Annual Comprehensive Financial Report

For Fiscal Year Ended June 30th, 2023



Administrative School District No. 1
(Bend - La Pine Schools)
Deschutes County, Oregon

520 NW Wall Street
Bend, OR 97703

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

ADMINISTRATIVE SCHOOL DISTRICT NO. 1
(BEND – LA PINE SCHOOLS)
DESCHUTES COUNTY, OREGON

520 NW Wall Street
Bend, OR 97703

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2023

Prepared by the Business Office
Brad Henry – Chief Operations and Financial Officer
Leah Bibeau – Finance Director

Administrative School District No. 1
Deschutes County, Oregon
Financial Statements
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Introductory Section



"A child without education is like a bird without wings"

-Tibetan proverb

Est. 1883

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EDUCATING THRIVING STUDENTS

Business Office
Education Center
520 NW Wall Street
Bend, OR 97703

December 12, 2023

To the Board of Directors and citizens of Deschutes County Administrative School District No. 1 (Bend-La Pine Schools):

We are pleased to submit the Annual Comprehensive Financial Report of Administrative School District No. 1, Deschutes County, Oregon (Bend-La Pine Schools or the District), as of and for the year ended June 30, 2023. Oregon Revised Statutes 297.425 requires the accounts and fiscal affairs of the district be audited and reviewed at least once each fiscal year. This report is published to accomplish that requirement.

Audits and reviews required by Oregon Revised Statutes 297.425 shall inquire into:

- The principles of accounting and methods followed by Bend-La Pine Schools in recording, summarizing and reporting its financial transactions and financial condition;
- The accuracy and legality of the transactions, accounts, records, files and financial reports of the officers and employees of Bend-La Pine Schools as they relate to its fiscal affairs; and
- Compliance with requirements, orders and regulations of other public officials which pertain to the financial condition or financial operations of Bend-La Pine Schools.

The management of Bend-La Pine Schools assumes full responsibility for the completeness and reliability of the information contained in this report. The District maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Sensiba issued an unmodified (“clean”) opinion on Bend-La Pine Schools’ financial statements for the year ended June 30, 2023. Sensiba’s audit opinion report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget’s (OMB) Uniform Guidance. These standards require the independent auditor not only report on the fair presentation of the basic financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2023 can be found in the Audit Comments and Disclosures Section of this report.

Management’s discussion and analysis (MD&A) immediately follows Sensiba’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Bend-La Pine Schools Profile

Bend-La Pine Schools is the fifth largest school district in the State of Oregon. Constituted by 33 schools

and 2 charter schools across our 1,700 square miles across the communities of Bend, La Pine, and Sunriver. The District was formed in 1961 as the result of an election that consolidated five school districts.

Bend-La Pine Schools serves more than 17,416 students in kindergarten through grade twelve and currently operates nineteen elementary schools, seven middle schools, and seven high schools. There are also two district-sponsored charter schools.

The District is governed by a seven-member board elected to four-year terms, five members by zones based on voter precincts and two at-large members. The Board is the governing body, and as such is exclusively responsible for its decisions and is accountable for the decisions it makes. The Board is focused on policies that elevate student achievement and create world class schools. The latitude afforded under state law allows the School Board to significantly influence operations. This authority includes, but is not limited to, adoption and appropriation of the budget, control over all assets, negotiating collective bargaining agreements, short-term borrowing, and contracting and developing the programs of the District. The Board of Directors together with seven appointed community members, comprises the fourteen-member Budget Committee. In addition, community members take an active role in the District's schools through volunteer programs, site committees and parent groups.

We are the second largest employer in Central Oregon, with 85% of our $225 million operating budget focused on people. We celebrate an award-winning staff of over 2200, including Teachers of the Year, numerous Presidential Math and Science honorees, James Madison Fellowship winners, and School Nurses of the Year.

Visioning

Bend-La Pine Schools' strategic plan is built on a simple, but profound promise: every student in Bend-La Pine Schools is known by name, strengths, and needs, and graduates ready for college, career, community engagement and life.

At Bend-La Pine Schools we value the work of our teachers and staff, who help enrich our students' school experiences. Our schools are home to state and national award-winning activities, including journalism, band, speech and debate, robotics, DECA, Future Farmers of America, Future Business Leaders of America, and more. With over 33 career technical education programs and 60 courses available for both high school and college credit in our 7 high schools, we provide comprehensive and highly enriching opportunities for our students to access their passions and pathways to a successful future.

Each year, Bend-La Pine works to build upon our successes in order to deliver the best teaching and learning environment in Oregon. Almost 1300 Bend-La Pine Schools students flipped their tassels in 2023, accepting high school diplomas and preparing for studies at prestigious universities and colleges around the world, or beginning post-high school training at hundreds of institutions. 366 of these students earned honors diplomas, 52 earned the Seal of Biliteracy, and 38 received their International Baccalaureate diplomas.

The Board of Directors, in partnership with district leadership, has provided clear direction and focus towards this promise through the development of the Board's Goals:

1. Students are engaged and develop a **strong academic foundation.**
2. Students have a **passion, purpose, and plan** for their future.
3. Students, families, and staff **experience wellness, inclusion, and belonging** in our schools.
4. Operational systems align and support an academically effective and sustainable organization

These goals are also informed by the 2019-20 Excellence and Equity Review, where we engaged with the community to identify focal points in how we deliver upon the goals identified above:

1. Empower student, family, and community voice.
2. Create safer, healthier, more equitable school environments for students and families.
3. Review and redesign curriculum to include anti-racist resources and diverse perspectives.
4. Focus on core curricula, instruction, and assessment practices that elevate learning for all students.
5. Diversify staff in all classifications.

At Bend-La Pine Schools we strive to connect students with meaningful experiences beyond academics. Through community service efforts and an emphasis on kindness, empathy and social emotional learning in the classroom, we are helping all of our students thrive on their respective paths toward limitless futures.

Local and State Economy

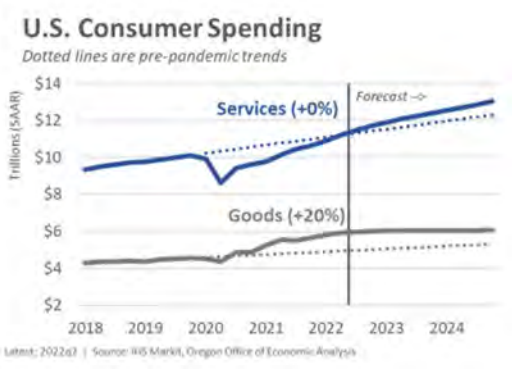
Bend-La Pine Schools is located entirely within Deschutes County. Deschutes County is the most populous county in the eastern part of Oregon with a 2023 population of approximately 210,400 people. With its varied topography, tourism is one of Deschutes County largest economic sectors. The Mount Bachelor ski resort and nearby Cascade Lakes are large draws for tourists. Recreational activities include downhill and cross-country skiing, hiking, biking, rafting, golfing, camping, fishing, picnicking, rock climbing, and general sightseeing. Oregon State University - Cascades (OSU-Cascades) is located in Bend and is the first public university to open in Oregon in more than 50 years. Bend is also home to the Deschutes Brewery, the 11th largest craft brewery in the nation and the largest of over a thirty microbreweries in the city.

In FY2022-23, the taxable assessed value of property in Deschutes County increased by approximately 5.6 percent. The area's economic base has diversified significantly since 1980, when the region was known for its wood products. The top employers in the area are St. Charles Medical Center, a regional health service organization; Bend-La Pine Schools; Deschutes County; Mt. Bachelor, a ski resort; City of Bend; Central Oregon Community College; Summit Medical Group, a regional health service organization; OSU-Cascades, a 4 year public university; Lonza, a scientific research company; and Les Schwab, a tire retail chain operating in the western United States. Due to its strong and healthy local economy, Bend-La Pine Schools has maintained a credit rating of Aa2 from Moody’s Investor Service, the Aa2 rating is a little stronger than the US school districts median of Aa3. The key credit factors include an extensive tax base with a healthy wealth and income profile, a solid financial position, and mid-ranged debt and pension burdens.

According to the September 2023 Oregon Economic and Revenue Forecast, economists continue to predict a soft landing as growth is still outpacing expectations and inflation has slowed considerably in the last year. Fundamental indicators of economic health are still positive. However, most financial advisors have concerns about how well the Federal Reserve will be able to use interest rates to reduce inflation without stifling economic growth. It is still uncertain the extent of the potential economic impact.

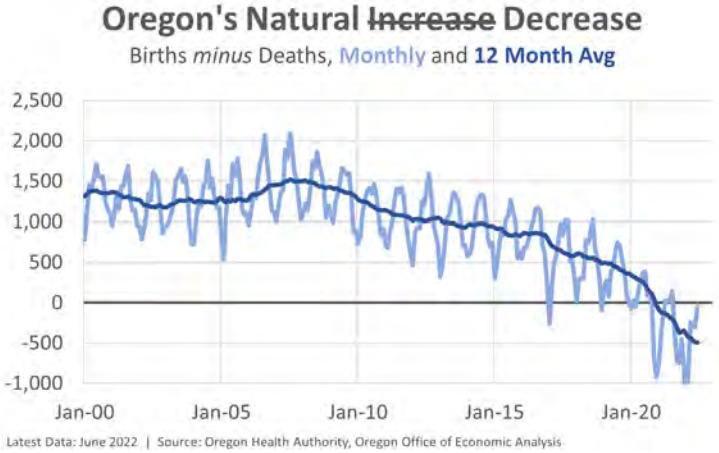
With all the turmoil of the last three and a half years, it is easy to lose sight of the fact that incomes are higher today than they were expected to be in pre-pandemic forecasts. All told, incomes continue to grow and consumer spending remains strong enough to keep the economy out of a recession.





