

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024



12700 SW 72nd Ave.
Tigard, OR 97223

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2024

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2024

<u>NAME</u>	<u>TERM EXPIRES</u>
Taylor Wilhour, Chair	June 30, 2025
Colleen Valley, Board Vice Chair	June 30, 2025
Tammy Hodgkinson	June 30, 2027
Duane Taddei	June 30, 2027
Sherry Duerst-Higgins	June 30, 2025
Joe Tucker	June 30, 2027
Jeff Gowing	June 30, 2025

All Directors receive their mail at the District office address below.

ADMINISTRATION

Todd Miller - Superintendent,
Celia Gowing, Business Manager (Registered Agent)

455 Adams Avenue
Cottage Grove, Oregon 97424

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LANE COUNTY, OREGON

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LANE COUNTY, OREGON

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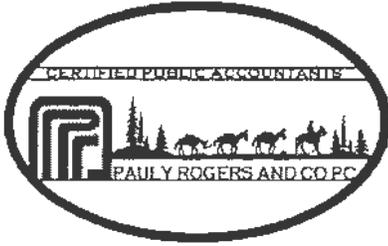
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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT

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

August 29, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Lane School District No. 45J3
Lane County, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, fiduciary fund, and each major fund of South Lane School District No. 45J3 (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, fiduciary fund, and each major fund of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America, except as noted below.

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.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has not implemented GASB Statement Number 96, Subscription Based Information Technology Arrangements (SBITAs). Accounting principles generally accepted in the United States of America require recognition of right-to-use assets and related liabilities for subscriptions. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use asset. The amount by which this departure would affect net position, liabilities and expenses of the governmental and business-type activities is not reasonably determinable.

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 Districts' 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 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, 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 on it, except for the budgetary statements listed as required supplementary information in the table of contents.

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 (CFR) 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 August 29, 2025 on our consideration of the internal control over financial reporting and also on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the 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 August 29, 2025 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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SOUTH LANE SCHOOL DISTRICT NO. 45J3 Cottage Grove, Oregon MANAGEMENT'S DISCUSSION AND ANALYSIS 6 INTRODUCTION

As management of South Lane School District No. 45J3, Cottage Grove, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2024, total net position of South Lane School District No. 45J3 amounted to \$(17,303,480). Of this amount, \$8,434,694 was invested in capital assets, net of related debt. The remaining balance included \$5,219,504 restricted for various purposes and \$(30,957,678) of unrestricted net position.
- At June 30, 2024, the District's governmental funds reported combined ending fund balances of \$6,592,131.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to South Lane School District No. 45J3's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 1 through 2 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives.

All of the funds of South Lane School District No. 45J3 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

□ Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions.

Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, Special Projects, Capital Projects, and Debt Service Funds, all of which are considered to be major governmental funds.

South Lane School District No. 45J3 adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets. The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

□ Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains one proprietary fund, which is an enterprise fund. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where stated intent is that the cost of providing goods or services to the students or general public on a continuing basis are financed primarily through user charges. The Warren H. Daugherty Aquatic Center is accounted for as an enterprise

fund. Because this predominantly benefits governmental functions, it has been included within governmental activities in the government wide financial statements.

The basic proprietary fund financial statements can be found on pages 7 through 9 of this report.

□ **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for governmental funds.

South Lane School District No. 45J3 adopts an annual appropriated budget for its fiduciary fund. A budgetary comparison statement has been provided for the fund to demonstrate compliance with its budget.

The basic fiduciary fund financial statements can be found on page 10 through 11 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 12 through 50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes schedules of the District's proportionate share of the net pension liability/OPEB asset and District contributions, the schedules of funding progress and employer contributions, as well as budgetary comparison information for the General, Special Revenue, and Special Projects Funds. This required supplementary information can be found on pages 51 through 56 of this report. Individual fund schedules can be found immediately following the required supplementary information on pages 54 through 61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2024, the District's liabilities exceeded its assets by \$17,344,997.

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position decreased by \$27,400,387 during the current fiscal year. Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	2024	2023
<u>Assets</u>		
Current and Other Assets	\$ 12,267,223	\$ 12,481,654
Non-Current Assets	66,165,593	67,458,309
Deferred Outflows	18,227,415	24,240,704
Total Assets & Deferred Outflows	<u>96,660,231</u>	<u>104,180,667</u>
<u>Liabilities</u>		
Current Liabilities	5,063,395	3,529,128
Long-term Obligations	94,020,994	75,826,166
Deferred Inflows	14,879,322	14,769,983
Total Liabilities & Deferred Inflows	<u>113,963,711</u>	<u>94,125,277</u>
<u>Net Position</u>		
Net Investment in Capital Assets	8,434,694	60,515,003
Restricted	5,219,504	5,018,531
Unrestricted	(30,999,195)	(55,478,144)
Total Net Position	<u>\$ (17,344,997)</u>	<u>\$ 10,055,390</u>

District's Changes in Net Position

The condensed statement of activities information shown below explains changes in net position.

Changes in Net Position

	2024	2023
<u>Revenues</u>		
Charges for Services	\$ 1,291,765	\$ 438,145
Operating Grants and Contributions	11,908,985	13,488,594
Total Program Revenues	<u>13,200,750</u>	<u>13,926,739</u>
<u>General Revenues</u>		
Property Taxes	11,876,917	11,536,501
State Sources	27,778,146	26,171,804
Other Local Sources	4,901,983	3,681,577
Other Intermediate Sources	10,553	97,835
Miscellaneous	-	3,668
Transfers In	122,915	-
Total General Revenues	<u>44,690,514</u>	<u>41,491,385</u>
Total Revenues	<u>57,891,264</u>	<u>55,418,124</u>

Expenses

Instruction	28,746,740	28,319,556
Support Services	19,543,585	19,988,852
Enterprise and Community Services	1,819,553	2,000,760
Facilities Acquisition & Construction	-	62,378
Business-type Activities	392,711	
Unallocated Depreciation Expense	2,319,677	2,194,675
Interest on Long-Term Debt	2,563,022	4,238,286
Total Expenses	<u>55,385,288</u>	<u>56,804,507</u>
Change in Net Position	2,505,976	(1,386,383)
Prior Period Adjustments	(29,906,363)	0
Beginning Net Position (As Restated)	<u>10,055,390</u>	<u>11,441,775</u>
Ending Net Position	<u>\$ (17,344,997)</u>	<u>\$ 10,055,392</u>

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, general revenues provide 77% of the funding required for governmental programs. Property taxes and state school funding combined for 88% of general revenues and 68% of total revenues.

Charges for services make up 2% of total revenues and are comprised of the following items for which it is appropriate that the District charge tuition or fees:

• Food services charges for lunch and breakfast	\$ 30,793
• Facility rentals	5,372
• Proprietary Fund fees	136,625
• Various student extracurricular activities	1,118,975
Total charges for services	\$1,291,765

Operating grants and contributions represent 20% of total revenues. Included in this category are \$11,908,985 for grants and contributions to support various educational activities, including grants to support school nutrition programs.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 51% of the total expenses of \$55,385,288. In addition, approximately 35% of the costs in supporting services relate to students, instructional staff, and school administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$6,592,131. Of this amount, \$1,698,970, constitutes unassigned fund balance, which is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was \$2,560,551, all of which was unassigned.

Proprietary Fund

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary fund at year-end amounted to \$(41,517).

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts and approved appropriation changes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024 amounted to \$66,165,593, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, and equipment and vehicles. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$2,319,677.

Additional information on the District's capital assets can be found on page 24 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of \$93,267,954. This amount is comprised of general obligation bonds, qualified school construction bonds, pension bonds, capital lease obligations, and related issuance premiums and discounts. The District's total debt outstanding increased by \$25,150,878 during the current fiscal year. This increase is due to prior period adjustments.

Additional information on the District's long-term debt can be found on pages 40 through 44 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the core of every budget decision, we must be centered on our three district goals. These should guide every decision we make:

1. **Build a culture and climate of care and belonging** by providing students and staff with the time, support, and connection they need.
2. **Raise academic achievement** by supporting district staff in becoming an effective Professional Learning Community.
3. **Bridge student strengths, passions, and interests** with the current skills and knowledge necessary to enter high-wage, high-demand careers reflective of the global marketplace.

We are dedicated to achieving these goals, with our primary focus on student learning. Every dollar of our funding has been carefully allocated to support these objectives, as outlined in the goals you've seen previously. They form the foundation of our budget.

Building a Culture of Care and Belonging

Our commitment to a culture of care and belonging prioritizes students' well-being, allowing them to focus on academic progress. Every South Lane school has dedicated staff members who help connect students and families to essential resources. Social Emotional Learning Specialists and teachers ensure students are equipped with the tools they need to regulate and concentrate on learning. At the Early Learning Center, we provide families with the necessary resources and information to support their success from day one. These supports are in place to help students access content at every grade level.

We've also worked to give students a voice in our district's direction. Students are represented on our Student Success Committee, which monitors our progress toward meeting district goals. Additionally, we've increased efforts to gather student feedback to continually improve their educational experience.

Raising Academic Achievement

Our highest priority is ensuring that every student learns at high levels. We are committed to collaborating with staff to monitor each student's performance, intervene when necessary, and offer extensions to learning as needed.

To strengthen literacy at the elementary level, we've introduced literacy coaches and adopted a new reading program based on the Science of Reading. These initiatives have already resulted in a 10% increase in the percentage of students meeting the DIBELS reading benchmark over the past two years, with continued growth expected by year-end. Additionally, we've implemented a new Math curriculum and anticipate similar results in Math achievement.

We've invested significantly in training elementary staff to better serve our Multilingual Learners, and a new Integrated Teaching approach at Bohemia Elementary has led to improved scores on the English Language Proficiency Assessment (ELPA), especially in Speaking and Listening. Some students are making such progress that they no longer need additional services.

At the secondary level, we've seen an increase in the number of students on track to graduate by the end of their 9th-grade year over the past four years, with further improvement expected this year.

Connecting Students with College and Career

Our district offers 11 Career and Technical Education (CTE) Programs of Study across our two high schools. These programs not only teach specialized skills but also instill essential work readiness abilities that will ensure students' success in any career path. We are increasing the integration of activities within these programs and deepening connections with outside partners. Students who complete these programs tend to have higher graduation rates, and we look forward to showcasing these valuable CTE programs to our community in the coming year.

Budget Challenges

We are continuing to navigate the rising costs that outpace state funding increases. Increases in insurance rates, utilities, specialized student needs, and changes in leave and unemployment laws have contributed to a tight budget. Coupled with declining enrollment, we've had to reduce spending and utilize district reserves.

In the South Lane School District, we remain committed to empowering students to learn, belong, and be prepared for their future. The 2025-2026 Proposed Budget reflects this dedication, ensuring that all students have the resources and support they need to succeed.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Finance Office at 455 Adams, Cottage Grove, OR 97424.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS:			
Current:			
Cash and cash equivalents	\$ 1,834,375	\$ -	\$ 1,834,375
Property taxes receivable	315,100	-	315,100
Accounts Receivable	5,064,694	-	5,064,694
Inventory	59,539	-	59,539
Due From Enterprise Funds	40,119	-	40,119
OPEB Asset - RHIA	385,882	-	385,882
Lease Right-to-use Asset, Net of Amortization	53,638	-	53,638
Restricted:			
Cash and investments	3,195,425	-	3,195,425
Cash with bond agent	1,200,006	-	1,200,006
Property taxes receivable	118,445	-	118,445
Noncurrent:			
Capital assets, non-depreciable	948,797	-	948,797
Capital assets, depreciable (net of depreciation)	65,216,796	-	65,216,796
Total Assets	<u>78,432,816</u>	<u>-</u>	<u>78,432,816</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferrals - PERS	18,143,443	-	18,143,443
OPEB Related Deferrals - Health Insurance	79,032	-	79,032
OPEB Related Deferrals - RHIA	4,940	-	4,940
Total Deferred Outflows	<u>18,227,415</u>	<u>-</u>	<u>18,227,415</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS:	<u>96,660,231</u>	<u>-</u>	<u>96,660,231</u>
LIABILITIES:			
Accounts payable	1,879,368	1,398	1,880,766
Due to Other Funds	-	40,119	40,119
Accrued payroll, taxes, and employee withholdings	2,968,315	-	2,968,315
Accrued vacation	128,018	-	128,018
Unearned revenue	7,930	-	7,930
Interest payable	53,150	-	53,150
Current Lease Liability	26,614	-	26,614
Noneurrent liabilities:			
Net Pension Liability - PERS	271,190	-	271,190
OPEB Liability - Health Insurance	450,714	-	450,714
Long-Term Lease Liability	31,136	-	31,136
Long-Term Obligations Due within one year	6,482,886	-	6,482,886
Long-Term Obligations Due in more than one year	86,785,068	-	86,785,068
Total Liabilities	<u>99,084,389</u>	<u>41,517</u>	<u>99,125,906</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferrals - PERS	14,230,080	-	14,230,080
OPEB Related Deferrals - Health Insurance	635,393	-	635,393
OPEB Related Deferrals - RHIA	13,849	-	13,849
Total Deferred Inflows	<u>14,879,322</u>	<u>-</u>	<u>14,879,322</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS:	<u>113,963,711</u>	<u>41,517</u>	<u>114,005,228</u>
NET POSITION:			
Net Investment in Capital Assets	8,434,694	-	8,434,694
Restricted:			
Debt Service	754,856	-	754,856
Grants and Other	3,614,186	-	3,614,186
Capital Projects	464,580	-	464,580
Net OPEB Asset - RHIA	385,882	-	385,882
Unrestricted	<u>(30,957,678)</u>	<u>(41,517)</u>	<u>(30,999,195)</u>
Total Net Position	<u>\$ (17,303,180)</u>	<u>\$ (41,517)</u>	<u>\$ (17,344,997)</u>

