143,058	$ 143,058	$ -
						$ -	$ 143,058	$ 143,058	$ -
Total U.S. Department of Agriculture						$ -	$ 2,295,562	$ 2,295,562	$ -
Total Federal Financial Assistance						$ 17,316,187	$ 11,927,316	$ 11,894,815	$ 32,501

RECONCILIATION TO REVENUE

Total From Above	$	11,927,316
Accruals/Deferrals		161,617
	$	12,088,933

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December 26, 2024

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, 2024, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 26, 2024.

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

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December 26, 2024

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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

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LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	☐ yes	☒ no
Significant deficiency(s) identified that are not considered to be material weaknesses?	☐ yes	☒ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	☐ yes	☒ no

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
LEBANON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER	NAME OF FEDERAL PROGRAM CLUSTER
COVID-19, 84.425D, COVID-19, 84.425U, COVID19, 84.425W	American Rescue Plan – Elementary & Secondary School Emergency Relief
10.553,10.555, 10.559, 10.582	Child Nutrition Cluster

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

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.