Although inflation has fallen significantly, it remains higher than the Federal Reserve's target of two percent. Should inflation not subside as expected and the Federal Reserve increase interest rates further, the potential for a deeper and longer-lasting recession could become the more likely outcome. Most economists now see the economy stabilizing in 2024 with the possibility of rate *cuts* by the second half of the year.

Another factor in the state and local economy is population. In an August 2022 update from the Oregon Office of Economic Analysis, for the first time in recorded history, there were more deaths than births in Oregon. Without stronger migration trends, Oregon's economic growth could be slower than anticipated.



In Oregon, the birth rates recorded for the second quarter of 2022 are the lowest for those months in the past 25 years. The significance of this decline, is that Oregon is increasingly reliant upon in-migration to grow our economy and labor force. Without net in-migration, Oregon's state-wide workforce will shrink in the decades ahead. Oregon economists had already been predicting a 6 percent decline for K-12 population from 2020 to 2030, even before the latest birth rates were made available.

In contrast to the state birth rates trends, the birth rates for the district in 2021 at 1,332 were the highest since 2009, and a growth of 5% over 2020 births. Overall, the population in Bend has increased by over 35,000 between 2010 and 2020, a growth rate of over 45 percent.

The District has made substantial investments in school facilities to keep pace with that growth. While some facilities are almost 100 years old, over 95 percent of the net book value of buildings are related to assets placed in service since the beginning of the 21st century.

The FY2023-24 projected enrollment for Bend-La Pine Schools is 17,533, a slight increase of 95 students compared with enrollment of 17,438 on October 1, 2022. This represents basically flat growth

year over year with the projected enrollment still below the pre-pandemic measurement of 18,672 students on October 1, 2019.

State Support for Oregon Public Schools

Generally, Oregon public schools receive funding from two primary sources, local property taxes and a state school support grant, with the latter predominately from income taxes. The state's school support formula recognizes local property taxes as an offset to the payment due from the state.

Public schools, together with education service districts and community colleges, have had an aggregate maximum property tax rate for operations of $5.00 per $1,000 of real market valuation since the passage of Ballot Measure 5 in 1990. On May 20, 1997, Oregon voters approved Ballot Measure 50, which limited the annual increase in taxable property values. Under Measure 50, the legislature is required to continue to fund revenue lost by schools due to property tax limitations and established a permanent tax rate of $4.7641 per $1,000 of assessed value on property for our district.

Since Ballot Measure 5 passed in 1990, school districts across Oregon rely upon the state for the majority of their financing. Even though districts collect revenue locally through the property tax, school funding is essentially equalized through the allocations under the state school fund, which accounts for more than 50% of the District's general fund revenue. The State of Oregon is more dependent upon a single revenue source, state income tax, than any other state in the country. Accordingly, the financial outlook for the District is tied closely to the condition of the Oregon economy. The second most important source of revenue for the District, and the source of funds to pay its capital bonds, is local property taxes. Real estate values and associated assessed values of real property are the most important factor in the strength of this revenue source.

The 2021-23 Oregon's legislatively adopted budget included $9.3 billion for the State School Fund (SSF) which makes up the state portion of the amount distributed to School Districts and Education Service Districts (ESDs) through the school funding formula. The 2021-23 budget represents an increase of almost $300 million, or 3.33%, over the 2019-21 funding level. Funding from the SSF was split 49/51 between the two school years of the biennium. Overall, general purpose funding for School Districts and ESDs depends on both the state contribution through the SSF and the contributions of local revenue including property taxes, timber revenue, and distributions from the Common School Fund.

The FY2022-23 ending fund balance in the General Fund Operations subfund is $17.44 million, which is approximately $7.4 million more than the budgeted $10.0 million.

Major Initiatives

In May 2017, voters approved a general obligation bond issue in the amount of $268 million for the construction of Caldera High School, North Star Elementary School, and other capital projects. School bond projects will increase student and staff safety, improve access to school sites, and address chronic overcrowding through upgrades and updates made to schools and classrooms throughout the district. Caldera High School and North Star Elementary School will add more capacity to keep pace with the growing community.

- Caldera High School: Bend-La Pine's first new high school in two decades, opened its doors to students in the Fall of 2021. The new school includes nearly 60 classrooms, including several Career and Technical Education classrooms, a 600-seat auditorium, library, football stadium, sports fields and includes two secure main entries. 1 class of incoming freshman will be added each year until the school reaches full capacity in the 2024 school year.

In November 2022, voters approved a general obligation bond issue in the amount of $247.9 million.

$100 million in bonds were sold in March 2023 to fund the first phase. Nearly 100 individual projects are planned that will increase student and staff safety, improve access to school sites and upgrade technology. The primary construction project will be the renovation of the Bend High School campus.



Long-term Financial Planning

We forecast revenues, expenditures and fund balance in a five-year rolling plan. Revenue forecasts consider historical increases in formula revenue from the State with adjustments for current information, as well as increases tied to the consumer price index for other types of revenues. Forecasts for salary expenditures consider contracts with employee associations while forecasts for non-salary items consider the increase in the consumer prices index as well as other external factors. The long-term impact of adding additional schools is also considered.

Because approximately one-half of operational funding is derived from state income tax, the Board of Directors instituted an executive limit that prohibits management from proposing an ending fund balance less than five percent of total revenue in the general fund operations. The FY2022-23 adopted budget included an ending fund balance for general fund operations set at 5 percent of resources, in accordance with the executive limitation. The actual FY2022-23 ending fund balance for the General Fund Operations subfund is $17.44 million.

Relevant Financial Policies and Information

Bend-La Pine Schools has adopted a comprehensive set of financial policies. District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit
As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Control
Bend-La Pine Schools maintains numerous budgetary controls. The objective of these budgetary controls is to ensure compliance with the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Board of Directors adopts the annual budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

The legal level of budgetary control is set at the major fund and major function level. At this level district and school administrators have discretion to reassign resources within major function levels.

The District also maintains an encumbrance accounting system to account for commitments for goods and services, which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for GAAP purposes.

Accounting Policies
Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 28-70, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information. Please note that totals may not precisely add up due to rounding. We consider the differences to be immaterial.

Charter Schools
Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District sponsors two charter schools; Bend International School and Desert Sky Montessori. The charter schools are not considered a component unit of the District under GASB 61.

Debt Administration
We have been very active in managing our debt over the last 30 years. Many general obligation issues have been "refunded" (refinanced), saving millions for taxpayers by locking in lower interest rates and shortening the maturity of the bonds. In November 2021, the District closed on a refunding of our 2013 Bonded debt. While savings from refunding do not directly impact the district's financial statements, the taxpayers will save approximately $7.5 million dollars over the next 10 years.

In November 2002, the district joined a state-wide consortium to issue $40.9 million of taxable pension bonds to finance a portion of the estimated 2001 unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS). In April 2003, the District participated in the second state-wide effort to issue $25.3 million of taxable pension bonds to apply to the estimated unfunded actuarial liability with the PERS. In February 2004, the District participated in the third state-wide effort to issue $5.9 million of taxable pension bonds to apply to the unfunded actuarial liability. As a result of these pension bond issuances the PERS employer rates will be lower than the rates assessed for the school district pool for the foreseeable future.

The statutory debt limit is established by Oregon law, specifically ORS 328.245(1) and (2), at 7.95 percent of the real market value of property within the taxing district's boundary. At June 30, 2023 our net bonded debt is approximately $3.775 billion less than the statutory debt limit.

Independent Audit
The provisions of Oregon law, specifically ORS 297.425 through 297.555, require that an independent audit be made of all public school district funds within six months following the close of each fiscal year. The auditors, selected by the Board of Directors, have completed their audit of our financial statements and their opinion is included in the Financial Section of this report.

This report also includes Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules. In addition, the District is required to have an audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Compliance Supplement and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to the financial and compliance audits. A report on the District's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Compliance Supplement is included with this report beginning on page 146.

Awards

ASBO Certificate of Excellence in Financial Reporting
The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2022. Receiving this award is recognition that we have met the highest standards of excellence in school financial reporting as adopted by the Association of School Business Officials International. We have received a Certificate of Excellence for the last 39 years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO for review.

GFOA Certificate of Achievement of Excellence
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We have received a Certificate of Achievement for the last 40 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

Acknowledgments

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We also wish to extend our appreciation to the members of the Board of Directors for their expectations of excellence, and their dedication to our financial operations.