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

FUNCTIONS	EXPENSES	Program Revenues		Net (Expenses) Revenue and Change in Net Position		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Instruction	\$ 28,746,740	\$ 1,260,972	\$ 3,352,138	\$ (24,133,630)	\$ -	\$ (24,133,630)
Support Services	19,543,585	-	8,351,711	(11,191,874)	-	(11,191,874)
Enterprise and Community Services	1,819,553	30,793	205,136	(1,583,624)	-	(1,583,624)
Unallocated Depreciation Expense	2,319,677	-	-	(2,319,677)	-	(2,319,677)
Interest on Long-Term Debt	2,563,022	-	-	(2,563,022)	-	(2,563,022)
Total Governmental Activities	\$ 54,992,577	\$ 1,291,765	\$ 11,908,985	\$ (41,791,827)	\$ -	(41,791,827)
Business-Type Activities						
Community Services	\$ 392,711	\$ -	\$ -	\$ -	\$ (392,711)	(392,711)
General Revenues						
Property Taxes, Levied for General Purposes				8,636,824	-	8,636,824
Property Taxes, Levied for Debt Service				3,240,093	-	3,240,093
State Sources				27,778,146	-	27,778,146
Other Local Sources				4,673,704	228,279	4,901,983
Other Intermediate Sources				10,553	-	10,553
Transfers In				-	122,915	122,915
Total General Revenues				44,339,320	351,194	44,690,514
Changes in Net Position				2,547,493	(41,517)	2,505,976
Prior Period Adjustments				(29,906,363)	-	(29,906,363)
Net Position - Beginning				10,055,390	-	10,055,390
Net Position - Ending				\$ (17,303,480)	\$ (41,517)	\$ (17,344,997)

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	SPECIAL PROJECTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:						
Cash and cash equivalents	\$ 1,834,375	\$ -	\$ 2,150,627	\$ 580,079	\$ 464,719	\$ 5,029,800
Cash with bond agent	-	-	-	1,200,006	-	1,200,006
Property taxes receivable	315,100	-	-	118,445	-	433,545
Accounts receivable	2,638,352	799,582	1,626,760	-	-	5,064,694
Inventory	-	-	59,539	-	-	59,539
Due from Governmental Funds	1,565,685	-	-	-	-	1,565,685
Due from Enterprise Fund	40,119	-	-	-	-	40,119
Total Assets	\$ 6,393,631	\$ 799,582	\$ 3,836,926	\$ 1,898,530	\$ 464,719	\$ 13,393,388
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 600,618	\$ 86,085	\$ 156,044	\$ 1,036,482	\$ 139	\$ 1,879,368
Payroll liabilities	2,959,695	1,463	7,157	-	-	2,968,315
Due to Other Funds	-	1,565,685	-	-	-	1,565,685
Total Liabilities	3,560,313	1,653,233	163,201	1,036,482	139	6,413,368
Deferred Inflows of Resources:						
Grants	-	7,930	-	-	-	7,930
Unavailable revenue - property taxes	272,767	-	-	107,192	-	379,959
Total Deferred Inflows of Resources	272,767	7,930	-	107,192	-	387,889
Fund Balances:						
Nonspendable	-	-	59,539	-	-	59,539
Restricted for:						
Debt Service	-	-	-	754,856	-	754,856
Grants and Other	-	-	3,614,186	-	-	3,614,186
Capital Projects	-	-	-	-	464,580	464,580
Unassigned	2,560,551	(861,581)	-	-	-	1,698,970
Total Fund Balances	2,560,551	(861,581)	3,673,725	754,856	464,580	6,592,131
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,393,631	\$ 799,582	\$ 3,836,926	\$ 1,898,530	\$ 464,719	\$ 13,393,388

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds	\$	6,592,131
OPEB Asset - RHIA		385,882
<p>The cost of capital assets (land, buildings & improvements, equipment and vehicles) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>		
Net Capital Assets		66,165,593
<p>A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.</p>		
		379,959
<p>The PERS Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
		(271,190)
<p>Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.</p>		
Deferred Outflows - PERS		18,143,443
OPEB Deferred Outflows - Health Insurance		79,032
OPEB Deferred Outflows - RHIA		4,940
Deferred Inflows - PERS		(14,230,080)
OPEB Deferred Inflows - Health Insurance		(635,393)
OPEB Deferred Inflows - RHIA		(13,849)
<p>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. All liabilities, both current and long term, are reported in the Statement of Net Position.</p>		
Long-term Liabilities		
Capital lease obligations payable		
Interest Payable	\$	(53,150)
Accrued Vacation		(128,018)
OPEB Liability - Health Insurance		(450,714)
Bonds payable		(93,267,954)
		(93,899,836)
<p>Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.</p>		
Right-to-use, Net		53,638
<p>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, both current and long-term, are reported in the statements of Net Position.</p>		
Lease Payable		(57,750)
<hr style="border: 0.5px solid black;"/>		
Net Position	\$	(17,303,480)

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	SPECIAL PROJECTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:						
From Local Sources	\$ 9,316,126	\$ 6,040	\$ 1,210,351	\$ 7,037,978	\$ 208,181	\$ 17,778,676
From Intermediate Sources	76,006	-	7,467	-	-	83,473
From State Sources	27,778,146	11,274	6,140,346	-	-	33,929,766
From Federal Sources	111,234	3,417,501	2,228,630	-	-	5,757,365
Total Revenues	37,281,512	3,434,815	9,586,794	7,037,978	208,181	57,549,280
EXPENDITURES:						
Current:						
Instruction	21,155,246	2,733,124	5,176,889	-	-	29,065,259
Support Services	14,318,539	1,501,087	3,609,283	-	302,070	19,730,979
Enterprise and Community Services	-	47,684	1,792,030	-	-	1,839,714
Capital Outlay	15,177	7,413	417,400	-	97,655	537,645
Debt Service	-	-	347,915	7,689,619	-	8,037,534
Total Expenditures	35,488,962	4,289,308	11,343,517	7,689,619	399,725	59,211,131
Revenues over (under) expenditures	1,792,550	(854,493)	(1,756,723)	(651,641)	(191,544)	(1,661,851)
Other Financing Sources, (Uses):						
Lease Purchase Receipts	-	-	372,618	-	-	372,618
Transfers In - Governmental Funds	-	-	1,979,148	260,000	310,000	2,549,148
Transfers Out - Governmental Funds	(1,938,990)	(610,158)	-	-	-	(2,549,148)
Transfers Out - Enterprise Fund	(70,000)	-	(52,915)	-	-	(122,915)
Transfers Out - Fiduciary Fund	-	-	-	(564,506)	-	(564,506)
Total other financing sources (uses)	(2,008,990)	(610,158)	2,298,851	(304,506)	310,000	(314,803)
Net Change in Fund Balance	(216,440)	(1,464,651)	542,128	(956,147)	118,456	(1,976,654)
Prior Period Adjustments	-	15,494	-	1,066,672	-	1,082,166
Beginning Fund Balance	2,776,991	587,576	3,131,597	644,331	346,124	7,486,619
Ending Fund Balance	\$ 2,560,551	\$ (861,581)	\$ 3,673,725	\$ 754,856	\$ 464,580	\$ 6,592,131

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2024

Total Net Changes in Fund Balances - Governmental Funds	\$	(1,976,654)
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount of debt principal repaid (net)</p>		
Capital Leases	\$ 318,511	
Amortization of issuance premium and discount	478,322	
Reductions in Long-Term Debt	5,135,492	5,932,325
Change in OPEB Liability - Health Insurance		(34,205)
Change in OPEB Asset - RHLA		(32,246)
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		(8,121)
<p>Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay.</p>		
Expenditures for capital assets (net)	90,370	
Unallocated depreciation Expense	(2,319,677)	(2,229,307)
<p>Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned.</p>		
		14,895
<p>The PERS Pension Income (Expense) represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		325,715
<p>Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received, however in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.</p>		
Change in General Fund	(15,681)	
Change in Debt Service	6,471	(9,210)
<p>The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. This activity is consolidated with the governmental funds in the statement of activities</p>		
		564,506
<p>Payment on Lease Liability decreases liabilities in the Statement of Net Position.</p>		
Payments on lease liability		25,440
<p>Amortization Expense increases the expenses on the Statement of Activities.</p>		
Amortization Expense		(25,645)
Change in Net Position of Governmental Activities	\$	2,547,493

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Business-Type Activity Enterprise Fund	Internal Service Fund
ASSETS		
Current:		
Cash and cash equivalents	\$ -	\$ -
Total Assets	-	-
LIABILITIES		
Current:		
Accounts Payable	1,398	-
Due to other funds	40,119	-
Total Liabilities	41,517	-
NET POSITION		
Unrestricted	\$ (41,517)	\$ -

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 4513
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2024

	Business-Type Activity Enterprise Fund	Internal Service Fund
Operating Revenues		
Local Revenues	\$ 228,279	\$ -
Operating Expenses	392,711	-
Operating Income (loss)	(164,432)	-
Nonoperating Revenues (Expenses):		
Transfers In	122,915	564,506
Total Nonoperating Revenues (Expenses)	122,915	564,506
Change in Net Position	(41,517)	564,506
Prior Period Adjustment	-	38,181,659
Net Position - Beginning	-	(38,746,165)
Net Position - Ending	\$ (41,517)	\$ -

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2024

	Business-Type Activity Enterprise Fund	Internal Service Fund
Cash Flow From Operating Activities:		
Payments for goods and services	\$ (1,398)	\$ -
Net Cash Provided by Operating Activities	(1,398)	-
Cash Flow From Non-Capital Financing Activities		
Due to Other Funds	(40,119)	-
Net cash provided (used) by non-capital financing activities	(40,119)	-
Net increase (decrease) in cash and cash equivalents	(41,517)	-
Cash and cash equivalents - beginning	-	-
Cash and cash equivalents - ending	\$ (41,517)	\$ -

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
FIDUCIARY FUND
For the Year Ended June 30, 2024

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 168,190
Total Assets	<u>168,190</u>
NET POSITION	
Held in Trust for Scholarships	4,562
Held in Trust for Future Expenditures	<u>163,628</u>
Total Net Pension	<u>\$ 168,190</u>

See accompanying notes to basic financial statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Investment Earnings	\$ 11,751
Miscellaneous	13,366
Total Additions	<u>25,117</u>
DEDUCTIONS	
Supplies and Materials	<u>338,282</u>
Total Deductions	<u>338,282</u>
Change in Net Position	(313,165)
Prior Period Adjustment	90,773
Net Position - Beginning	<u>390,582</u>
Net Position - Ending	<u>\$ 168,190</u>

See accompanying notes to basic financial statements.

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE 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 America (GAAP) as applied to governmental 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

The South Lane School District No. 45J3 (the District) is a municipal corporation governed by an elected Board of Directors. The District was organized under provisions 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 South Lane School District No. 45J3 (the primary government) and any component units. The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. Accounting principles generally accepted in the United States of America require that these financial statements present the District and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61 are separate organizations that are included in the District's reporting District because of the significance of their operational or financial relationships with the District. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The government-wide financial statements are reported 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 non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-Exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the District's general revenues and include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Fund Financial Statements

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a 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. The minimum numbers of funds are maintained consistent with legal and managerial requirements.

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both 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, except for property taxes which are not accrued after fiscal year end. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and OPEB expenses which are recognized as expenditures only when paid because they will be liquidated with 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.

There are the following major governmental funds:

General Fund

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

Special Revenue Funds

This fund accounts for the proceeds of specific revenue sources that are restricted for specific purposes. The primary sources of revenue are donations. The primary uses of revenue are for salaries and employment benefits, education program enhancement, and equipment purchases.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Projects Funds

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

Debt Service Fund

This fund accounts for payments to retire the District's general obligation bonds; resources to pay these bonds are from property tax revenue. This fund also accounts for levies charged to the various operating funds of the District to pay the debt services on bonds used to reduce the required contributions for employee pension costs, as well as the debt service on two Qualified Zone Activity Bonds which were used to finance improvements in technology services and energy savings projects. Resources are transfers from the General Fund and/or the Special Revenue Fund.

Capital Projects Fund

This fund accounts for financial resources used for the acquisition or construction of major facilities and other capital assets. The primary source of revenue is bond proceeds and transfers.

In addition, the District reports the following proprietary funds:

Enterprise Fund

Community Recreation Fund – This fund accounts for services provided by the Warren H. Daugherty Aquatic Center to both the District and to the general public. Services provided by the aquatic center include therapy, water exercise programs, and public use of the facility. Resources are transfers from the General Fund, financial support from the City of Cottage Grove, and membership fees.

Internal Service Fund

PERS Bond Fund – This fund was closed by the District during fiscal year 2023-2024. Previously, this fund accounted for levies charged to the various operating funds of the District to pay the debt service on bonds used to reduce the required contributions for employee pension costs. As of fiscal year 2023-2024, activity related to the PERS bonds will be accounted for in the Debt Service Fund. See Note 19 for further information regarding the closing of this fund. Separate fund financial statements are provided for this fund and its transactions are included with the governmental activities in the government-wide financial statements.

In addition, the District reports the following fiduciary fund:

Custodial Funds – The District has three private purpose trust funds. This fund accounts for resources received and held by the District in a fiduciary capacity. Disbursements from these funds are made in accordance with the custodial agreements and include the Student Trust Fund, Scholarship Fund, and the Nurses Fund.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

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

Fair Value Inputs and Methodologies and Hierarchy

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

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

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

Property Taxes

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

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Grants

Unreimbursed grant expenditures due from grantor agencies are recorded as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures that is to be carried over to the next fiscal year is recorded as a liability, unearned revenue.

Construction Excise Tax

Oregon Senate Bill 1036 was passed in 2007 and authorizes school districts to impose construction excise taxes to fund capital improvements to school facilities. The construction tax is imposed only on improvements to real property that result in a new structure or additional square footage in an existing structure. The construction tax is \$1.20 per square foot on structures or portions of structures intended for residential use, including but not limited to single-unit or multiple-unit housing. In addition, there is a construction tax of \$0.60 per square foot on structures or portions of structures intended for non-residential use. The maximum construction tax on structures intended for nonresidential use cannot exceed \$29,900 per building permit or \$29,900 per structure, whichever is less. The tax rates are adjusted for changes in construction costs. Agencies performing the collection function for the tax revenues may withhold up to 4 percent of amounts collected to cover administrative costs. The Oregon Department of Revenue determines the adjusted rate limitations and reports to the District. For the year ended June 30, 2024, the District collected \$92,842 in construction excise taxes.

Supply Inventories

All supply inventories are valued at cost (first-in, first-out method). Inventories of governmental funds are recorded as expenditures when purchased. Management has determined that supply inventories are immaterial, and accordingly there are no inventories reported in the basic financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government wide financial statements. Capital assets are assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	20 to 60 years
Vehicles and Equipment	5 to 15 years

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows 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. The District has two types of items which qualify for reporting in this category. Loss on refunding is deferred and recognized as an outflow of resources in the period that the amount becomes available. At June 30, 2024, there were deferred outflows representing PERS pension, OPEB-RHIA, and OPEB-health insurance related deferrals reported 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. The first, unavailable revenue, is in the governmental funds balance sheet for property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At June 30, 2024 there were deferred inflows representing PERS pension, OPEB-RHIA, and OPEB-Health Insurance related deferrals reported in the Statement of Net Position.

Long Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

Vested Compensated Absences

It is the policy to permit employees to accumulate earned unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued in the government wide statements. A liability is accrued in the governmental funds because vacation pay is expected to be liquidated with expendable available resources.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

Right-to-Use Assets

Lease assets are assets which the District leases for a term of more than one year. The value of leases is determined by the net present 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.

Lease Liability

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.

Net Position

Net position is comprised the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

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

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

Unrestricted net position – consists of all other net position that is not included in the other categories previously mentioned.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

There were 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.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end are not considered budgetary resources in the funds, capital assets are expensed when purchased, inventory is expensed when purchased, long term debt is expensed when paid, depreciation and amortization expense is not reported, and pension costs and OPEB liabilities are expensed when paid.

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation transfers approved by the Board. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2024, except for:

- General Fund, where Instruction was over-expended by \$867,595.
- Special Revenue Fund, where Instruction and Enterprise and Community Services were over-expended by \$741,675 and \$30,529 respectively.
- Capital Projects Fund, where Support Services were over-expended by \$3,725.
- Enterprise Fund, where Enterprise and Community Services were over-expended by \$392,711.
- Fiduciary Fund, where Enterprise and Community Services were over-expended by \$14,070.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS

The cash management policies are governed by state statutes. Statutes authorize investing in bankers' acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities and Local Government Investment Pools.

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.

Cash and investments by fund:

Governmental Activities - Unrestricted	
General Fund	<u>\$ 1,834,375</u>
Total Governmental Activities - Unrestricted	<u>\$ 1,834,375</u>
Governmental Activities - Restricted	
Cash with bond agent	\$ 1,200,006
Special Projects Fund	2,150,627
Debt Service Fund	580,079
Capital Projects Fund	<u>464,719</u>
Total Governmental Activities - Restricted	<u>\$ 4,395,431</u>
Fiduciary Funds	<u>\$ 168,190</u>
Total cash and investments	<u><u>\$ 6,397,996</u></u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2024 was \$2,917,292, of which \$500,000 was covered by Federal Depository Insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Investments

Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

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.

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.

There were the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurers Investment Pool	\$ 1,503,255	\$ 1,503,255	\$ -	\$ -
Other Investments	1,055,449	1,055,449		
Total	\$ 2,558,704	\$ 2,558,704	\$ -	\$ -

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments at June 30, 2024 (recorded at fair value) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	\$ 3,839,292
Investments	<u>2,558,704</u>
Total	<u>\$ 6,397,996</u>
Reported In:	
Governmental Funds	\$ 6,229,806
Fiduciary Funds	<u>168,190</u>
Total	<u>\$ 6,397,996</u>

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk.

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, 59% of total investments were in the State Treasurer’s Investment Pool and 41% of total investments were in Other Investments. State statutes do not limit the percentage of investments in this instrument.

4. GRANTS RECEIVABLE

Special revenue fund grants receivable includes claims for reimbursement of costs under various federal grant programs. There is no allowance for doubtful accounts as all amounts are considered collectable by management.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

	Capital Assets 7/1/2023	Adjustments	Additions	Deletions	Capital Assets 6/30/2024
Non Depreciable:					
Land & Land Improvements	\$ 948,797	\$ -	\$ -	\$ -	\$ 948,797
Depreciable:					
Buildings & Improvements	88,507,921	-	62,780	-	88,570,701
Equipment	1,659,649	-	27,590	-	1,687,239
Vehicles	4,011,346	563,973	372,618	-	4,947,937
	<u>95,127,713</u>	<u>563,973</u>	<u>462,988</u>	<u>-</u>	<u>96,154,674</u>
Accumulated Depreciation:					
Buildings and Improvements	23,412,444	-	1,965,324	-	25,377,768
Equipment	1,315,923	-	67,528	-	1,383,451
Vehicles	2,941,037	-	286,825	-	3,227,862
Total Accumulated Depreciation	<u>27,669,404</u>	<u>-</u>	<u>2,319,677</u>	<u>-</u>	<u>29,989,081</u>
Capital Assets, Net	<u>\$ 67,458,309</u>				<u>\$ 66,165,593</u>

Adjustments represent the addition of four buses which were previously not included on the capital asset schedule but were obtained in prior years. See Note 19 for further information.

Depreciation was not charged to specific functions or programs of the District. Capital assets of the District are for the use of the entire District and are therefore unallocated. Depreciation expense is recorded on the statement of activities as follows:

Unallocated Depreciation Expense	<u>\$ 2,319,677</u>
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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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 \$777,691, excluding amounts to fund employer specific liabilities. In addition, approximately \$19,965 in employee contributions were paid or picked up by the District in 2023-2024.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2024, the District reported a net pension liability of \$271,190 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 0.001 percent and 0.041 percent, respectively. Pension income for the year ended June 30, 2024 was \$325,715.

The rates in effect for the year ended June 30, 2024 were:

- (1) Tier 1/Tier 2 – 8.06%
- (2) OPSRP general services – 5.22%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 13,262	\$ 1,075
Changes in assumptions	24,091	180
Net difference between projected and actual earnings on pension plan investments	4,874	-
Net changes in Proportionate share	860,370	13,540,482
Difference between District contributions and proportionate share of contributions	16,463,155	688,343
Subtotal - Amortized Deferrals (below)	17,365,752	14,230,080
District contributions subsequent to measuring date	777,691	-
Net deferred outflow (inflow) of resources	\$ 18,143,443	\$ 14,230,080

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 \$17,365,752, and deferred inflows of resources, (\$14,230,080), net to \$3,135,672 and will be recognized in pension income as follows:

Year ending June 30,	Amount
2025	\$ 941,542
2026	814,261
2027	1,423,451
2028	390,387
2029	(433,969)
Thereafter	-
Total	\$ 3,135,672

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>

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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 <i>Moro</i> decision; blend based on service
Mortality	<p><u>Healthy retirees and beneficiaries:</u> 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.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> 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.</p>

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.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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%
<i>Assumed Inflation - Mean</i>		2.35%

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

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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)	\$ 447,955	\$ 271,190	\$ 123,257

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.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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>

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. 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 for the years ended June 30, 2022, 2023, and 2024 were \$2,628, \$2,077, and \$710 respectively, which equaled the required contributions each year.

At June 30, 2024, the District reported a net OPEB asset of \$385,882 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 0.105 percent and 0.107 percent, respectively. OPEB expense for the year ended June 30, 2024 was \$32,246.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (44,662)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	77,793
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ 33,131</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 9,688
Changes in assumptions	-	4,161
Net difference between projected and actual earnings on pension plan investments	1,094	-
Net changes in proportionate share	3,136	-
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	4,230	13,849
District contributions subsequent to measurement date	710	-
Deferred outflow (inflow) of resources	\$ 4,940	\$ 13,849

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, \$4,230, and deferred inflows of resources, (\$13,849), net to (\$9,619) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2025	\$ (14,978)
2026	(14,015)
2027	14,261
2028	5,113
2029	-
Thereafter	-
Total	<u>\$ (9,619)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 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>

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. 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	<p><u>Healthy retirees and beneficiaries:</u> 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.</p> <p><u>Active members:</u> Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> 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.</p>

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.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. 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%
<i>Assumed Inflation - Mean</i>		<i>2.35%</i>

(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 asset	\$ 350,767	\$ 385,882	\$ 416,010

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.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFITS – (HEALTH INSURANCE)

Plan Description - The District operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The District’s post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 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). 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.

The District has not established an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund. The District does not issue a stand-alone report for this plan.

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

Program membership consisted of the following as of the Actuarial Measurement date of June 30, 2023:

Active program members	397
Retirees currently receiving benefits	1
Total	398

Actuarial Methods and Assumptions - The District engaged an actuary to perform a valuation as of June 30, 2023 using the Entry age normal, level percent of salary Actuarial Cost Method.

The total other post-employment benefit liability in the June 30, 2023 actuarial valuation was calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date.

Discount Rate	3.65%
Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Reporting Date	June 30, 2024
Inflation	2.40%
Salary Increases	3.40%
Healthy Mortality	Based on Oregon PERS valuation assumptions as of December 31, 2022
Actuarial Cost Method	Entry Age Normal Level Percent of Pay

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFITS – (HEALTH INSURANCE) (CONTINUED)

Retirement rates were calculated based on age, tier/OPSRP and years of service. 25% of future retirees eligible for District-paid health care are assumed to elect medical coverage. 50% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.

Total Other Post Employment Benefit Liability

The District’s total OPEB liability of \$450,714 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2023. Amount was actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 53.

	Total OPEB Liability
Total OPEB Liability Balance 7/1/2023	\$ 762,894
Changes for the Year:	
Benefit payments	-
Service Cost	110,357
Interest	30,230
Changes of benefit terms	-
Changes of Assumptions	(232,762)
Experience (Gain)/Loss	(220,005)
Net Change in total OPEB Liability	(312,180)
Total OPEB Liability Balance 6/30/2024	\$ 450,714

The discount rate used to measure the total other post-employment benefit liability was 3.65%, based on the Bond Buyer Index: 20-year Bond Government Obligations at the measurement date.

Changes in the Net Other Post-Employment Benefit Liability

Changes of assumptions: Interest Discount, the investment return assumption was increased from 3.54 % to 3.65%. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFITS – (HEALTH INSURANCE) (CONTINUED)

Sensitivity of the Total Post-Employment Benefit Liability to changes in the discount and trend rates

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 3.65 percent, as well as what the District’s NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 487,740	\$ 450,714	\$ 415,853

	1% Decrease	Current Health Care Trend Rate	1% Increase
Total OPEB Liability	\$ 390,392	\$ 450,714	\$ 522,367

Other Post-Employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits

For the year ended June 30, 2024, the District recognized Other Post-Employment Benefit expense of \$34,205.

At June 30, 2024, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits from the following sources:

	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
Differences between expected & actual experience	\$ (396,694)	\$ 9,263
Changes of assumptions or other inputs	(238,699)	52,143
<i>Subtotal - Amortized Deferrals (Below)</i>	(635,393)	61,406
Benefit Payments after measurement date	-	17,626
Total as of June 30, 2024	<u>\$ (635,393)</u>	<u>\$ 79,032</u>

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFITS – (HEALTH INSURANCE) (CONTINUED)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Subtotal amounts reported as deferred outflows \$61,406, and deferred inflows of resources (\$635,393), related to Other Post-employment benefits net to (\$573,987), and will be recognized in Other Post-employment benefit expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ (85,858)
2026	(82,717)
2027	(83,460)
2028	(89,222)
2029	(94,231)
Thereafter	<u>(138,499)</u>
Total	<u>\$ (573,987)</u>

For more information on the changes in OPEB health insurance liability, see page 53 of the financial report.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS

The following changes occurred in the liabilities during the year ended June 30, 2024:

	Beginning Balance	Adjustments	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds						
Series 2012 Refunding	\$ 4,130,000	\$ -	\$ -	\$ 1,985,000	\$ 2,145,000	\$ 2,145,000
Series 2016A (1)	19,316,589	17,281,760	-	-	36,598,349	-
Series 2016B	13,980,000	-	-	510,000	13,470,000	555,000
Total	<u>37,426,589</u>	<u>17,281,760</u>	<u>-</u>	<u>2,495,000</u>	<u>52,213,349</u>	<u>2,700,000</u>
Premium - 2012 Refunding	782,950	-	-	381,942	401,008	401,008
Discount 2016A	(13,234,189)	13,234,189	-	-	-	-
Premium - 2016B	2,146,761	-	-	96,380	2,050,381	96,380
Total GO bonds	<u>27,122,111</u>	<u>30,515,949</u>	<u>-</u>	<u>2,973,322</u>	<u>54,664,738</u>	<u>3,197,388</u>
Qualified Zone Academy Bonds						
QZAB - 2014	2,000,000	-	-	-	2,000,000	-
Total QZAB	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Limited Tax Pension Bonds						
2003	11,845,000	-	-	2,190,000	9,655,000	2,450,000
2022	26,336,659	-	-	450,492	25,886,167	525,703
Total Limited Tax Pension Bonds	<u>38,181,659</u>	<u>-</u>	<u>-</u>	<u>2,640,492</u>	<u>35,541,167</u>	<u>2,975,703</u>
Financed Purchase Obligations	813,306	194,636	372,618	318,511	1,062,049	309,795
Total Bond Payables	<u>\$ 68,117,076</u>	<u>\$ 30,710,585</u>	<u>\$ 372,618</u>	<u>\$ 5,932,325</u>	<u>\$ 93,267,954</u>	<u>\$ 6,482,886</u>

(1) The General Obligation Bond Series 2016 is a Capital Appreciation Bond. The outstanding balance as of June 30, 2024 includes the principal and accrued interest that is due at maturity.