Respectfully submitted,



Brad Henry
Chief Operating and Financial Officer

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Administrative School District No 1, Deschutes County, Oregon

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Administrative School District No. 1 (Bend - La Pine Schools) Deschutes County, Oregon

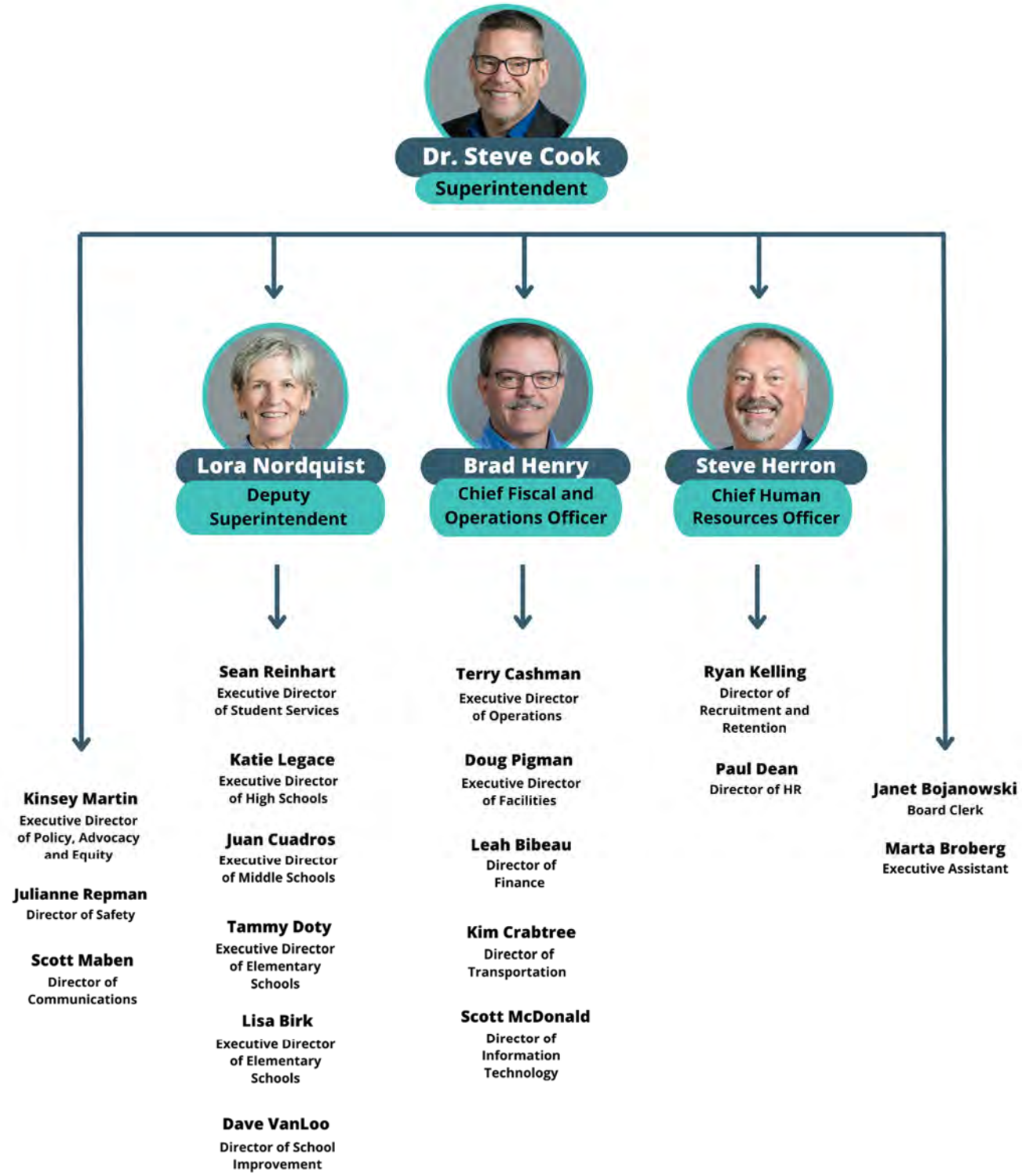
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022



Executive Director/CEO

Administrative School District No. 1
Deschutes County, Oregon
Organizational Chart
June 30, 2023



Administrative School District No. 1
Deschutes County, Oregon
Principal Officials
June 30, 2023

BOARD OF DIRECTORS

	Term Expires
Melissa Barnes Dholakia – Chair Bend, Oregon	June 30, 2027
Marcus LeGrand – Vice Chair Bend, Oregon	June 30, 2025
Kina Chadwick Bend, Oregon	June 30, 2025
Carrie McPherson Douglass Bend, Oregon	June 30, 2025
Shimiko Montgomery Bend, Oregon	June 30, 2023
Amy Tatom Bend, Oregon	June 30, 2027
Shirley Olson Sunriver, Oregon	June 30, 2025

ADMINISTRATIVE STAFF

Dr. Steven Cook	Superintendent
Brad Henry	Chief Operations and Financial Officer

The above members of the Board and administrative staff can be reached by mail at 520 NW Wall Street, Bend, OR 97703



Financial Section



"Everyone who remembers his own education remembers teachers, not methods and techniques. The teacher is the heart of the educational system."

-Sidney Hook

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Independent Auditor's Report

To the Board of Directors
Bend-La Pine Schools
Deschutes County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Bend-La Pine Schools (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bend-La Pine Schools, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – Retiree Health Insurance Account, schedule of changes in total OPEB liability and related ratios – medical benefit, and the schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds 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 management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios – medical benefit, 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.

The schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds have 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is 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 introductory sections as identified in the table of contents; combining schedule of assets, liabilities and fund balance – general fund sub funds; combining schedule of revenue, expenditures and changes in fund balance general fund sub funds; budgetary schedules for the general fund sub funds, the debt service, capital project, and the private purpose trust funds; the combining schedules of detailed revenues and expenditures – budgetary basis; schedules required by Oregon Department of Education as identified in the table of contents; and the statistical section as identified in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

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

Other Reporting Required by Oregon Minimum Standards for Audits of Oregon Municipal Corporations

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

Brenda Bartlett

Sensiba LLP
Bend, Oregon

December 12, 2023

Management’s Discussion and Analysis

Management's Discussion and Analysis

The management of Bend-La Pine Schools (District) presents this narrative overview to facilitate both a short and long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2023. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. We encourage readers to consider the information presented here in conjunction with additional information provided in the Transmittal Letter found on pages iv – xi of this report.

Financial Highlights

Key financial highlights for FY2022-23 are as follows:

- The District's net position of governmental activities increased by $32.9 million, which represents a 39 percent increase from FY2021-22.

- For governmental activities, general revenues accounted for $253.8 million, 81.2 percent of total revenues of $312.8 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for $58.9 million, 18.8 percent of total revenues.

- The District had $279.9 million in expenses related to governmental activities; only $58.9 million was offset by program specific charges for services, grants or contributions. General revenues of $253.8 million were adequate to provide for the governmental activities of the District.

- The District's net proportionate share of the Oregon PERS pension liability increased by $36.2 million.

- At the end of FY2022-23, the District's governmental funds reported a combined fund balance of $168.1 million, an increase of $99.7 million from FY2021-22, mainly the result the issuance of $100 million of the voter approved bond for capital construction.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide financial statements**.** The government-wide financial statements are designed to provide readers 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 of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the District's net position changed during FY2022-23. 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 result in cash flows in a future fiscal period. Examples of such items include earned, but uncollected, property taxes and earned, but unused, compensated absences.

The governmental activities of the District include the following:

- Instruction
    - Regular instruction
    - Special programs including summer school
- Support Services
    - Students
    - Instructional staff
    - General administration
    - School administration
    - Business, transportation and maintenance
    - Central activities
    - Supplemental retirement program
- Enterprise and Community Services
    - Food services
    - Other enterprise and community services

The government-wide financial statements can be found on pages 20 and 21 in the basic financial statements.

Fund financial statements**.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to demonstrate transparency and ensure compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 23 and 25 in the basic financial statements.

The District maintains four governmental funds. Information is presented separately in the governmental

fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The four governmental funds are:

- General
- Special Revenue
- Debt Service
- Capital Projects

Fiduciary fund. The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on page 26. These activities are excluded from the District's other financial statements because the assets cannot legally be utilized by the District to finance its operation.

The District adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the Special Revenue Fund on pages 81 and 82. Budgetary comparisons for the Debt Service Fund and Capital Projects Fund funds have been provided as supplementary information on pages 101 and 102. The District was fully compliant with Oregon Budget Law in FY2022-23.

The governmental fund financial statements can be found on pages 22 and 24 in the basic financial statements.

Notes to the basic financial statements**.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Required supplementary information**.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Supplementary information**.** The combining schedules of the General Fund subfunds and budgetary comparisons follow the required supplementary information in this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial health. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by $117 million at the close of the fiscal year ending June 30, 2023, an increase of $32.9 million.