General Obligation Bonds

General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The District's outstanding general obligation bonds represent funding primarily for building improvement projects. Interest is due semiannually in June and December. Interest rates increase at fixed rates over the life of the bonds in accordance with the original bond agreements. The Debt Service Fund has traditionally been used to liquidate long-term debt.

General Obligation Refunding Bonds Series 2012

In March 2012, the District issued general obligation bonds of \$21,335,000 (par value) with interest rates of 2% to 5% to advance refund the portion of the Series 2002 general obligation bonds on June 15, 2012. Interest rates increase in accordance with the original bond agreements. The Series 2012 bonds were issued at a premium of \$1,919,606 and, after paying issuance costs of \$260,662, the net proceeds were \$22,993,944. The net proceeds from the issuance of the Series 2012 bonds were used to purchase state and local government securities, which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the Series 2002 bonds were called on June 15, 2012. The advance refunding met the requirements of an in-substance debt defeasance and the refunded portion of the 2002 bonds was removed from the District's government-wide financial statements. The defeased bonds have been paid in full.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds Series 2016

In August 2016, the District issued general obligation bonds of \$35,945,243 (par value) with interest rates of 2% to 5%. Interest rates increase in accordance with the original bond agreements. The bonds were used for facilities improvements and additions. The \$17,281,760 adjustment to the principal represents the inclusion of the interest accrual, as the bond is a Capital Appreciation Bond, and thus interest is accrued with the principal. In addition, a \$13,234,189 adjustment was made to eliminate the discount related to the bond. See Note 19 for further information about adjustments related to the General Obligations Bond Series 2016.

Qualified School Construction Bonds – 2008

The District entered into a financing agreement dated 2008 under the Qualified Zone Academy Bonds (QZAB) Program. The District received financing of \$1,000,000 for upgrades and improvements to school facilities. The agreement requires annual payments, and interest is fixed.

Qualified School Construction Bonds – 2014

The District entered into a financing agreement dated 2014 under the Qualified Zone Academy Bonds (QZAB) Program. The District received financing of \$2,000,000 for upgrades and improvements to school facilities. The agreement requires annual cash deposits to a sinking fund in the amount of \$133,334 to fund the only payment of \$2,000,000 in 2029.

Financed Purchase Obligations

During the 2016-17 fiscal year, a capital lease was entered into with Pinnacle Public Finance, Inc. in the amount of \$136,725 to purchase one 2018 Blue Bird School Bus. The terms of the lease include variable annual payments totaling \$22,385 each year. During the 2017-18 a second capital lease was entered into with Pinnacle Public Finance, Inc. in the amount of \$374,930 to purchase three 2019 Blue Bird School Buses. The terms of the lease include variable annual payments totaling \$61,420 each year. During the 2018-19 fiscal year, a third capital lease was entered into with Pinnacle Public Finance, Inc. in the amount of \$304,846 to purchase one 2020 Blue Bird Bus and two 2019 Micro Bird School Buses. The terms of the lease include variable annual payments totaling \$49,996 each year. During the 2019-20 fiscal year, a fourth capital lease was entered into with Pinnacle Public Finance, Inc. in the amount of \$435,000 to purchase four 2021 Blue Bird School Buses. The terms of the lease include variable payments totaling \$68,628 each year. During the 2020-21 fiscal year, a fifth capital lease was entered into with Pinnacle Public Finance, Inc. in the amount of \$394,780 to purchase four 2022 Blue Bird School Buses. The terms of the lease include variable annual payments totaling \$61,704 each year. During the 2023-24 fiscal year, a capital lease was entered into with Santander Bank in the amount of \$372,618 to purchase two 2023 Blue Bird Buses. The terms of the lease include variable annual payments totaling \$83,872 each year. There is a total capital lease liability of \$1,062,049. Adjustments represent the correction of total capital lease liability held by the District as of June 30, 2023. See Note 19 for further details.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Pension Bonds – 2003 and 2022

The District participated in the OSBA Pension Bond Pool for the purpose of funding the District’s allocated portion of the PERS Unfunded Actuarial Liability (UAL). A bond in the amount of \$22,630,220 was issued on April 21, 2003. The bond is being amortized over 25 years. Interest is fixed and ranges between 1.4% and 6.27%. Interest rates increase in accordance with the original bond agreements. Interest is due semiannually on June 30 and December 31. A bond in the amount of \$26,691,611 was issued on May 23, 2022. The bond is being amortized over 20 years. Interest is fixed at 4.45% and is due semiannually on June 30 and December 30.

Future Maturities of Long-Term Liabilities

Pension Obligation Bonds

On April 3, 2003 and October 9, 2002, \$9,199,658 and \$8,089,414 respectively, of limited tax pension obligation bonds were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District’s UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the District’s future required contribution rate.

Debt service payments for the pension obligation bonds will continue through the 2027-28 fiscal year. Future increases of the annual debt service payment will range from 4.4 percent to 4.9 percent annually. The bonds include deferred interest obligations where interest is payable at maturity and current interest obligations where interest is due semi-annually.

The District has no significant default or termination clauses on any bonds payable and are not subject to any acceleration clauses under GASB 88.

Future maturities of bonds are payable as follows:

Fiscal Year Ending June 30,	Limited Tax Pension Bonds		
	Principal	Interest	Total
2025	\$ 2,975,703	\$ 1,700,338	\$ 4,676,041
2026	3,336,137	1,537,785	4,873,922
2027	3,727,089	1,355,748	5,082,837
2028	2,223,871	1,152,562	3,376,433
2029	881,811	1,035,887	1,917,698
2030-2034	6,118,810	4,493,189	10,611,999
2035-2039	9,711,426	2,831,533	12,542,959
2040-2044	6,566,320	536,697	7,103,017
Total	<u>\$ 35,541,167</u>	<u>\$ 14,643,739</u>	<u>\$ 50,184,906</u>

Fiscal Year Ending June 30,	Qualified Zone Academy Bonds		
	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	2,000,000	-	2,000,000
Total	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS (CONTINUED)

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
General Obligation Bonds 2012 Series			
2025	\$ 2,145,000	\$ 103,750	\$ 2,248,750
Total	<u>\$ 2,145,000</u>	<u>\$ 103,750</u>	<u>\$ 2,248,750</u>
General Obligation Bonds 2016A Series			
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030-2034	8,500,276	5,309,725	13,810,001
2035-2039	7,827,817	7,982,183	15,810,000
2040-2044	2,985,499	3,992,849	6,978,348
Total	<u>\$ 19,313,592 (1)</u>	<u>\$ 17,284,757</u>	<u>\$ 36,598,349</u>
General Obligation Bonds 2016B Series			
2025	\$ 555,000	\$ 491,488	\$ 1,046,488
2026	2,915,000	469,288	3,384,288
2027	3,125,000	352,688	3,477,688
2028	3,345,000	227,688	3,572,688
2029	3,530,000	129,700	3,659,700
Total	<u>\$ 13,470,000</u>	<u>\$ 1,670,852</u>	<u>\$ 15,140,852</u>
Total Debt and Interest	<u>\$ 34,928,592</u>	<u>\$ 19,059,359</u>	<u>\$ 53,987,951</u>

Future maturities of financed purchase obligations are as follows:

Fiscal Year Ending June 30,	Financed Purchase Obligations		
	Principal	Interest	Total
2025	\$ 309,795	\$ 20,833	\$ 330,628
2026	298,314	13,884	312,198
2027	247,509	7,458	254,967
2028	206,431	2,976	209,407
Total	<u>\$ 1,062,049</u>	<u>\$ 45,151</u>	<u>\$ 1,107,200</u>

(1) General Obligation Bond Series 2016A is a Capital Appreciation Bond. The outstanding balance as of June 30, 2024 includes the principal and accrued interest that is due at maturity. For the purposes of the future maturities disclosure charts, the principal and interest balances are presented separately.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM OBLIGATIONS (CONTINUED)

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
General Obligation Bonds 2012 Series			
2025	\$ 2,145,000	\$ 103,750	\$ 2,248,750
Total	<u>\$ 2,145,000</u>	<u>\$ 103,750</u>	<u>\$ 2,248,750</u>
General Obligation Bonds 2016A Series			
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030-2034	8,500,276	5,309,725	13,810,001
2035-2039	7,827,817	7,982,183	15,810,000
2040-2044	2,985,499	3,992,849	6,978,348
Total	<u>\$ 19,313,592</u>	<u>\$ 17,284,757</u>	<u>\$ 36,598,349</u>
General Obligation Bonds 2016B Series			
2025	\$ 555,000	\$ 491,488	\$ 1,046,488
2026	2,915,000	469,288	3,384,288
2027	3,125,000	352,688	3,477,688
2028	3,345,000	227,688	3,572,688
2029	3,530,000	129,700	3,659,700
Total	<u>\$ 13,470,000</u>	<u>\$ 1,670,852</u>	<u>\$ 15,140,852</u>
Total Debt and Interest	<u>\$ 34,928,592</u>	<u>\$ 19,059,359</u>	<u>\$ 53,987,951</u>

Future maturities of financed purchase obligations are as follows:

Fiscal Year Ending June 30,	Financed Purchase Obligations		
	Principal	Interest	Total
2025	\$ 309,795	\$ 20,833	\$ 330,628
2026	298,314	13,884	312,198
2027	247,509	7,458	254,967
2028	206,431	2,976	209,407
Total	<u>\$ 1,062,049</u>	<u>\$ 45,151</u>	<u>\$ 1,107,200</u>

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. GENERAL OBLIGATION DEBT CAPACITY

ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Kindergarten through twelfth grade school districts may issue an aggregate principal amount up to 7.95% of the Real Market Value of all taxable properties within the district.

Information on the District's general obligation debt capacity is presented below.

Real Market Value (Fiscal Year 2024) ⁽¹⁾	\$	4,241,318,874
Debt Capacity		
General Obligation Debt Capacity (7.95% of Real Market Value)		337,184,850
Less: Outstanding Debt Subject to Limit		<u>(52,213,349) ⁽²⁾</u>
Remaining General Obligation Debt Capacity	\$	284,971,501
Percent of Capacity Issued		15.49%

⁽¹⁾ The District's fiscal year commences July 1 and ends on June 30 of the following year (the "Fiscal Year"). *Source: Lane County Department of Assessment and Taxation.*

⁽²⁾ Represents voter-approved, unlimited-tax general obligations of the District.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. 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. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

12. INTERFUND TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES

Operating transfers and interfund receivables/payables between funds were made to fund various programs and activities as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 2,008,990	\$ -	\$ -	\$ 1,605,804
Special Revenue Fund	610,158	-	1,565,685	-
Special Project Fund	52,915	1,979,148	-	-
Debt Service Fund	564,506	260,000	-	-
Capital Project Fund	-	310,000	-	-
Internal Service Funds	-	564,506	-	-
Enterprise Funds	-	122,915	40,119	-
Total	<u>\$ 3,236,569</u>	<u>\$ 3,236,569</u>	<u>\$ 1,605,804</u>	<u>\$ 1,605,804</u>

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

13. PROPERTY TAX LIMITATION

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and nonschool government operations. 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 requirement 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 further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. 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 reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. TAX ABATEMENTS

As of June 30, 2024, the District had tax abatements through three programs: Enterprise Zone, Housing Multiple Unit Core Areas, which impacted their levied taxes and require disclosure under GASB 77.

Enterprise Zone (ORS 285C.175):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Housing Multiple Core Areas (ORS 307.612):

- Certain multiple-unit housing that qualifies for exemption under ORS 307.600 to 307.637 may be exempt from ad valorem taxation for a maximum of 10 consecutive years. The initial year of exemption starts from the assessment year beginning January 1 immediately following the calendar year in which construction, addition, or conversion is completed. This determination is based on the stage in the construction process when, according to ORS 307.330, the improvement would have entered the tax rolls without the exemption. Additionally, for multiple-unit housing under a low-income housing assistance contract, the exemption applies upon approval of the application.
- The exemption does not include the land or any enhancements unrelated to the multiple-unit housing. However, it does cover the following: parking developed in conjunction with the construction, addition, or conversion of multiple-unit housing; and commercial property, to the extent that it serves as a mandated design or public benefit component of a multiple-unit housing project approved by a city or county authority. When stories or other improvements are added to a structure, or a structure is converted, only the augmented value attributable to the addition or conversion is eligible for tax exemption.

For the fiscal year ended June 30, 2024, the District had abated property taxes totaling \$83,320 under these programs.

15. LEASE LIABILITY

For the year ended 6/30/2024, 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.

As of 06/30/2024, the District had 18 active leases. The leases have payments that range from \$576 to \$2,532 and an interest rate of 4.50%. As of 06/30/2024, the total combined value of the lease liability is \$57,750, the total combined value of the short-term lease liability is \$26,614. The combined value of the right to use asset, as of 06/30/2024 of \$128,238 with accumulated amortization of \$74,600 is included within the Lease Class activities table found below.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

15. LEASE LIABILITY (CONTINUED)

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

	Lease Class Activities					
	Outstanding 7/1/23	Adjustments	Issued	Matured and Redeemed	Outstanding 6/30/24	Due Within One Year
Vehicles	\$ 787,456	\$ (787,456)	\$ -	\$ -	\$ -	\$ -
Equipment	86,939	(3,749)	-	25,440	57,750	26,614
Total	<u>\$ 874,395</u>	<u>\$ (791,205)</u>	<u>\$ -</u>	<u>\$ 25,440</u>	<u>\$ 57,750</u>	<u>\$ 26,614</u>

Adjustments to the vehicle leases represent the removal of the vehicle leases from the lease liability schedule as they are considered financed purchase obligations and therefore not applicable under GASB 87. Adjustments to the copier leases represent the adjustment of the incremental borrowing rate between current and prior year. See Note 19 for further information.

Future lease liability payments are as follows:

Fiscal Year Ending	Principal Interest to Maturity Governmental Activities Total		
	June 30,	Principal Payments	Interest Payments
2025	\$	26,614	\$ 2,008
2026		27,842	780
2027		3,294	15
	<u>\$</u>	<u>57,750</u>	<u>\$ 2,803</u>

16. RIGHT TO USE ASSET

Right to use assets are for the leases in Note 15.

Amount of Lease Assets by Major Classes of Underlying Asset (Right-to-Use Asset)

Asset Class	At June 30, 2024		
	Lease Asset Value	Accumulated Amortization	Net Value
Equipment	\$ 128,238	\$ 74,600	\$ 53,638
Total	<u>\$ 128,238</u>	<u>\$ 74,600</u>	<u>\$ 53,638</u>

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

16. RIGHT TO USE ASSET (CONTINUED)

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

	Changes in Right-to-Use Asset				Balance at June 30, 2024
	Balance at July 1, 2023	Adjustments	Additions	Reductions	
Right-to-Use Asset					
Vehicles	\$ 1,595,110	\$ (1,595,110)	\$ -	\$ -	\$ -
Equipment	143,343	(15,105)	-	-	128,238
Total	<u>\$ 1,738,453</u>	<u>\$ (1,610,215)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,238</u>
Accumulated Amortization					
Vehicles	\$ 637,988	\$ (637,988)	\$ -	\$ -	\$ -
Equipment	54,730	(5,775)	25,645	-	74,600
Total	<u>\$ 692,718</u>	<u>\$ (643,763)</u>	<u>\$ 25,645</u>	<u>\$ -</u>	<u>\$ 74,600</u>
Net Right-to-Use Assets	<u>\$ 1,045,735</u>				<u>\$ 53,638</u>

Adjustments to the vehicle leases represent the removal of the vehicle leases from the lease liability schedule as they are considered financed purchase obligations and therefore not applicable under GASB 87. Adjustments to the copier leases represent the adjustment of the incremental borrowing rate between current and prior year. See Note 19 for further information.

17. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2024 are as follows:

Fund Balances:	General Fund	Special Revenue Fund	Special Project Fund	Debt Service Fund	Capital Projects Fund	Total
<u>Nonspendable:</u>						
Prepaid & Inventory	\$ -	\$ -	\$ 59,539	\$ -	\$ -	\$ 59,539
<u>Restricted:</u>						
Debt service	-	-	-	754,856	-	754,856
Building improvements	-	-	-	-	464,580	464,580
Grant projects	-	-	3,614,186	-	-	3,614,186
	-	-	3,614,186	754,856	464,580	4,833,622
<u>Unassigned:</u>	2,560,551	(861,581)	-	-	-	1,698,970
Total Fund Balances	<u>\$ 2,560,551</u>	<u>\$ (861,581)</u>	<u>\$ 3,673,725</u>	<u>\$ 754,856</u>	<u>\$ 464,580</u>	<u>\$ 6,592,131</u>

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

18. 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 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 operations cannot be determined.

19. CORRECTION OF ERRORS IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During fiscal year 2023-2024, the District determined that Pension Bonds previously accounted for within the Internal Service Fund should instead be accounted for within the Debt Service Fund to be consistent with the treatment of other debt held by the District. As a result of this change, the Pension Bonds are now accounted for on a modified accrual basis where they were previously accounted for on a full accrual basis. Therefore, long term liabilities related to the Pension Bonds were overstated at the fund level by \$38,181,659 for fiscal year ended June 30, 2023. The effects of that change are shown in column A of the note disclosure chart below.

During fiscal year 2023-2024, the District determined that activity related to the Early Learning Center was not correctly included on the District's trial balance for fiscal year ended June 30, 2024. Therefore, activity related to the Early Learning Center was understated by \$15,494 for fiscal year 2022-2023. The effect of correcting that error is shown in column B of the note disclosure chart below.

During fiscal year 2023-2024, the District determined that the amount of vehicle assets on the capital asset register were understated during fiscal year ended June 30, 2023. Therefore, capital assets, net of depreciation, were understated by \$563,973 for fiscal year 2022-2023. The effect of correcting that error is shown in column C of the note disclosure chart below.

During fiscal year ended 2023-2024, the District determined that financed purchase obligations held by the District were being incorrectly documented under GASB 87 during fiscal year ended June 30, 2023. In addition, the District determined that interest related to the copier leases was being accrued incorrectly. Therefore, the lease right-to-use assets, net of amortization, and the lease liabilities were being overstated for fiscal year 2022-2023. The effect of correcting this error is shown in column D of the note disclosure chart below.

**SOUTH LANE SCHOOL DISTRICT NO. 45J3
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NOTES TO BASIC FINANCIAL STATEMENTS

19. CORRECTION OF ERRORS IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS (CONTINUED)

During fiscal year ended 2023-2024, the District determined that the General Obligations Bond Series 2016A was not being correctly recorded as a capital appreciation bond during fiscal year ended June 30, 2023. In addition, the District also determined that the total amount of long term debt related to financed purchase obligations was understated during fiscal year ended June 30, 2023. Therefore, the District's long term debt was understated by \$30,710,585 during fiscal year 2022-2023. The effect of correcting this error is shown in column E of the note disclosure chart below.

During fiscal year ended 2023-2024, the District determined that the total cash with bond agent related to the 2014 Qualified Zone Academy Bond was not inclusive of all deposits made by the District during fiscal year ended June 30, 2023. Therefore, the total cash with bond agent was understated for fiscal year 2022-2023. The effect of correcting this error is shown in column F of the note disclosure chart below.

During fiscal year ended 2023-2024, the District determined that activity related to a number of custodial funds held by the District was not correctly included on the District's trial balance for fiscal year ended June 30, 2024. Therefore, activity related to these custodial funds was understated by \$90,773 for fiscal year 2022-2023. The effect of correcting that error is shown in column G of the note disclosure chart below.

	6/30/2023 Net Position As Previously Reported	Change to or within the Financial Reporting Entry (A)	Error Correction (B)	Error Correction (C)	Error Correction (D)	Error Correction (E)	Error Correction (F)	Error Correction (G)	6/30/2023 Net Position Restated
Government-Wide									
Governmental Activities	\$ 10,055,390	\$ -	\$ 15,494	\$ 563,973	\$ (175,247)	\$ (30,710,585)	\$ 400,002	\$ -	\$ (19,850,973)
Business-Type Activities	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ 10,055,390	\$ -	\$ 15,494	\$ 563,973	\$ (175,247)	\$ (30,710,585)	\$ 400,002	\$ -	\$ (19,850,973)
Governmental Funds									
Special Revenue Fund	\$ 587,576	\$ -	\$ 15,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 603,070
Debt Service Fund	644,331	-	-	-	-	-	1,066,672	-	1,711,003
Total Governmental Funds	\$ 1,231,907	\$ -	\$ 15,494	\$ -	\$ -	\$ -	\$ 1,066,672	\$ -	\$ 2,314,073
Proprietary Funds									
PERS UAL Fund	\$ (12,179,048)	\$ 11,845,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (334,048)
Pension Bond 2022A Fund	(26,567,117)	26,336,659	-	-	-	-	-	-	(230,458)
Total Proprietary Funds	\$ (38,746,165)	\$ 38,181,659	\$ -	\$ (564,506)					
Fiduciary Fund									
Custodial Funds	\$ 390,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,773	\$ 481,355
Total Fiduciary Fund	\$ 390,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,773	\$ 481,355

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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SOUTH LANE SCHOOL DISTRICT NO.45J3
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At 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	0.01 %	\$ 271,190	\$ 27,590,223	1.0 %	81.7 %
2023	0.04	6,333,860	18,623,274	34.0	84.5
2022	0.10	11,791,770	18,261,846	64.6	87.6
2021	0.13	28,556,518	18,621,909	153.3	75.8
2020	0.11	18,446,299	17,548,378	105.1	80.2
2019	0.13	19,446,172	15,512,342	125.4	82.0
2018	0.12	16,458,618	17,568,345	93.7	83.1
2017	0.11	15,908,640	15,615,031	101.9	92.0
2016	0.10	5,497,097	15,072,780	36.5	92.0
2015	0.07	(1,546,863)	14,766,855	(10.5)	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	\$ 777,691	\$ 777,691	\$ -	\$ 23,681,818	3.3 %
2023	161,282	161,282	-	27,590,223	0.6
2022	980,393	980,393	-	18,623,274	5.3
2021	1,587,619	1,587,619	-	18,261,846	8.7
2020	1,518,504	1,518,504	-	18,621,909	8.2
2019	1,128,578	1,128,578	-	17,548,378	6.4
2018	1,116,152	1,116,152	-	15,512,342	7.2
2017	2,377,117	2,377,117	-	17,568,345	13.5
2016	2,179,417	2,179,417	-	15,615,031	14.0
2015	2,703,361	2,703,361	-	15,072,780	17.9

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.

SOUTH LANE SCHOOL DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

OPEB - RHIA

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

Year Ended June 30,	(a) District's Proportion of the net OPEB asset/(liability) (NOA/(L))	(b) District's proportionate share of the net OPEB asset/(liability)(NOA/(L))	(c) District's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.10538 %	\$ 385,882	\$ 27,590,223	1.40 %	201.6 %
2023	0.10600	378,840	18,623,274	2.03	194.6
2022	0.10319	372,770	18,261,846	2.04	183.9
2021	0.18965	520,490	18,621,909	2.80	150.1
2020	0.11492	310,844	17,548,378	1.77	144.4
2019	0.10856	178,809	15,512,342	1.15	124.0
2018	0.10617	63,883	17,568,345	0.36	108.9
2017	0.11011	44,295	15,615,031	0.28	90.0

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

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

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

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2024	\$ 710	\$ 710	\$ -	\$ 23,681,818	0.00 %
2023	2,077	2,077	-	27,590,223	0.01
2022	2,628	2,628	-	18,623,274	0.01
2021	2,904	2,904	-	18,261,846	0.02
2020	2,043	2,043	-	18,621,909	0.01
2019	79,727	79,727	-	17,548,378	0.45
2018	77,562	77,562	-	15,512,342	0.50
2017	74,959	74,959	-	17,568,345	0.43

The amounts presented for each fiscal year were actuarially determined at December 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.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2024

HEALTH INSURANCE SUBSIDY

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Experience (Gain)/Loss	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2024	\$ 762,894	\$ 110,357	\$ 30,230	\$ (220,005)	\$ (193,835)	\$ (38,928)	\$ 450,714	\$ N/A	N/A
2023	721,249	125,786	18,097	-	(83,671)	(18,568)	762,894	N/A	N/A
2022	975,539	108,328	22,838	(316,583)	32,644	(101,517)	721,249	N/A	N/A
2021	888,095	93,779	32,732	-	55,080	(94,147)	975,539	N/A	N/A
2020	802,677	79,663	32,864	26,413	13,374	(66,896)	888,095	N/A	N/A
2019	783,199	79,313	29,557	-	(14,946)	(74,446)	802,677	N/A	N/A
2018	N/A	108,328	22,838	-	32,644	(101,517)	62,293	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2024	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A

The above table presents the most recent actuarial valuations for the District's OPEB Health Insurance and it provides information that approximates the funding progress of the plan.

The amounts presented for each fiscal year are actuarially determined and rolled forward.

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

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

	GENERAL FUND			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 8,780,113	\$ 8,780,113	\$ 9,316,126	\$ 536,013
Intermediate Sources	101,000	101,000	76,006	(24,994)
State Sources	26,946,058	26,946,058	27,778,146	832,088
Federal Sources	150,000	150,000	111,234	(38,766)
Total Revenues	<u>35,977,171</u>	<u>35,977,171</u>	<u>37,281,512</u>	<u>1,304,341</u>
EXPENDITURES				
Instruction	20,287,651	20,287,651 (1)	21,155,246	(867,595)
Support Services	14,401,072	14,401,072 (1)	14,333,716	67,356
Contingency	2,278,448	2,278,448 (1)	-	2,278,448
Total Expenditures	<u>36,967,171</u>	<u>36,967,171</u>	<u>35,488,962</u>	<u>1,478,209</u>
Excess of Revenue Over, (Under) Expenditures	(990,000)	(990,000)	1,792,550	2,782,550
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(2,010,000)	(2,010,000) (1)	(2,008,990)	1,010
Total Other Financing Sources (Uses)	<u>(2,010,000)</u>	<u>(2,010,000)</u>	<u>(2,008,990)</u>	<u>1,010</u>
Net Change in Fund Balance	(3,000,000)	(3,000,000)	(216,440)	2,783,560
Beginning Fund Balance	3,000,000	3,000,000	2,776,991	(223,009)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,560,551</u>	<u>\$ 2,560,551</u>

(1) Appropriation Level

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET -BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

	<u>SPECIAL REVENUE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ -	\$ 5,000	\$ 6,040	\$ 1,040
State Sources	7,155	7,155	11,274	4,119
Federal Sources	3,179,481	3,679,481	3,417,501	(261,980)
Total Revenues	<u>3,186,636</u>	<u>3,691,636</u>	<u>3,434,815</u>	<u>(256,821)</u>
EXPENDITURES:				
Instruction	1,991,449	1,991,449 (1)	2,733,124	(741,675)
Support Services	1,178,400	1,729,212 (1)	1,508,500	220,712
Enterprise & Community Services	17,155	17,155 (1)	47,684	(30,529)
Total Expenditures	<u>3,187,004</u>	<u>3,737,816</u>	<u>4,289,308</u>	<u>(551,492)</u>
Excess of Revenues Over, -Under Expenditures	(368)	(46,180)	(854,493)	(808,313)
Other Financing Sources (Uses):				
Transfers Out	-	-	(2) (610,158)	(610,158)
Transfers In	-	45,812	-	(45,812)
Total Other Financing Sources (Uses)	<u>-</u>	<u>45,812</u>	<u>(610,158)</u>	<u>(655,970)</u>
Net Change in Fund Balance	(368)	(368)	(1,464,651)	(1,464,283)
Prior Period Adjustment	-	-	15,494	15,494
Beginning Fund Balance	<u>368</u>	<u>368</u>	<u>587,576</u>	<u>587,208</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (861,581)</u>	<u>\$ (861,581)</u>