A majority of the District's net position reflects its investment in capital assets (e. g. land, buildings, vehicles and equipment) less depreciation, amortization and any outstanding related debt used to acquire those assets. At June 30, 2023 this portion of the net position is positive which indicates the District has $237 million more in capital assets, net of depreciation and amortization, than associated debt. The District uses capital assets to provide services to students and other district residents, consequently, these assets are not available for future

spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources required to pay the debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, which consist of land, buildings, land improvements, construction in progress, vehicles, and equipment, represent about 75 percent of total assets. This percentage decreased over this last year as due to an increase in our cash and investment asset amounts from the issuance of $100 million in bond proceeds. The bond proceeds are specifically for future construction and building improvements.

The District's largest liability, accounting for 69 percent of total liabilities, is the long-term portion of general obligation bonds and other debt. The net pension liability is the next largest liability and accounts for approximately 21 percent of total liabilities. Together the long-term debt and net pension liability represent 90 percent of total liabilities. Current liabilities, representing about 9 percent of total liabilities, consist of payables on accounts, benefits, and the current portion of long-term debt. Information on long-term debt activity is presented on pages 67-71.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for June 30, 2023 and June 30, 2022.

	Governmental Activities		
	2023	2022	Change
Capital assets	$ 572,367,000	$ 569,836,000	$ 2,531,000
Current and other assets	194,962,000	93,108,000	101,854,000
Total assets	767,329,000	662,944,000	104,385,000
Deferred outflow of resources	67,421,000	70,484,000	(3,063,000)
Long-term liabilities	641,893,000	535,252,000	106,641,000
Current liabilities	23,768,000	20,423,000	3,345,000
Total liabilities	665,661,000	555,675,000	109,986,000
Pension deferrals - inflows	52,119,000	93,643,000	(41,524,000)
Net Position			
Net investment in capital assets	237,355,000	223,516,000	13,839,000
Restricted	30,941,000	24,068,000	6,873,000
Unrestricted	(151,326,000)	(163,474,000)	12,148,000
Total net position	$ 116,970,000	$ 84,110,000	$ 32,860,000

Rounded to nearest thousand

Governmental Activities

The District's net position increased by approximately $32.9 million in FY2022-23. Capital assets increased by $2.5 million and changes in pension related liabilities, deferred inflows and deferred outflows increased net position by $4.0 million. There was a net increase in the restriction for capital projects of approximately $5.9 million.

The Statement of Activities shows the cost of program services, and offsetting those are charges for services, operating grants and contributions. The following table shows the changes in net position for governmental activities between FY2022-23 and FY2021-22.

Changes in Net Position, Fiscal Year Ended June 30

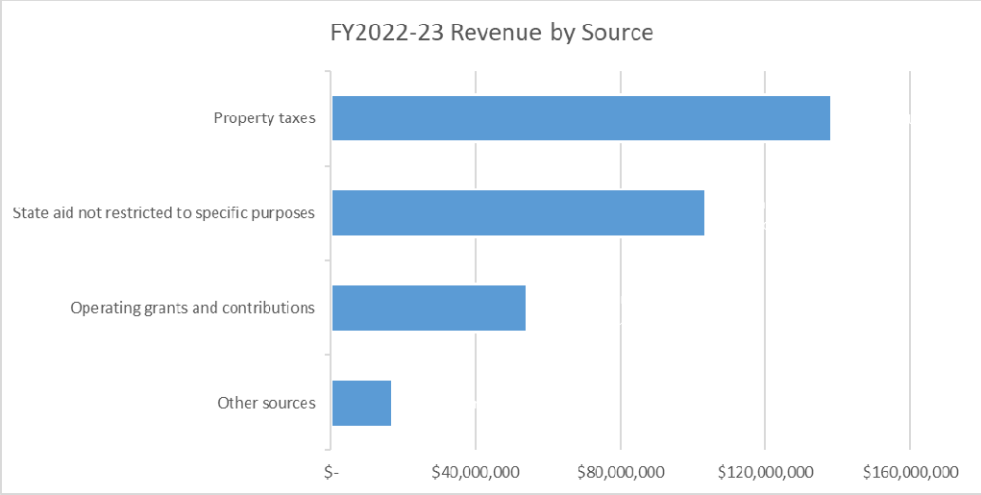
	Governmental Activities		
	2023	2022	Change
Revenues			
Programs revenues			
Charges for services	$ 3,998,000	$ 1,919,000	$ 2,079,000
Operating grants and contributions	54,172,000	49,933,000	4,239,000
Capital grants and contributions	761,000	815,000	(54,000)
General revenues			
Property taxes	138,213,000	131,384,000	6,829,000
Federal aid not restricted to specific purposes	384,000	442,000	(58,000)
State aid not restricted to specific purposes	103,472,000	97,396,000	6,076,000
Intermediate aid not restricted to specific purpo	1,639,000	2,324,000	(685,000)
Earnings on investments	4,593,000	549,000	4,044,000
Other local revenue	5,530,000	2,180,000	3,350,000
Total Revenues	312,762,000	286,942,000	25,820,000
Expenses			
Instruction	151,827,000	146,397,000	5,430,000
Support services	102,237,000	88,840,000	13,397,000
Enterprise and community services	11,497,000	10,695,000	802,000
Interest on long-term liabilities	14,341,000	8,876,000	5,465,000
Total Expenses	279,902,000	254,808,000	25,094,000
Changes in net position	32,860,000	32,134,000	726,000
Net position - beginning of year	84,110,000	51,976,000	32,134,000
Net position - end of year	$ 116,970,000	$ 84,110,000	$ 32,860,000

Rounded to nearest thousand

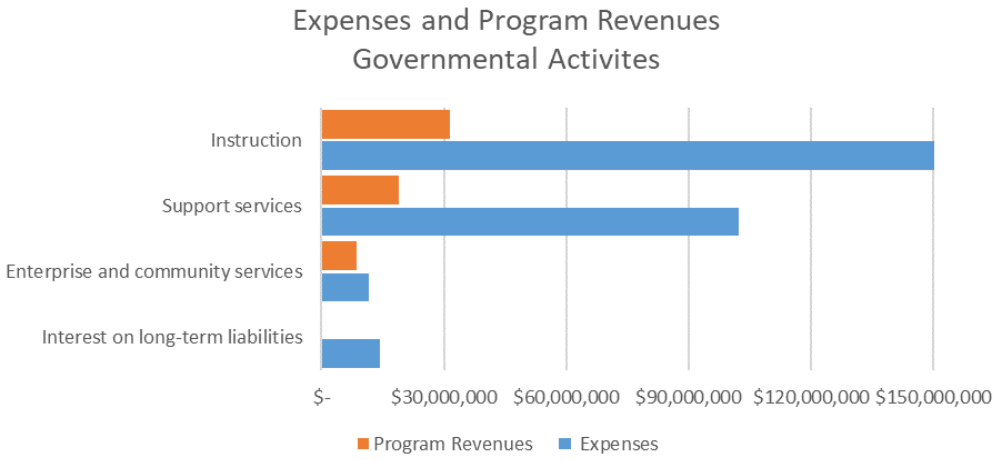
The increase in property taxes is the result of the increase in assessed values in Deschutes County. The increase in State aid not restricted to specific purposes is a reflection of the increase in the District's proportional share of the State School fund in the second year of the biennium. The increase in earnings on investments is a result of increasing interest rates and increase in cash balances resulting from the voter approved bond levy.

Net position of the District's governmental activities increased by $32.9 million. Total governmental expenses of $279.9 million were offset by program revenues of $58.9 million and general revenues of $253.8 million. Program revenues supported about 21 percent of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and state aid. Together these sources total $241.7 million and represent 77 percent of total governmental revenue.



Overall expenses increased by $25.1 million or about 9.8 percent. The increase in instruction and support services was driven by a combination of contractual increases, along with increase in cost of supplies and materials. The increase in interest expense is a result of regular interest expense associated with District obligations. Interest expense in the prior fiscal year was lower due to one time savings from a refunding of general obligation bonds, completed in FY2021-22.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a FY2022-23 combined fund balance of $168.1 million, an increase of $99.7 million compared with the FY2021-22 combined fund balance of $68.5 million. The increase in the combined fund balance is primarily the result of the issuance of voter approved bonded debt for capital construction of $100 million. The following schedule shows the fund balance and change in fund balance as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change	Percentage Change from June 30, 2022
General	33,529,000	28,574,000	4,955,000	17%
Special Revenue	13,070,000	13,363,000	(293,000)	-2%
Debt Service	5,387,000	4,662,000	725,000	16%
Capital Projects	116,160,000	21,857,000	94,303,000	431%
Total fund balances	168,146,000	68,456,000	99,690,000	146%

Rounded to nearest thousand

General Fund

The District's general fund balance increased by $5.0 million. The increase is primarily attributable to an increase in the State School Fund Formula revenues.

The following table summarizes the revenues and expenditures for FY2022-23 and FY2021-22:

	FY2022-23	FY2021-22	Percentage change
Revenues			
Property taxes	$ 99,009,000	$ 93,689,000	5.68%
Tuition	19,000	18,000	5.56%
Investment earnings	1,986,000	356,000	457.87%
Other local sources	6,582,000	5,586,000	17.83%
Intermediate sources	1,639,000	2,324,000	-29.48%
State sources:	96,977,000	90,964,000	6.61%
Federal grant sources	412,000	451,000	-8.65%
Other financing sources	964,000	166,000	480.72%
Total revenues & other financing sources	$ 207,588,000	$ 193,554,000	7.25%
Expenditures by function			
Instruction	$ 118,159,000	$ 117,339,000	0.70%
Support services	78,527,000	73,025,000	7.53%
Community services	281,000	362,000	-22.38%
Debt Service	839,000	1,324,000	-36.63%
Capital outlay	4,827,000	2,721,000	77.40%
Other financing uses	-	-	100.00%
Total expenditures & other financing uses by function	$ 202,633,000	$ 194,771,000	4.04%

Rounded to nearest thousand

The increase in property taxes reflects the growth in assessed valuation in Deschutes County. Investment earnings have increased, mainly the result of an increase in earnings from short term cash investments. The increase in State sources is primarily a result of this being the second year of the biennium where state funding is paid out at 51 percent of the biennial budget.

The largest expenditure line items, instruction and support services, increased over FY2021-22. These expenditures increased primarily due to contractual obligations with employees, and increases in the costs of supplies and services.

General Fund Budgeting Highlights

Original budget compared to final budget.
There were no changes to the FY2022-23 original budget.

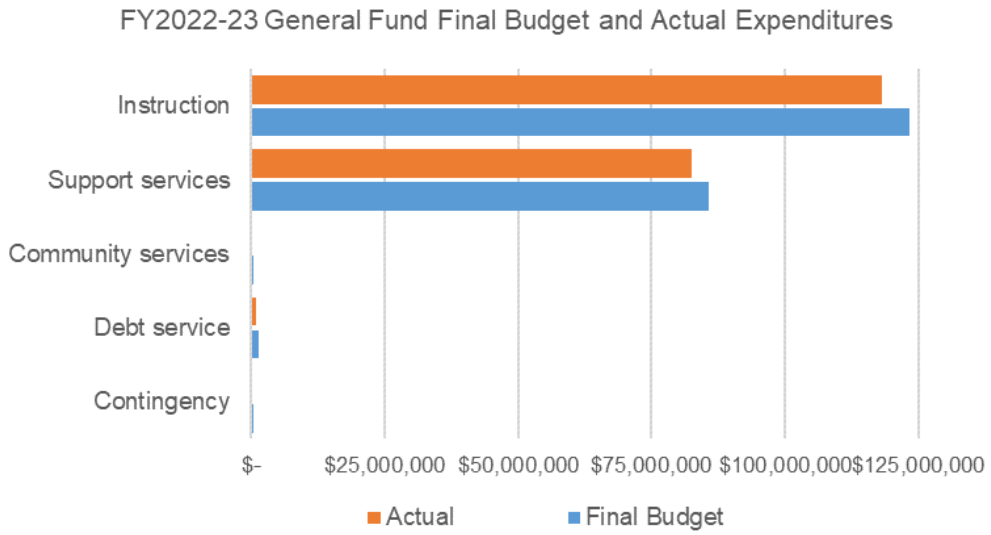
Final budget compared to actual results.
The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Revenues - Final Budget	Actual Revenues	Difference	Difference from Final Budget
Property taxes	$ 98,145,000	$ 99,009,000	$ 864,000	1%
Tuition	-	19,000	19,000	0%
Investment earnings	315,000	1,986,000	1,671,000	530%
Other local sources	5,813,000	6,582,000	769,000	13%
Intermediate sources	2,079,000	1,639,000	(440,000)	-21%
State sources	92,517,000	96,977,000	4,460,000	5%
Federal sources	170,000	412,000	242,000	142%
Total revenues	199,039,000	206,624,000	7,585,000	4%

Rounded to nearest thousand

The differences in property taxes, state sources and other local sources are all components of the State School Fund formula. When property tax revenues and certain local sources like the County School Fund are more than estimated, State sources are reduced accordingly. The Federal Communications Commission's eRate program provides rebates and discounts for telecommunications, internet access and internal connections to eligible schools and libraries.

A review of actual expenditures compared to appropriations in the final budget yields significant variances in the instruction and support services functions. The variances are due to a number of factors. Staffing costs were less than budgeted due to difficulties in finding and hiring needed staffing positions. Additionally, costs for supplies and materials were under budget due to supply chain issues.



Special Revenue Fund

The District's special revenue fund balance decreased over the 2021-22 school year by $294,000. The following table summarizes the revenues and expenditures for FY2022-23 and FY2021-22.

	FY2022-23	FY2021-22	Percentage change
Revenues			
Investment earnings	$ 367,000	$ 30,000	1123.33%
Food Service	2,018,000	224,000	800.89%
Other local sources	6,871,000	4,646,000	47.89%
Intermediate sources	395,000	395,000	0.00%
State sources:	26,634,000	22,043,000	20.83%
Federal grant sources	18,856,000	22,287,000	-15.39%
Total revenues & other financing sources	$ 55,141,000	$ 49,625,000	11.12%
Expenditures by function			
Instruction	$ 24,297,000	$ 21,802,000	11.44%
Support services	17,654,000	14,132,000	24.92%
Community services	11,268,000	10,463,000	7.69%
Debt Service	541,000	-	0.00%
Capital outlay	1,493,000	554,000	169.49%
Other financing uses	182,000	540,000	-66.30%
Total expenditures & other financing uses by function	$ 55,435,000	$ 47,491,000	16.73%

The increase in State sources is due to increased funding in the Student Investment Account (SIA) grant. The decrease in federal grant sources was a result of a decrease in amount of federal aid received from the COVID-19 ESSER relief funds this year as compared to prior year.

The increase in expenditures for instruction and support services resulted from use of state Student Investment Account grant funds to support student health and safety, reduce class size and increase student access to a well-rounded education.

Long-term Debt
At June 30, 2023, the District had total debt outstanding of $459.8 million net of unamortized premium/discount and consisting of general obligation bonds, limited tax pension bonds, notes from direct borrowings and full faith and credit obligations.

During FY2022-23, the District's total debt increased by $65.5 million. In FY2022-23 the District issued $100 million, of the $249.7 million, in general obligation bonds approved by the District's voters at the November 2022 election in March 2023.

The debt service fund had $48.3 million in revenues and $47.6 million in expenditures for regularly scheduled debt service payments. Overall fund balance increased by approximately $725,000.

The following table summarizes the debt outstanding at June 30, 2022 and 2021.

	Governmental Activities		
	FY2022-23	FY2021-22	Change
General obligation bonds	$ 420,200,000	$347,720,000	$ 72,480,000
Limited tax pension obligation bonds	37,335,000	43,475,000	(6,140,000)
Full faith and credit bonds	545,000	1,095,000	(550,000)
Notes payable	1,709,000	1,973,000	(264,000)
Total outstanding debt	$ 459,789,000	$394,263,000	$ 65,526,000

The District's general obligation debt is issued with the Oregon School Bond Guaranty. The outstanding general obligations of the State are rated "AA+" by Fitch, "Aa1" by Moody's Investors Service and "AA+" by S&P Global Ratings. In February 2023, Moody's confirmed the District's Aa2 bond rating in its research credit opinion report.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market valuation. The current debt limitation of the District is approximately $4.2 billion and the District is well within this limit. The current legal debt margin is approximately $3.8 billion. More detailed information on long-term debt activity can be found in the notes to the basic financial statements beginning on page 28.

Capital Projects Fund
The District's capital projects fund balance increased by $94.3 million, reflecting the issuance of $100 million of general obligation bonds. The following table summarizes the revenues and expenditures for FY2022-23 and FY2021-22.

	FY2022-23	FY2021-22	Percentage change
Revenues			
Investment earnings	$ 1,498,000	$ 95,000	1476.84%
Other local sources	715,000	72,000	893.06%
State sources	851,000	-	0.00%
General obligation debt issued	100,000,000	-	0.00%
Premium from general obligation debt	5,904,000	-	0.00%
Other financing sources	212,000	596,000	-64.43%
Total revenues & other financing sources	$ 109,180,000	$ 763,000	14209.31%
Expenditures by function			
Facilities acquisition & construction	$ 3,702,000	$ 1,510,000	145.17%
Capital outlay	11,175,000	28,510,000	-60.80%
Total expenditures by function	$ 14,877,000	$ 30,020,000	-50.44%

Rounded to nearest thousand

Net capital assets increased by $2.5 million in FY2022-23. See Note "D" on page 42 in the basic financial statements for further details on the District's capital assets. Major capital asset events during the FY2022-23 included the following:

- Juniper Elementary School – New cafeteria and kitchen, upgrade climate controls and HVAC system, replace windows, and drainage improvements throughout the property.
- Bear Creek Elementary School – New multi-use space, upgrade climate controls and HVAC system, replace windows, and drainage improvements throughout the property.
- RE Jewell Elementary School – Additional cafeteria and kitchen upgrades and improvements, upgrade climate controls and HVAC system, and new gym floor.
- District wide accessibility improvements.

Economic Factors and FY2023-24 Budgets and Rates

The following economic factors currently affect the District and were considered in developing the FY2023-24 budget.