(1) Appropriation Level

(2) A portion of the Special Revenue Fund was closed and transferred to the Special Projects Fund during FY23-24. See ORS 294.353

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET -BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

	<u>SPECIAL PROJECTS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 654,294	\$ 654,294	\$ 1,210,351	\$ 556,057
Intermediate Source	-	-	7,467	7,467
State Sources	5,605,362	6,033,596	6,140,346	106,750
Federal Sources	2,207,690	2,207,690	2,228,630	20,940
Total Revenues	8,467,346	8,895,580	9,586,794	691,214
EXPENDITURES:				
Instruction	5,617,636	5,874,070 (1)	5,176,889	697,181
Support Services	3,641,314	3,813,114 (1)	3,637,776	175,338
Enterprise & Community Services	1,825,805	1,825,805 (1)	1,808,319	17,486
Facilities Acquisition & Construction	780,343	780,343 (1)	372,618	407,725
Debt Service	290,000	348,000 (1)	347,915	85
Contingencies	301,693	301,693 (1)	-	301,693
Total Expenditures	12,456,791	12,943,025	11,343,517	1,599,508
Excess of Revenues Over, -Under Expenditures	(3,989,445)	(4,047,445)	(1,756,723)	2,290,722
Other Financing Sources (Uses):				
Transfers Out	(164,000)	(164,000) (3)	(52,915)	111,085
Transfers In	1,370,000	1,370,000	1,979,148 (2)	609,148
Lease Purchase Receipts	-	-	372,618	372,618
Total Other Financing Sources (Uses)	1,206,000	1,206,000	2,298,851	1,092,851
Net Change in Fund Balance	(2,783,445)	(2,841,445)	542,128	3,383,573
Beginning Fund Balance	3,382,167	3,580,167	3,131,597	(448,570)
Ending Fund Balance	\$ 598,722	\$ 738,722	\$ 3,673,725	\$ 2,935,003

(1) Appropriation Level

(2) Included in this amount is the required match of \$13,990 for National School Lunch Support.

(3) A portion of the Special Projects Fund was closed and transferred to the Enterprise Fund during FY23-24. See ORS 294.353

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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SOUTH LAN SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

	<u>DEBT SERVICE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 7,406,353	\$ 7,406,353	\$ 7,037,978	\$ (368,375)
Total Revenues	<u>7,406,353</u>	<u>7,406,353</u>	<u>7,037,978</u>	<u>(368,375)</u>
EXPENDITURES:				
Debt Service	8,232,474	8,232,474 (1)	7,689,619	542,855
Total Expenditures	<u>8,232,474</u>	<u>8,232,474</u>	<u>7,689,619</u>	<u>542,855</u>
Excess of Revenues Over, -Under Expenditures	(826,121)	(826,121)	(651,641)	174,480
OTHER FINANCING SOURCES (USES):				
Transfers In	260,000	260,000	260,000	-
Transfers Out	-	- (2)	(564,506)	(564,506)
Total Other Financing Sources (Uses)	<u>260,000</u>	<u>260,000</u>	<u>(304,506)</u>	<u>(564,506)</u>
Net Change in Fund Balance	(566,121)	(566,121)	(956,147)	174,480
Prior Period Adjustment	-	-	1,066,672	174,480
Beginning Fund Balance	<u>566,121</u>	<u>566,121</u>	<u>644,331</u>	<u>78,210</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 754,856</u>	<u>\$ 754,856</u>

(1) Appropriation Level

(2) The Internal Service Fund was closed during FY23-24. A portion of the fund balance was transferred to the Debt Services Fund. See ORS 294.353.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

	<u>CAPITAL PROJECTS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ -	\$ -	\$ 208,181	\$ 208,181
Total Revenues	<u>-</u>	<u>-</u>	<u>208,181</u>	<u>208,181</u>
EXPENDITURES:				
Supporting Services	\$ 396,000	\$ 396,000 (1)	\$ 399,725	\$ (3,725)
Total Expenditures	<u>396,000</u>	<u>396,000</u>	<u>399,725</u>	<u>(3,725)</u>
Excess of Revenues Over, -Under Expenditures	(396,000)	(396,000)	(191,544)	(204,456)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	310,000	310,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>310,000</u>	<u>310,000</u>
Net Change in Fund Balance	(396,000)	(396,000)	118,456	514,456
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>346,124</u>	<u>346,124</u>
Ending Fund Balance	<u>\$ (396,000)</u>	<u>\$ (396,000)</u>	<u>\$ 464,580</u>	<u>\$ 860,580</u>

(1) Appropriation level

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

ENTERPRISE FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 230,000	\$ 230,000	\$ 228,279	\$ (1,721)
Total Revenues	230,000	230,000	228,279	(1,721)
EXPENDITURES:				
Enterprise & Community Services	-	- (1)	392,711	(392,711)
Total Expenditures	-	-	392,711	(392,711)
Revenues Over (Under) Expenditures	230,000	230,000	(164,432)	390,990
Other Financing Sources (Uses)				
Transfers In	70,000	70,000	122,915	(52,915)
Total Other Financing Sources (Uses)	70,000	70,000	122,915	(52,915)
Net Change in Fund Balance	300,000	300,000	(41,517)	(394,432)
Beginning Fund Balance	93,000	93,000	-	(93,000)
Ending Fund Balance	<u>\$ 393,000</u>	<u>\$ 393,000</u>	<u>\$ (41,517)</u>	<u>\$ (487,432)</u>

(1) - Appropriation Level

The Enterprise Fund is new as of FY23-24.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

<u>INTERNAL SERVICE FUNDS</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
Other Financing Sources (Uses)				
Transfers In	-	-	(2) 564,506	564,506
Total Other Financing Sources (Uses)	-	-	564,506	564,506
Net Change in Fund Balance	-	-	564,506	(564,506)
Prior Period Adjustment	-	-	38,181,659	38,181,659
Beginning Fund Balance	-	-	(38,746,165)	(38,746,165)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,129,012)</u>

(1) - Appropriation Level

(2) - Fund was closed during FY23-24. A portion of the fund balance was transferred to Debt Service Funds. See ORS 294.353. Remaining fund balance relating to long term liabilities is now reported only on the government wide statements.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2024

<u>CUSTODIAL FUNDS</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 4,120	\$ 4,120	\$ 25,117	\$ 20,997
Total Revenues	<u>4,120</u>	<u>4,120</u>	<u>25,117</u>	<u>20,997</u>
EXPENDITURES:				
Instruction Services	54,000	54,000 (1)	-	54,000
Support Services	5,181	5,181 (1)	328	4,853
Enterprise & Community Services	323,884	323,884 (1)	337,954	(14,070)
Total Expenditures	<u>383,065</u>	<u>383,065</u>	<u>338,282</u>	<u>44,783</u>
Net Change in Fund Balance	(378,945)	(378,945)	(313,165)	65,780
Prior Period Adjustment	-	-	90,773	(23,786)
Beginning Fund Balance	<u>334,945</u>	<u>334,945</u>	<u>390,582</u>	<u>55,637</u>
Ending Fund Balance	<u>\$ (44,000)</u>	<u>\$ (44,000)</u>	<u>\$ 168,190</u>	<u>\$ 97,631</u>

(1) - Appropriation Level

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF BONDED DEBT
For the Year Ended June 30, 2024

YEAR	TOTAL REQUIREMENTS		2012 REFUNDING	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2025	\$ 5,675,703	\$ 2,295,576	\$ 2,145,000	\$ 103,750
2026	6,251,137	2,007,073	-	-
2027	6,852,089	1,708,436	-	-
2028	5,568,871	1,380,250	-	-
2029	6,411,811	3,165,587	-	-
2030	2,742,696	1,855,203	-	-
2031	2,824,526	1,910,793	-	-
2032	2,915,334	1,964,695	-	-
2033	3,012,805	2,014,306	-	-
2034	3,123,725	2,057,917	-	-
2035	3,240,332	2,098,376	-	-
2036	3,363,331	2,135,064	-	-
2037	3,492,650	2,173,140	-	-
2038	3,639,283	2,196,703	-	-
2039	3,803,647	2,210,433	-	-
2040	3,979,793	2,220,376	-	-
2041	4,166,096	2,223,260	-	-
2042	1,405,930	71,214	-	-
2043	-	14,696	-	-
	<u>\$ 72,469,759</u> (1)	<u>\$ 35,703,098</u>	<u>\$ 2,145,000</u>	<u>\$ 103,750</u>

(1) Includes principal balances of General Obligation Bonds, QZAB Bonds, and Limited Tax Pension Bonds

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF BONDED DEBT
For the Year Ended June 30, 2024

YEAR	2016A BOND		2016B BOND	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2025	\$ -	\$ -	\$ 555,000	\$ 491,488
2026	-	-	2,915,000	469,288
2027	-	-	3,125,000	352,688
2028	-	-	3,345,000	227,688
2029	-	-	3,530,000	129,700
2030	1,756,443	858,557	-	-
2031	1,726,966	958,035	-	-
2032	1,699,222	1,060,778	-	-
2033	1,670,495	1,164,505	-	-
2034	1,647,150	1,267,850	-	-
2035	1,620,984	1,374,016	-	-
2036	1,592,235	1,482,765	-	-
2037	1,560,345	1,599,655	-	-
2038	1,535,794	1,709,206	-	-
2039	1,518,459	1,816,541	-	-
2040	1,501,826	1,928,175	-	-
2041	1,483,673	2,041,328	-	-
2042	-	8,650	-	-
2043	-	14,696	-	-
	<u>\$ 19,313,592</u> (1)	<u>\$ 17,284,757</u>	<u>\$ 13,470,000</u>	<u>\$ 1,670,852</u>

(1) General Obligations Bond Series 2016A is a Capital Appreciation Bond. The outstanding balance as of June 30, 2024 includes the principal and accrued interest that is due at maturity. For the purposes of the Schedule of Future Retirements, the principal and interest balances are presented separately

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF BONDED DEBT
For the Year Ended June 30, 2024

YEAR	QUALIFIED ZONE ACADEMY BONDS		LIMITED TAX PENSION BONDS SERIES 2003	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2025	\$ -	\$ -	\$ 2,450,000	\$ 548,404
2026	-	-	2,730,000	409,244
2027	-	-	3,035,000	254,180
2028	-	-	1,440,000	81,792
2029	2,000,000	2,000,000	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 9,655,000</u>	<u>\$ 1,293,620</u>

SOUTH LANE SCHOOL DISTRICT NO. 4513
LANE COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF BONDED DEBT
For the Year Ended June 30, 2024

FULL FAITH AND CREDIT PENSION BONDS				
YEAR	PRINCIPAL		INTEREST	
2025	\$	525,703	\$	1,151,934
2026		606,137		1,128,541
2027		692,089		1,101,568
2028		783,871		1,070,770
2029		881,811		1,035,887
2030		986,253		996,646
2031		1,097,560		952,758
2032		1,216,112		903,917
2033		1,342,310		849,801
2034		1,476,575		790,067
2035		1,619,348		724,360
2036		1,771,096		652,299
2037		1,932,305		573,485
2038		2,103,489		487,497
2039		2,285,188		393,892
2040		2,477,967		292,201
2041		2,682,423		181,932
2042		1,405,930		62,564
2043		-		-
	\$	25,886,167	\$	13,350,119

SOUTH LANE SCHOOL DISTRICT NO. 45J3
 LANE COUNTY, 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 JULY 1, 2023	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2024
GENERAL FUND						
CURRENT						
2023-24	\$ 8,972,722	\$ 238,373	\$ (31,577)	\$ 2,105	\$ 8,537,953	\$ 166,924
PRIOR YEARS						
2022-23	141,642	124	(25,830)	4,253	58,146	61,795
2021-22	59,446	(99)	(7,426)	3,802	21,709	34,212
2020-21	32,751	(220)	(7,492)	4,287	14,530	15,236
2019-20	11,712	(1)	(2,348)	2,003	6,380	4,988
Prior Years	38,945	-	(5,975)	2,456	3,481	31,945
Total Prior	284,496	(196)	(49,071)	16,801	104,246	148,176
Total	\$ 9,257,218	\$ 238,177	\$ (80,648)	\$ 18,906	\$ 8,642,199	\$ 315,100

RECONCILIATION OF REVENUE:	GENERAL FUND
Cash Collections by County Treasurer, Above	\$ 8,642,199
Accrual of Receivables:	
June 30, 2023	(32,027)
June 30, 2024	42,333
Change from Prior Year Unavailable Revenue, see page 6	(15,681)
Total Revenue	\$ 8,636,824

SOUTH LANE SCHOOL DISTRICT NO. 45J3
 LANE COUNTY, 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 JULY 1, 2023	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2024
DEBT SERVICE						
CURRENT						
2023-24	\$ 3,354,881	\$ 89,127	\$ (11,807)	\$ 787	\$ 3,192,315	\$ 62,419
PRIOR YEARS						
2022-23	52,608	46	(9,594)	1,580	21,595	22,953
2021-22	22,305	(37)	(2,784)	1,426	8,146	12,838
2020-21	12,309	(83)	(2,815)	1,611	5,461	5,727
2019-20	3,581	-	(717)	613	1,952	1,525
Prior Years	15,822	-	(2,422)	996	1,413	12,983
Total Prior	106,625	(74)	(18,332)	6,226	38,567	56,026
Total	\$ 3,461,506	\$ 89,053	\$ (30,139)	\$ 7,013	\$ 3,230,882	\$ 118,445

RECONCILIATION OF REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer, Above	\$ 3,230,882
Accrual of Receivables:	
June 30, 2023	(8,513)
June 30, 2024	11,253
Change from Prior Year Unavailable Revenue, see page 6	6,471
Total Revenue	\$ 3,240,093

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

OTHER INFORMATION

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
TOP TAXPAYERS IN LANE COUNTY
For the Year Ended June 30, 2024

Taxpayer	Business/Service	Tax (1)	Assessed Value (2)	Percent of Value
Weyerhaeuser NR Company	Wood Products	\$ 625,358	\$ 58,554,471	0.14%
Weyerhaeuser Company	Wood Products	589,376	60,272,049	0.15%
Emerald PUD	Utility	269,451	24,658,403	0.06%
Wai-Mart Real Estate Business Trust	Real Estate	212,647	11,508,110	0.03%
Pacificorp (PPL)	Electric Utility	205,932	16,079,535	0.04%
Oregon Precision IND INC	Manufacturing	179,643	16,992,010	0.04%
Magnolia Garden LLC	Assisted Living	154,345	8,297,517	0.02%
Northwest Natural Gas Company	Natural Gas Utility	140,932	10,001,000	0.02%
Starfire Lumber CO	Wood Products	136,081	7,786,914	0.02%
Charter Communications	Telecommunications	119,304	7,113,461	0.02%
Subtotal -Top Ten Taxpayers in Lane County			221,263,470	0.54%
All other County's taxpayers			40,405,755,570	99.46%
Total County			<u>\$ 40,627,019,040</u>	<u>100.00%</u>

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of the District. This amount is distributed to individual local governments by the County.