- FY2023-24 is the first year of the 2024-25 biennium. The operating budget was based a state funding level of $9.9 billion with a 49/51 split between the first and second year of the biennium.
- The FY2023-24 ending fund balance for General Fund Operations was budgeted at 5 percent of revenues.
- Student enrollment was projected to be 17,533, an increase of 95 students compared with the October 1, 2022 enrollment of 17,438.

- Funding from the State School Fund was estimated to be $203.5 million.
- FY2023-24 salary schedules increased by 2 percent for both our Certified and Classified staff, while the district's contribution to health insurance remained at FY2022-23 levels.
- FY2023-24 PERS employer rates are 16.48 percent for OPSRP and 19.32 percent for Tier1/Tier2 members.
- The District is currently negotiating new agreements for wages and benefits with all of the employee groups in 2023.
- During the 2019 legislative session, Oregon's leaders made a commitment to our children, our educators, our schools and our state with the passage of the Student Success Act. When fully implemented, the Student Success Act is expected to invest $1 billion annually in early learning and K-12 education each year. At the heart of the SSA is a commitment to improving access and opportunities for students who have been historically underserved in the education system. In FY2023-24 the District expects to receive $13.3 million from the Student Success Act.

New Accounting Standards Implemented

The District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements during FY2022-23.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about the financial report, need additional information or would like to request a copy, contact the Finance Director at Bend-La Pine Schools, 520 NW Wall Street, Bend, Oregon 97703.

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Basic Financial Statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Net Position
June 30, 2023

	Governmental Activities
	2023
Assets:	
Cash and investments	$ 169,016,606
Property taxes receivable	2,699,978
Accounts and other receivables	2,715,358
Intergovernmental receivables	15,629,562
Prepaid items	1,526,278
Inventories	627,007
Net OPEB RHIA asset	2,747,616
Capital assets, net of amortization and depreciation	
Land	36,876,933
Construction in progress	33,330,029
Site improvements	16,356,783
Buildings and improvements	465,499,252
Vehicles and equipment	13,863,522
Leased buildings	5,265,584
Leased equipment	159,569
Subscription based information technology	1,015,338
Total assets	767,329,415
Deferred outflow of resources:	
Pension related deferred outflows	57,110,789
OPEB - implicit subsidy deferred outflows	1,490,900
OPEB - RHI deferred outflows	461,364
Deferred charges on advanced refunding	8,357,573
Total deferred outflows of resources	67,420,626
Liabilities	
Accounts payable	5,824,319
Accrued payroll and related charges	15,529,326
Accrued interest	1,919,700
Unearned revenue	253,338
Retainage payable	238,483
Claims and judgements due within one year	309,658
Long-term liabilities due within one year	32,906,609
Rental deposits	3,250
Accrued compensated absences	45,430
Noncurrent liabilities due in more than one year	
Net pension liability	142,358,706
Other postemployment benefits, implicit rate subsidy	9,903,355
Claims and judgements due in more than one year	309,658
Long-term liabilities due in more than one year	456,059,990
Total liabilities	665,661,822
Deferred inflows of resources:	
PERS deferred inflows	48,858,469
OPEB - RHI deferred inflows	375,585
OPEB - implicit subsidy deferred inflows	2,694,035
Leases deferred inflows	190,413
Total deferred inflows of resources	52,118,502
Net investment in capital assets	237,354,596
Restricted for:	
Transportation	2,689,734
Federal, state, and private grants	6,338,670
Energy efficency program	1,304,775
Debt service	5,387,006
Net OPEB RHIA asset	2,747,616
Capital projects	12,472,944
Unrestricted	(151,325,624)
Total net position	$ 116,969,717

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Activities
Year Ended June 30, 2023

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities 2023
Governmental Activities					
Instruction					
Regular instruction	$ 113,989,218	$ 687,047	$ 21,144,027	$ -	$ (92,158,144)
Special programs including summer school	37,838,161	-	9,524,743	-	(28,313,418)
Total direct classroom services	151,827,379	687,047	30,668,770	-	(120,471,562)
Support Services					
Students	22,782,816	-	6,138,832	-	(16,643,984)
Instructional staff	10,885,261	-	3,683,630	-	(7,201,631)
General administration	1,107,649	-	-	-	(1,107,649)
School administration	16,377,410	-	-	-	(16,377,410)
Business, transportation and maintenance	35,865,378	887,230	3,185,387	761,416	(31,031,345)
Central activities	15,209,185	-	4,256,980	-	(10,952,205)
Supplemental retirement program	8,784	-	-	-	(8,784)
Total classroom support services	102,236,483	887,230	17,264,829	761,416	(83,323,008)
Enterprise and Community Services					
Food services	9,179,553	2,017,776	4,769,662	-	(2,392,115)
Other enterprise and community services	2,317,476	405,577	1,469,112	-	(442,787)
Total enterprise and community services	11,497,029	2,423,353	6,238,774	-	(2,834,902)
Unallocated interest expense	14,341,098	-	-	-	(14,341,098)
Total school district	$ 279,901,989	$ 3,997,630	$ 54,172,373	$ 761,416	(220,970,570)
	General revenues:				
	Property taxes levied for general purposes				99,209,753
	Property taxes levied for debt service				39,003,043
	Federal aid not restricted to specific purposes				384,184
	State aid not restricted to specific purposes				103,471,920
	Intermediate aid not restricted to specific purposes				1,639,208
	Earnings on investments				4,592,956
	Other local revenue				5,499,278
	Gain on sale of capital assets				30,425
	Total general revenues				253,830,767
	Change in net position				32,860,197
	Net position - beginning				84,109,520
	Net position - ending				$ 116,969,717

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Assets					
Cash and investments	$ 44,147,084	$ 2,763,370	$ 5,196,732	$ 116,909,420	$ 169,016,606
Receivables:					
Property taxes	1,933,209	-	766,769	-	2,699,978
Accounts and other receivables	929,853	1,156,417	-	629,088	2,715,358
Intergovernmental receivables	2,688,505	12,096,006	-	845,051	15,629,562
Prepaid items	1,486,278	40,000	-	-	1,526,278
Inventories	168,539	458,468	-	-	627,007
Total assets	$ 51,353,468	$ 16,514,261	$ 5,963,501	$ 118,383,559	$ 192,214,789
Liabilities, deferred inflows and fund balances					
Liabilities					
Accounts and interest payable	$ 3,161,192	$ 692,249	$ -	$ 1,970,878	$ 5,824,319
Accrued payroll and related charges	13,019,851	2,474,400	-	35,075	15,529,326
Unearned revenue	-	253,338	-	-	253,338
Rental deposits	-	-	-	3,250	3,250
Retainage payable	-	24,401	-	214,082	238,483
Total liabilities	16,181,043	3,444,388	-	2,223,285	21,848,716
Deferred inflows of resources					
Leases deferred inflows	190,413	-	-	-	190,413
Unavailable revenue - property taxes	1,452,834	-	576,495	-	2,029,329
Total deferred inflows of resources	1,643,247	-	576,495	-	2,219,742
Fund balances					
Nonspendable	1,654,817	498,468	-	-	2,153,285
Restricted	2,689,734	7,643,445	5,387,006	116,160,274	131,880,459
Assigned	22,516,245	4,927,960	-	-	27,444,205
Unassigned	6,668,382	-	-	-	6,668,382
Total fund balances	33,529,178	13,069,873	5,387,006	116,160,274	168,146,331
Total liabilities, deferred inflows and fund balances	$ 51,353,468	$ 16,514,261	$ 5,963,501	$ 118,383,559	$ 192,214,789

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position
June 30, 2023

Total fund balances, June 30, 2023 (page 22)		$ 168,146,331
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 795,210,906	
Accumulated depreciation and amortization	(222,843,896)	572,367,010
Deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the government funds		
Deferred outflows of resources related to pensions	$ 57,110,789	
Deferred outflows of resources related to OPEB Implicit	1,490,900	
Deferred outflow of resources related to OPEB - RHI	461,364	
Deferred inflow of resources related to pensions	(48,858,469)	
Deferred inflow of resources related to OPEB - RHI	(375,585)	
Deferred inflow of resources related to OPEB Implicit	(2,694,035)	7,134,964
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.		2,029,329
Net OPEB-RHIA asset reported in the government wide statement of net position		2,747,616
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Long-term debt	$ (1,709,000)	
Accrued interest payable	(1,919,700)	
Bonds payable	(458,080,000)	
Proportionate share of the PERS net pension liability	(142,358,706)	
Net OPEB obligation-implicit rate subsidy	(9,903,355)	
Lease liability	(5,729,304)	
Subscription based technology agreement liability	(908,068)	
Compensated absences	(45,430)	
Accrued claims and judgments	(619,316)	
Early retirement benefits payable	(1,983)	(621,274,862)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Unamortized portion of bond issuance premium	$ (22,538,243)	
Deferred outflow on refunding	8,357,573	(14,180,670)
Total net position (page 20)		$ 116,969,717

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Revenues					
Property taxes	$ 99,008,655	$ -	$ 39,003,043	$ -	$ 138,011,698
Tuition	18,887	-	-	-	18,887
Investment earnings	1,985,546	367,196	742,125	1,498,089	4,592,956
Other local sources:					
Food services	-	2,017,776	-	-	2,017,776
Print shop	862,108	-	-	-	862,108
Indirect costs charged to grants	606,663	-	-	-	606,663
Charges for services	1,897,829	-	-	-	1,897,829
Other local sources	3,215,118	6,870,695	-	715,703	10,801,516
Intermediate sources:					
County school funds	257,920	-	-	-	257,920
ESD apportionment	1,293,520	395,000	-	-	1,688,520
Other Intermediate sources	87,768	-	-	-	87,768
State sources:					
State school fund	93,375,540	69,881	8,561,944	-	102,007,365
Common school fund	2,225,971	-	-	-	2,225,971
Other state sources	1,375,779	26,565,020	-	851,367	28,792,166
Federal grant sources	412,325	18,855,854	-	-	19,268,179
Total revenues	206,623,629	55,141,422	48,307,112	3,065,159	313,137,322
Expenditures					
Current:					
Instruction	118,158,968	24,296,614	-	-	142,455,582
Support services	78,527,259	17,653,664	650	-	96,181,573
Community services	280,452	11,267,853	-	-	11,548,305
Facilities acquisition and construction	-	-	-	3,702,034	3,702,034
Debt service:					
Principal	672,676	459,660	32,689,828	-	33,822,164
Interest	166,594	82,042	14,891,786	-	15,140,422
Capital outlay	4,826,714	1,492,870	-	11,174,999	17,494,583
Total expenditures	202,632,663	55,252,703	47,582,264	14,877,033	320,344,663
Revenues over (under) expenditures	3,990,966	(111,281)	724,848	(11,811,874)	(7,207,341)
Other financing sources (uses)					
General obligation bonds issued	-	-	-	100,000,000	100,000,000
General obligation bonds issued - premium	-	-	-	5,903,531	5,903,531
Lease financing	79,054	-	-	-	79,054
Subscription based information technology financing	672,545	-	-	-	672,545
Sale of capital assets	30,425	-	-	211,514	241,939
Transfer to general fund	-	(182,178)	-	-	(182,178)
Transfer from special revenue fund	182,178	-	-	-	182,178
Total other financing sources (uses)	964,202	(182,178)	-	106,115,045	106,897,069
Net change in fund balances	4,955,168	(293,459)	724,848	94,303,171	99,689,728
Fund balances, beginning of year	28,574,010	13,363,332	4,662,158	21,857,103	68,456,603
Fund balances, end of year	$ 33,529,178	$ 13,069,873	$ 5,387,006	$ 116,160,274	$ 168,146,331

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to
the Statement of Activities
Year Ended June 30, 2023

Net change in fund balance (page 24)		$ 99,689,728
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as amortization or depreciation expense. This is the amount by which capital outlays exceeded amortization and depreciation in the current period:		
Expenditures for capital and right of use assets and construction in progress	$ 21,036,799	
Less current year amortization and depreciation	(19,051,178)	
Net Loss\(Gain) on asset disposal	(30,425)	1,955,196
Long-term debt proceeds are reported as other financing sources in governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. This is the amount by which repayments exceeded proceeds:		
Debt issued	$ (100,000,000)	
Lease financing	(79,054)	
Subscription based information technology financing	(672,545)	
Payment to escrow agent	-	
Debt principal repaid	33,822,164	(66,929,435)
In the statement of activities, pension expense is adjusted based on the actuarially determined contribution changes		3,465,918
Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences:		
Amortization of deferred outflow on debt refunding	$ (2,028,126)	
Amortization of premiums, net of discount amortization	2,742,087	
Premiums on long-term debt issued in current year	(5,903,531)	(5,189,570)
In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.		
Accreted interest on PERS UAL bonds	$ 1,520,651	
Accrued interest on general obligation bonds and other long term debt	(1,435,287)	85,364
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities property taxes are recognized as revenue when levied.		201,098
Certain expenses in the statement of activities do require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Estimated claims and judgments	$ (179,275)	
Early retirement benefits	16,833	
Compensated absences	(9,660)	
OPEB RHIA	171,872	
OPEB - implicit subsidy	(417,872)	(418,102)
Change in net position (page 21)		$ 32,860,197

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Fiduciary Net Position
Fiduciary Fund - Private Purpose Trust Fund
June 30, 2023

	2023
Assets	
Cash and investments	$ 90,988
Net position held in trust for scholarships	$ 90,988

Statement of Changes in Fiduciary Net Position
Fiduciary Fund - Private Purpose Trust Fund
Year Ended June 30, 2023

	2023
Additions:	
Donations	$ 9,220
Investment earnings	4,678
Total revenues	13,898
Deductions:	
Scholarships	19,100
Change in net position	(5,202)
Net position - beginning	96,190
Net position - ending	$ 90,988

See notes to basic financial statements

Notes to Basic Financial Statements

1. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

Bend La-Pine Schools was organized under provisions of the Oregon Statutes pursuant to ORS Chapter 332 and provides education services to children from grades K-12 located in Bend, La Pine and surrounding areas. The District has seven high schools, two K-8 schools, one K-8 charter school, seven middle schools, one K-5 charter school, and seventeen elementary schools with an approximate total enrollment of 17,500 students. The Average Daily Membership (ADM) in FY2022-23 was 17,158 and the Weighted ADM (ADMw) was 19,287. The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide service within the District's boundaries. However, none of these legally separate entities meet the criteria for inclusion in the financial reporting entity.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — governmental and fiduciary — are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

a. General fund
Accounts for all general operating revenues and expenditures of the District and for all financial resources not accounted for in another fund. Principal revenue sources are property taxes and state school support.

b. Special Revenue fund
Accounts for revenues derived from specific grants and other earmarked revenue sources. Principal revenue sources are federal and state grants, student fundraising activities, and school lunch sales.

c. Debt Service fund
Accounts for the accumulation of resources and payment of general obligation bond and limited tax pension obligation bond principal and interest from governmental resources such as property taxes and state school support.

d. Capital Projects fund
Accounts for the acquisition and construction of major capital facilities or other improvements. Principal revenue sources are bond proceeds and interest earnings from cash and investments.

Additionally, the District reports the following fund type:

e. Private Purpose Trust fund
This fund uses the economic resources measurement focus and accrual basis of accounting, and accounts for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the various trust agreements.

During the course of operations, the District has activity between funds for various purposes. Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus and basis of accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned

and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The private-purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgetary information

a. Budgetary basis of accounting

Annual budgets are adopted on a basis “consistent with generally accepted accounting principles” for all funds consistent with Oregon Local Budget Law.

The appropriated budget is prepared and appropriated by fund and major function as required by Oregon Local Budget Law. The district’s administrators may make transfers of appropriations within appropriation levels. Transfers between appropriation levels require the approval of the School Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the major appropriation level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and

control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated.

b. Excess of expenditures over appropriations
No expenditures exceeded appropriation for the fiscal year ending June 30, 2023

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

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

State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bankers' acceptances and the State of Oregon Treasurer's Local Government Investment Pool (LGIP).

Investments are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the LGIP is the same as the fair value of the LGIP shares.

The State Treasurer's LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The state's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's LGIP are not required by law to be collateralized.

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

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

ii. 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

iii. 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.

c. Inventories and prepaid items

Print Shop supplies, maintenance supplies, food and other cafeteria supplies are stated at average invoice cost. Donated commodities from the United States Department of Agriculture in the Nutrition Services Fund are included in the District's inventories at fair market wholesale value. Inventory items are charged to expenditures of user departments at the time of withdrawal from inventory (consumption method).

Prepaid items primarily consist of prepaid software support fees, and are reported using the consumption method, where items are charged to expenditure as the service is provided.

d. Capital assets

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

Asset Types	Estimated Lives
Buildings and improvements	20 to 50 years
Equipment	5 to 10 years

e. Deferred outflows/inflows of resources

The statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The statement of net position reports one type related to the total PERS pension liability, one type related to bond refunding, and one type related to the total OPEB liability. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item in this category is related to the pension plan due to differences in expected and actual experiences, differences in expected and actual earnings, and contributions made after the actuary's measurement date.