(2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

OREGON DEPARTMENT OF EDUCATION
REVENUE SUMMARY FYE 6/30/2024 - All Funds
South Lane School District

	Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources								
1110 Ad Valorem Taxes Levied by District	\$ 11,845,648	\$ 8,612,026	\$ -	\$ 3,233,622	\$ -	\$ -	\$ -	\$ -
1130 Construction Excise Tax	92,842	-	-	-	92,842	-	-	-
1190 Interest on Taxes	40,479	40,479	-	-	-	-	-	-
1400 Transportation Fees	4,826	4,826	-	-	-	-	-	-
1500 Earnings on Investments	347,364	193,323	4,019	128,824	9,447	-	-	11,751
1600 Food Service	30,448	-	30,448	-	-	-	-	-
1700 Extracurricular Activities	162,895	-	26,270	-	-	136,625	-	-
1800 Community Services Activities	345	-	345	-	-	-	-	-
1910 Rentals	5,372	-	-	-	5,372	-	-	-
1920 Contributions and Donations From Private Sources	851,842	12,154	745,534	-	-	91,654	-	2,500
1960 Recovery of Prior Years' Expenditure	602	-	602	-	-	-	-	-
1970 Services Provided Other Funds	5,800,079	4,086	25,625	3,770,368	-	-	-	-
1980 Fees Charged to Grants	344,712	344,712	-	-	-	-	-	-
1990 Miscellaneous	504,615	104,528	394,414	(94,839)	100,520	-	-	-
Total Revenue from Local Sources	18,032,069	9,316,126	1,227,257	7,037,975	208,181	228,279		14,251
Revenue from Intermediate Sources								
2101 County School Funds	72,575	72,575	-	-	-	-	-	-
2199 Other Intermediate Sources	3,431	3,431	-	-	-	-	-	-
2200 Restricted Revenue	7,467	-	7,467	-	-	-	-	-
Total Revenue from Intermediate Sources	83,473	76,006	7,467	-	-	-		-
Revenue from State Sources								
3101 State School Fund - General Support	27,357,729	27,357,729	-	-	-	-	-	-
3105 Common School Fund	413,856	413,856	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	6,151,620	-	6,151,620	-	-	-	-	-
3800 Revenue in Lieu of Taxes	6,561	6,561	-	-	-	-	-	-
Total Revenue from State Sources	33,929,766	27,778,146	6,151,620	-	-	-		-
Revenue from Federal Sources								
4500 Restricted Revenue From the Federal Government Through the State	5,724,592	-	5,724,592	-	-	-	-	-
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies	5,249	-	5,249	-	-	-	-	-
4801 Federal Forest Fees	111,234	111,234	-	-	-	-	-	-
4900 Commodities and Subsidiaries	(83,710)	-	(83,710)	-	-	-	-	-
Total Revenue from Federal Sources	5,757,365	111,234	5,646,131	-	-	-		-
Revenue from Other Sources								
5100 Long Term Debt Financing Sources	372,618	-	372,618	-	-	-	-	-
5200 Interfund Transfers	2,672,063	-	1,979,148	260,000	310,000	122,915	-	-
5400 Resources - Beginning Fund Balance	(29,696,023)	2,776,991	3,825,440	1,711,003	346,125	-	(38,746,165)	390,583
Total Revenue from Other Sources	(26,651,342)	2,776,991	6,177,206	1,971,003	656,125	122,915	(38,746,165)	390,583
Grand Totals	\$ 31,151,331	\$ 40,058,503	\$ 19,209,681	\$ 9,008,978	\$ 864,306	\$ 351,194	\$ (38,746,165)	\$ 404,834

**OREGON DEPARTMENT OF EDUCATION:
EXPENDITURE SUMMARY FYE 6/30/2024
South Lane School District**

General Fund (1XX)

Instruction	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 5,665,775	\$ 3,641,483	\$ 1,505,487	\$ 25,478	\$ 92,894	\$ -	\$ 481	\$ -
1113 Elementary Extracurricular	3,088	-	-	3,088	-	-	-	-
1121 Middle/Junior High Programs	1,622,777	1,656,203	842,612	22,530	52,220	-	9,212	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	4,167,958	2,730,140	1,319,091	35,666	81,078	-	3,983	-
1132 High School Extracurricular	743	593	160	-	-	-	-	-
1210 Programs for the Talented and Gifted	3,750	-	-	-	3,750	-	-	-
1220 Restrictive Programs for Students with Disabilities	4,454,446	2,263,530	1,079,964	1,106,311	4,181	-	-	-
1272 Early Intervention	15,560	-	15,560	-	-	-	-	-
1280 Alternative Education	3,974,875	-	-	3,974,875	-	-	-	-
1291 English Second Language Programs	244,665	154,229	90,436	-	-	-	-	-
1293 Migrant Education	1,622	1,264	358	-	-	-	-	-
Total Instruction Expenditures	21,155,259	10,487,892	5,253,668	5,165,948	234,125	-	13,628	-
Support Services	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	202	-	-	8	194	-	-	-
2120 Guidance Services	454,077	301,337	150,593	2,092	55	-	-	-
2130 Health Services	52,220	38,211	8,724	-	5,096	-	89	-
2140 Psychological Services	294,785	195,845	93,839	-	5,101	-	-	-
2150 Speech Pathology	279,978	196,494	78,354	1,728	2,125	-	1,275	-
2160 Other Student Treatment Services	268,962	-	-	268,962	-	-	-	-
2190 Service Director, Student Support Services	227,952	134,095	65,966	1,211	26,422	-	258	-
2210 Improvement of Instruction Services	564,594	368,989	180,521	13,622	1,452	-	-	-
2220 Educational Media Services	311,897	181,011	111,495	-	16,392	-	-	-
2230 Assessment & Testing	59	-	-	59	-	-	-	-
2240 Instructional Staff Development	5,305	-	-	200	5,105	-	-	-
2310 Board of Education Services	106,879	-	-	14,715	4,806	-	87,358	-
2320 Executive Administration Services	626,103	362,211	187,386	63,611	10,494	-	2,397	-
2410 Office of the Principal Services	2,832,701	1,863,956	968,735	10	-	-	-	-
2510 Direction of Business Support Services	3,207	-	-	1,551	1,636	-	20	-
2520 Fiscal Services	601,667	510,775	167,094	100,725	12,063	-	11,010	-
2540 Operation and Maintenance of Plant Services	3,624,210	1,365,884	816,754	1,040,353	115,049	15,177	371,593	-
2550 Student Transportation Services	2,715,152	1,370,617	816,969	100,930	374,029	-	52,607	-
2610 Direction of Central Support Services	7,572	-	-	7,572	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	3,928	-	-	3,928	-	-	-	-
2630 Information Services	14,034	-	-	-	20,426	-	3,608	-
2640 Staff Services	693,550	283,941	142,127	192,608	63,149	-	12,236	-
2660 Technology Services	633,574	330,873	166,243	136,456	-	-	-	-
2670 Records Management Services	504	-	-	504	-	-	-	-
Total Support Services Expenditures	14,333,716	7,206,759	3,954,801	1,950,935	663,593	15,177	542,451	-
Other Uses	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200 Transfer of Funds	2,008,990	-	-	-	-	-	-	2,008,990
Total Other Uses Expenditures	2,008,990	-	-	-	-	-	-	2,008,990
Grand Total	\$ 37,497,965	\$ 17,694,651	\$ 9,208,469	\$ 7,116,883	\$ 897,716	\$ 15,177	\$ 556,079	\$ 2,008,990

**OREGON DEPARTMENT OF EDUCATION:
EXPENDITURE SUMMARY FYE 6/30/2024
South Lane School District**

Special Revenue Funds (2XX)

Instruction	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 936,370	\$ 619,521	\$ 294,619	\$ 2,000	\$ 9,220	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	27,520	-	-	2,862	22,459	-	2,199	-
1121 Middle/Junior High Programs	582,634	373,429	184,597	11,946	12,662	-	-	-
1122 Middle/Junior High School Extracurricular	202,724	96,440	22,751	13,473	44,666	-	25,394	-
1131 High School Programs	1,105,309	643,798	325,201	27,152	104,867	-	4,291	-
1132 High School Extracurricular	1,268,286	370,070	76,904	413,189	366,498	-	41,625	-
1140 Pre-Kinergarten Programs	1,297,151	728,882	348,823	79,433	33,747	-	106,268	-
1220 Restorative Programs for Students with Disabilities	1,033,423	534,296	337,232	163,447	18,448	-	-	-
1272 Early Intervention	735,312	439,033	243,289	819	52,057	-	124	-
1280 Alternative Education	344,659	-	-	344,659	-	-	-	-
1291 English Second Language Programs	147,638	103,631	44,007	-	-	-	-	-
1299 Other Programs	7,370	-	-	-	7,370	-	-	-
1400 Summer School Programs	247,810	114,082	29,592	-	62,336	-	-	-
Total Instruction Expenditures	7,909,466	4,023,182	1,907,015	1,063,978	735,330	-	179,901	-
Support Services	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	516,228	272,330	143,106	14,219	56,701	-	29,888	-
2120 Guidance Services	95,678	59,013	36,665	-	-	-	-	-
2130 Health Services	311,405	192,102	108,697	1,614	8,596	-	-	-
2140 Psychological Services	41,035	32,626	8,409	-	-	-	-	-
2190 Service Discontinuation, Student Support Services	574	-	-	-	574	-	-	-
2210 Improvement of Instruction Services	2,756,555	1,289,684	685,878	295,572	269,526	10,016	105,489	-
2220 Educational Media Services	257	206	51	-	-	-	-	-
2240 Instructional Staff Development	279,394	39,307	9,112	206,745	15,030	-	-	-
2320 Executive Administration Services	28,105	-	-	19,054	1,051	-	-	-
2410 Office of the Principal Services	210,763	145,005	64,208	1,237	312	-	-	-
2490 Other Support - School Administration	100,620	50,525	23,695	26,400	-	-	-	-
2520 Fiscal Services	62,579	36,636	20,309	-	-	-	5,634	-
2540 Operation and Maintenance of Plant Services	57,517	12,900	6,330	10,063	3,325	25,890	-	-
2550 Student Transportation Services	174,960	21,996	6,248	93,525	53,191	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	24,087	-	-	24,087	-	-	-	-
2640 Staff Services	91,390	54,762	33,638	1,592	1,398	-	-	-
2660 Technology Services	373,699	-	-	13,612	359,507	-	580	-
2680 Other Support Services - Central	37,347	6,476	1,519	12,933	200	-	16,219	-
Total Support Services Expenditures	5,145,206	2,213,783	1,147,365	820,683	769,511	35,906	157,758	-
Enterprise and Community Services Expenditures	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3300 Food Services	1,761,057	685,590	409,575	33,221	615,038	16,289	1,324	-
3320 Other Enterprise Services	1,914	-	-	-	1,914	-	-	-
3300 Community Services	33,042	38,370	30,674	15,500	3,498	-	-	-
Total Enterprise and Community Services Expenditures	1,856,013	723,960	440,249	48,721	625,470	16,289	1,324	-
Facilities Acquisition and Construction Expenditures	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	372,618	-	-	-	-	372,618	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	372,618	-	-	-	-	372,618	-	-
Other Uses	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	347,915	-	-	-	-	-	347,915	-
5200 Transfer of Funds	663,073	663,073	-	-	-	-	-	-
Total Other Uses Expenditures	1,010,988	663,073	-	-	-	-	347,915	-
Grand Total	\$ 16,294,231	\$ 7,623,998	\$ 3,495,129	\$ 1,933,332	\$ 2,130,011	\$ 424,813	\$ 686,898	\$ -

**OREGON DEPARTMENT OF EDUCATION:
EXPENDITURE SUMMARY FYE 6/30/2024
South Lane School District**

Debt Service Fund (3XX)

Other Uses	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 7,689,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,689,619	\$ -
5200 Transfer of Funds	564,506	564,506	-	-	-	-	-	-
Total Other Uses Expenditures	8,254,125	564,506	-	-	-	-	7,689,619	-
Grand Total	\$ 8,254,125	\$ 564,506	\$ -	\$ -	\$ -	\$ -	\$ 7,689,619	\$ -

Capital Projects Funds (4XX)

Support Services	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2500 Operation and Maintenance of Plant Services	\$ 399,723	\$ -	\$ -	\$ 157,568	\$ 160,519	\$ 97,655	\$ 3,981	\$ -
Total Support Services Expenditures	399,723	-	-	157,568	160,519	97,655	3,981	-
Grand Total	\$ 399,723	\$ -	\$ -	\$ 157,568	\$ 160,519	\$ 97,655	\$ 3,981	\$ -

Enterprise Fund (5XX)

Enterprise and Community Services Expenditures	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3500 Community Services	\$ 392,711	\$ 251,313	\$ 66,682	\$ 14,444	\$ 35,947	\$ 20,593	\$ 3,732	\$ -
Total Enterprise and Community Services Expenditures	392,711	251,313	66,682	14,444	35,947	20,593	3,732	-
Grand Total	\$ 392,711	\$ 251,313	\$ 66,682	\$ 14,444	\$ 35,947	\$ 20,593	\$ 3,732	\$ -

Internal Service Fund (6XX)

Instruction	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-5	\$ 230,458	\$ 230,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Instruction Expenditures	230,458	230,458	-	-	-	-	-	-
Other Uses	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5300 Transfer of Funds	\$ 38,746,163	\$ 38,746,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	38,746,163	38,746,163	-	-	-	-	-	-
Grand Total	\$ 38,976,623	\$ 38,976,623	\$ -					

Fiduciary Funds (7XX)

Support Services	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2130 Health Services	\$ 328	\$ -	\$ -	\$ -	\$ 328	\$ -	\$ -	\$ -
Total Support Services Expenditures	328	-	-	-	328	-	-	-
Enterprise and Community Services Expenditures	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3300 Community Services	\$ 337,954	\$ -	\$ -	\$ 337,954	\$ -	\$ -	\$ -	\$ -
Total Enterprise and Community Services Expenditures	337,954	-	-	337,954	-	-	-	-
Grand Total	\$ 338,282	\$ -	\$ -	\$ 337,954	\$ 328	\$ -	\$ -	\$ -

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

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

A.	Energy bills for heating - all funds:		Objects 325, 326 and 327
		Function 2540	\$ 889,371
		Function 2550	15,844
B.	Replacement of equipment - General Fund:		
	Include all General Fund expenditures in Object 542, except for the following exclusions:		Amount
	Exclude these functions:		
	1113, 1122 & 1132 Co-curricular activities	4150	Construction \$ -
	1140 Pre-kindergarten	2550	Pupil transportation -
	1300 Continuing education	3100	Food service -
	1400 Summer school	3300	Community services -

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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August 29, 2025

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the South Lane School District No. 45J3 (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated March 31, 2025. 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 compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of the 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 South Lane School District No. 45J3 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

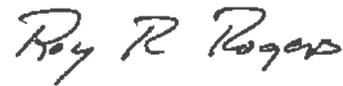
1. Expenditures of the various funds were within authorized appropriations except as noted on page 20 of this report.
2. We noted multiple instances where an employee's number of years with the District increased incorrectly on the Teacher's Experience Report.
3. The District was unable to provide evidence that a notice of the budget committee meeting was published between 5 to 30 days before the meeting date in accordance with ORS 294.426(5b).

OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the schedule of findings and questioned costs on page 84.

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



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

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

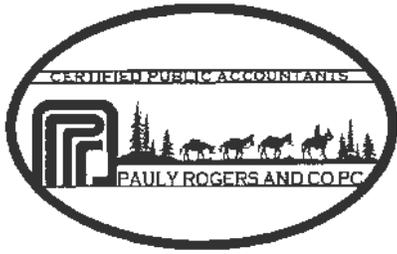
GRANT COMPLIANCE REVIEW

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
COTTAGE GROVE, OREGON
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass Through Grantor/ Program Title	Federal AL Number	Pass Through Entity Number	Expenditures	Amount Passed Through to Subrecipients
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Oregon State Department of Education:</i>				
Local Food For Schools	10.185	N/A	\$ 12,445	\$ -
			\$ 12,445	-
Child Nutrition Cluster				
Fresh Fruit & Vegetable Program	10.582	2087	\$ 69,176	-
School Breakfast Program	10.553	N/A	\$ 317,451	-
School Lunch	10.555	N/A	\$ 717,560	-
COVID-19 National School Lunch Program (Supply Chain Assistance)	10.555	N/A	\$ 23,174	-
National School Lunch Program (Commodities)	10.555	N/A	\$ 83,710	-
Summer Food	10.559	N/A	\$ 60,053	-
Total Child Nutrition Cluster			\$ 1,271,124	-
SNAP EBT	10.649	N/A	\$ 3,256	-
			\$ 3,256	-
Total U.S. Department of Agriculture			1,286,825	-
<i>Passed Through US Army Corps of Engineers</i>				
Youth Conservation Services	12.010	W9127N-21-2-0008-0004	19,942	-
			19,942	-
<i>Passed Through Oregon Youth Corps</i>				
HECC - Higher Education Coordinating Commission	54.425	N/A	135,345	-
			135,345	-
<i>Passed Through Lane Workforce Partnership</i>				
WIOA Youth Activities	17.259	N/A	-	-
<i>Passed Through Lane ESD</i>				
Carl Perkins Title I	84.048	N/A	26,577	-
YTP - Basic Vocational Rehab Services	84.126	N/A	35,681	-
			62,258	-
Total Passed Through Other Entities			217,545	-
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through Oregon Department of Education</i>				
Title I Part A Cluster				
Title I	84.010	2087	1,009,975	-
			1,009,975	-
Title II-A Improving Teacher Quality	84.367	2087	69,488	-
			69,488	-
Title III Part A				
Immigrant Grant Allocations	84.365	2087	3,489	-
			3,489	-
Title IV-A				
Student Support and Academic Enrichment	84.424	2087	60,260	-
			60,260	-
Special Education Cluster (IDEA)				
IDEA Part D Sec 611	84.027	2087	781,279	-
Total Special Education Cluster			781,279	-
SAMSHA - Substance Abuse & Mental Health	93.243	2087	109,559	-
			109,559	-
COVID-19 Education Stabilization Fund (ARP-HCY 11)	84.425 W	2087	22,158	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425 D	2087	2,248,628	79,000
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425 D	2087	435,760	-
Total ESSER			2,706,546	79,000
Total U.S. Department of Education			\$ 4,740,596	\$ -
<u>Reconciliation to Revenue</u>				
Total Expenditures of Federal Awards			\$ 6,244,966	
Accruals / Deferrals			(487,801)	
Federal Revenue Recognized (see page 5)			\$ 5,757,165	

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August 29, 2025

To the Board of Directors
South Lane School District No. 45J3
Lane County, Oregon

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

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, business-type activities, and each major fund of the South Lane School District No. 45J3 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, and have issued our report thereon dated August 29, 2025.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

Report on Compliance and Other Matters

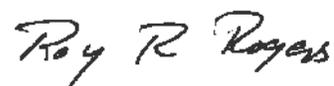
As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



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August 29, 2025

To the Board of Directors
South Lane School District No. 45J3
Lane County, Oregon

INDEPENDENT AUDITOR'S 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 South Lane School District No. 45J3 (the District) 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items FS – 2024 – 001 through FS – 2024 – 008. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

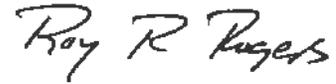
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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



ROY R. ROGERS, CPA
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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

COVID-19 84.425D, 84.425W
84.027

Elementary and Secondary School Emergency Relief Fund
Special Education (IDEA) Cluster

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

Auditee qualified as low-risk auditee? yes no

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

FS – 2024 – 001 – Material Weakness

CONDITION: During our review of the District’s capital asset register, we noted that four of the District’s buses had been excluded from the capital asset register used in the fiscal year June 30, 2023 audit, resulting in a material misstatement of capital assets.

CRITERIA: Maintenance of the capital asset register is an area of key management responsibility by the District.

EFFECT: Without adequate and timely review, the possibility of a material misstatement of the financial statements exists.

CAUSE: Because the buses were purchased through federal awards the buses were not captured on the capital asset register.

RECOMMENDATIONS: We recommend that the District ensures that the District performs regular reviews of the capital asset register to confirm that it is still current and accurate.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve financial reporting controls and will continue to implement additional control practices to ensure the capital asset register is adequately maintained and reconciled.

FS -- 2024 – 002 – Material Weakness

CONDITION: During our review of GASB 87 items, we noted that financed purchase obligations held by the District were being incorrectly documented under GASB 87 during fiscal year ended June 30, 2023. In addition, we noted that interest related to the copier leases was being accrued incorrectly. Therefore, the lease right-to-use assets, net of amortization, and the lease liabilities were being overstated for fiscal year 2023-2024.

CRITERIA: Lease agreements should be recorded in accordance with GASB 87 to ensure accurate financial reporting.

EFFECT: Without adequate review and verification, the possibility of a material misstatement of the financial statements exists.

CAUSE: Higher than usual activity and staff turnover created inadequate resources necessary to ensure that proper documentation was present.

RECOMMENDATIONS: We recommend that the District ensures adequate staffing are available to ensure the proper documentation of lease agreements is maintained.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve financial reporting controls and has continued to implement additional control practices to ensure compliance with GASB 87.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

FS – 2024 – 003 – Material Weakness

CONDITION: During our review of the District’s long term debt, we noted that the General Obligations Bond Series 2016A was not being correctly recorded as a capital appreciation bond during fiscal year ended June 30, 2023. Therefore, the District’s long term debt was understated during fiscal year 2023-2024.

CRITERIA: Maintenance of the long term debt schedule is an area of key management responsibility of the District.

EFFECT: Without adequate and timely review, the possibility of a material misstatement of the financial statement exists.

CAUSE: Higher than usual activity and staff turnover created inadequate resources necessary to ensure that the long term debt schedule was maintained.

RECOMMENDATIONS: We recommend that the District ensures adequate staffing are available to ensure that the long term debt schedule is adequately maintained.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve financial reporting and has continued to implement additional control practices to ensure the long term debt schedule is adequately maintained.

FS – 2024 – 004 – Significant Deficiency

CONDITION: During our testing of bank reconciliations, we found that all bank reconciliations tested were not reviewed by someone other than the preparer. We also noted six instances where there was no evidence that the reconciliations were prepared in a timely manner. Additionally, three of the reconciliations tested did not include supporting documentation for reconciling items, and the reconciled bank balance did not agree to the ending balance per the general ledger.

CRITERIA: Bank account reconciliations should be prepared and reviewed timely, and reconcile to the general ledger.

EFFECT: Without adequate and timely reconciliation and review, the possibility of a material misstatement of the financial statements exists.

CAUSE: Higher than usual activity and staff turnover created inadequate resources necessary to ensure that proper documentation was present.

RECOMMENDATIONS: We recommend that the District ensures adequate staffing are available to complete timely preparation and review of the bank reconciliations.

VIEWS OF RESPONSIBLE OFFICIALS: The District will continue to review their processes to ensure that bank reconciliations are prepared and reviewed timely, and the process is documented.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

FS – 2024 – 005 – Material Weakness

CONDITION: During the course of the audit it was discovered that five bank accounts held by the District were historically not being reported on the District’s trial balance. As a result, the District’s cash was materially misstated for fiscal year ended June 30, 2023.

CRITERIA: All bank accounts held by the District should be reflected on the District’s financial statements.

EFFECT: Without adequate review and verification, the possibility of a material misstatement of the financial statements exists.

CAUSE: The five bank accounts represent accounts held by the District for Staff and Parent Club funds. Because these accounts are custodial in nature they have historically been excluded when reconciling cash to the general ledger.

RECOMMENDATIONS: We recommend that all cash accounts held by the District are reflected on the general ledger.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve financial reporting controls and has continued to implement additional control practices ensure that all cash held by the District reconciles to the trial balance.

FS – 2024 – 006 – Material Weakness

CONDITION: During our review of cash, we noted that the total cash with bond agent related to the 2014 Qualified Zone Academy Bond was not inclusive of all deposits made by the District during fiscal year ended June 30, 2023. Therefore, the total cash with bond agent was understated for fiscal year 2022-2023.

CRITERIA: The cash with bond agent should reflect all deposits made by the District.

EFFECT: Without adequate and timely reconciliation and review, the possibility of a material misstatement of the financial statements exists.

CAUSE: Higher than usual activity and staff turnover created inadequate resources necessary to ensure that proper documentation was present.

RECOMMENDATIONS: We recommend that the District ensures that adequate staffing are available to ensure that cash with bond agent is being recorded accurately.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve financial reporting controls and has continued to implement additional control practices to ensure that the cash with bond agent is being updated regularly and recorded accurately.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

FS – 2024 – 007 – Significant Deficiency

FEDERAL PROGRAM: 84.027 Special Education

CONDITION: We noted that bi-annual certifications were not performed for the year under audit.

CRITERIA: OMB-87 requires that bi-annual certification be signed for all employees charged to the federal program.

EFFECT: Without bi-annual certifications performed the possibility exists that expenditures may be improperly charged to the federal program.

CAUSE: Bi-annual certifications were not performed.

RECOMMENDATIONS: We recommend that the District perform the bi-annual certifications for the federal program.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve controls over payroll and has continued to implement additional control practices to ensure that bi-annual certifications will be obtained for all relevant employees.

FS – 2024 – 008 – Significant Deficiency

FEDERAL PROGRAM: 84.027 Special Education

CONDITION: During our review of wages charged to IDEA, we noted two instances where an employee was overpaid by the District.

CRITERIA: Payroll expenditures should agree to approved salary agreements.

EFFECT: Without adequate review and verification, the possibility of a material misstatement of the financial statements exists.

CAUSE: The District switched accounting systems during the year and employees payroll information was not accurately input into the new system during the conversion.

RECOMMENDATIONS: We recommend that the District implement a review process to ensure that payroll information is entered into the accounting system accurately, and that discrepancies are caught and corrected in a timely manner.

VIEWS OF RESPONSIBLE OFFICIALS: The District continues to improve controls over payroll and has continued to implement additional control practices to ensure that payroll is being recorded accurately.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

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 in 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 elected not 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 Oregon Department of Education, and thus are not allowed to use the de minimis rate.

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