The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period so it will not be recognized as an inflow of resources (revenue) until that time. The District has four items that arise for reporting in this category. The balance sheet reports unavailable revenues from property taxes and deferred inflows from leases. The statement of net position reports one type related to the total PERS pension liability, one type related to the total OPEB liability and one type related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

f. Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

g. Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and

unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

h. Fund balance policies

In the fund financial statements, governmental funds are categorized by the nature of the resources within the fund. The district reports fund balance using the following categories:

i. Nonspendable fund balance – indicates the portion of fund equity that cannot be spent as it is not in a spendable format, such as inventories and prepaid expenditures.
ii. Restricted fund balance – indicates the portion of fund equity for which the use is externally restricted by grantors, creditors, or law.
iii. Assigned fund balance – indicates the portion of fund equity that the District intends to use for a specific purpose imposed by the Superintendent or designee. The Governing Body delegated the authority to the Superintendent or designee to assign fund balance.
iv. Unassigned fund balance – indicates the amount of general fund equity that is available for budgeting in future periods. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

H. Revenues and expenditures/expenses

a. Program revenues

Program revenues report grants and contributions that are restricted to meeting the operational or capital requirements of a particular function of the District. This includes state school fund grant money for bus replacement, federal reimbursement for bond interest payments, all reimbursable grants, money for the National School Lunch Program, and the portion of the state school fund for transportation representing 70% of allowable transportation expenditures. All taxes or other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Property taxes

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and

May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

c. Compensated absences
District personnel currently work under an annual contract based upon the number of workdays in each year. Employees under such contracts have no vested vacation pay benefits. Beginning in FY2008-09, certain administrators were able to accrue unused vacation leave from year to year up to a total of 30 days. Upon resignation or termination of employment, these employees will receive pay for up to 20 of these accrued vacation days. Currently, accumulated compensatory benefits earned by employees are paid as of June 30 each year. Sick pay does not vest.

d. 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 total pension liability, pension related deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Fiscal year 2023-24 will be the final year in the District’s early retirement stipend plan. As all payments are due within 1 year, the liability is reported at cash value.

e. Postemployment benefits other than pensions (OPEB)
For the purpose of measuring the total OPEB liability, OPEB related deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, fiduciary net position of PERS and any changes thereto have been determined on the same basis as they are reported by PERS. For this purpose, PERS benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position
The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Capital assets are not financial resources and therefore are not reported in the governmental funds.” The details of this $572,367,010 are as follows:

Land	$ 36,876,933
Construction in progress	33,330,029
Buildings and improvements	647,975,020
Less: Accumulated depreciation buildings and improvements	(182,475,768)
Site improvements	28,003,871
Less: Accumulated depreciation site improvements	(11,647,088)
Vehicles and equipment	41,038,747
Less: Accumulated depreciation vehicles and equipment	(27,175,225)
Right-of-use leased buildings	6,513,956
Less: Accumulated amotization right-of-use leased buildings	(1,248,372)
Right-of-use leased equipment	201,571
Less: Accumulated amortization right-of-use leased equipment	(42,002)
Right-of-use SBITA	1,270,779
Less: Accumulated amortization right-of-use SBITA	(255,441)
Total capital assets	$ 572,367,010

Another element of the reconciliation is that other long-term assets “are not available soon enough to pay for the current year’s operations and, therefore, are not reported as revenue in the governmental funds.” The $2,029,329 in long-term assets are comprised of property taxes collected after year-end but not soon enough to pay for current year operations.

Another element of that reconciliation is the net OPEB-RHIA asset is reported in the government wide statement. That asset is applicable to future periods and not a current year contribution, therefore it is not reported in the governmental funds. The asset totals $2,747,616.

Another element of that reconciliation explains that “Long-term liabilities not payable in the current year are not reported as governmental fund liabilities.” These long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. The details of that $(621,274,862) difference are as follows:

Long-term debt	$ (1,709,000)
Accrued interest payable	(1,919,700)
Bonds payable	(458,080,000)
Proportionate share of the PERS net pension liability	(142,358,706)
OPEB obligation-implicit rate subsidy	(9,903,355)
Lease liability	(5,729,304)
Subscription based technology agreement liability	(908,068)
Compensated absences	(45,430)
Accrued claims and judgments	(619,316)
Early retirement benefits payable	(1,983)
Total long term liabilities not payable in current year	$ (621,274,862)

Another element of that reconciliation explains that “deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and,

therefore, are not reported in the government funds." The details of that $(7,134,964) difference are as follows:

Deferred outflows of resources related to pensions	$ 57,110,789
Deferred outflows of resources related to OPEB Implicit	1,490,900
Deferred outflow of resources related to OPEB - RHI	461,364
Deferred inflow of resources related to pensions	(48,858,469)
Deferred inflow of resources related to OPEB - RHI	(375,585)
Deferred inflow of resources related to OPEB Implicit	(2,694,035)
Total deferred inflows/outflows related to pension plan	$ 7,134,964

The final element of that reconciliation explains that "Governmental funds report the effect of premiums, discounts and refunding and similar items when debt is first issued, whereas these amounts are deferred or amortized in the statement of activities". The details of that $(14,180,670) difference are as follows:

Unamortized portion of bond issuance premium	$ (22,538,243)
Deferred outflow on refunding	8,357,573
Total debt deferrals and amortizations	$ (14,180,670)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period." The details of this $1,955,196 difference are as follows:

Outlay for capital and right-to-use assets	$ 21,036,799
Depreciation and amortization expense	(19,051,178)
Net loss\(gain) on asset disposal	(30,425)
Total capital outlay net of depreciation and amortization for the current period	$ 1,955,196

Another element of that reconciliation states "Long-term debt proceeds are reported as other financing sources in governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. This is the amount by which repayments exceeded proceeds." The detail of this $(66,929,435) difference is as follows:

Debt issued	$ (100,000,000)
Lease right-to-use asset addition	(751,599)
Debt principal repaid	33,822,164
Net adjustment for issuance and payment of long-term debt	$ (66,929,435)

Another element of that reconciliation states "Certain expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this $(418,102) difference are as follows:

Claims and judgments	$ (179,275)
Early retirement benefits	16,833
Compensated absences	(9,660)
Amortization of OPEB obligation - RHIA	171,872
Amortization of OPEB obligation - implicit subsidy	(417,872)
Net adjustment to decreases in net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	$ (418,102)

Another element of that reconciliation states that "Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(5,189,570) difference are as follows:

Amortization of deferred outflow in debt refunding	$ (2,028,126)
Amortization of premiums	2,742,087
Premiums on long-term debt issued in the current year	(5,903,531)
Total components of debt issuance costs and adjustments	$ (5,189,570)

Another element of that reconciliation states "Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds" whereas they are recognized as revenue when levied in the government wide statement. The property taxes that are not measurable and available total $201,098.

Another element of that reconciliation states "In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due." The details of this $85,364 are as follows:

Accreted interest on PERS UAL bonds	$ 1,520,651
Accrued interest on general obligation bonds	(1,435,287)
Total components of interest adjustments on long term debt	$ 85,364

The final element of the reconciliation is related to adjustments for the net pension asset and liability, allocations to expenses for net changes in deferred inflows due to the District's share in the PERS system's differences between projected and actual earnings, and contributions

subsequent to the measurement date that are not recorded in the budgetary basis financial statements. The details of the $3,465,918 are as follows:

Total pension liability	$ (36,182,069)
Deferred outflows - actual experience	(3,028,460)
Deferred outflows - changes in assumptions	(4,242,359)
Deferred outflows - actual change in proportionate share	5,574,935
Deferred outflows - change in employer contribution and proportionate share	(560,174)
Deferred outflows - contribution difference	(13,324,903)
Deferred outflows - contribution after measurement date	908,786
Deferred inflow - actual change in proportionate share	1,981,816
Deferred inflow - actual earnings	53,150,759
Deferred inflow - changes in assumptions	75,362
Deferred inflow - actual experience	(887,775)
Total components of pension liability adjustments at measurement date	$ 3,465,918

3. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions
For the year ended June 30, 2023, no expenditures exceeded appropriations. There were no violations of legal or contractual provisions.

B. Deficit fund equity
The District did not have any funds with a negative fund balance.

4. Detailed notes on all activities and funds

A. Cash deposits with financial institutions
In the case of deposits, and in the event of a bank failure, the district's deposits may not be returned. As of June 30, 2023, the district's bank balances were $26,005,611, and $25,252,611 of that amount was exposed to custodial credit risk because it was uninsured and collateralized by securities held by the pledging or financial institutions trust department or agent, but not in the government's name. All deposits were in bank depositories qualified by the Oregon State Treasury which maintains the collateral program for local governments.

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. Of these balances all were deposited in banking institutions covered by Federal depositor insurance. However, a portion of these deposits exceed the federal deposit insurance corporation limit and are not federally insured.

B. Investments

As of June 30, 2023, the District was invested as follows:

Investment Type	Classification	Total	Moody's Aaa
Local Government Investment Pool	N/A	$ 44,838,391	N/A
US Treasury securities	Level 1	100,240,408	100,240,408
Total		$ 145,078,799	$ 100,240,408

a. Interest rate risk

Interest rate risk is lessened by generally matching investment maturities with cash requirements so that sales prior to maturities are minimized. The District's investment policy requires that only investments that can be held to maturity shall be purchased. At June 30, 2023 the District's investment holdings meet the requirement of this policy.

b. Credit risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. The District School Board annually approves a list of financial institutions with which the District will do business. All of the investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities, are held in safekeeping by the financial institution's counterparty in the financial institution's general customer account.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool. The pool is comprised of a variety of investments. As of June 30, 2023, the fair value of the position in the LGIP is 99.63 percent 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.

c. Concentration of credit risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. More than 5 percent of the School District's total investments are in securities by the following insurers:

Issuer	Percentage of Total
Oregon Short Term Fund	30.91%
US Treasury Securities	69.09%
Total	100.00%

d. Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has a Third-Party Safekeeping Agreement (TPSA) with US Bank to hold certain securities in trust. All of the securities subject to the TPSA are held in trust in the District's name. The District does not have a policy for custodial credit risk for certificates of deposit.

C. Receivables

The accounts and other receivables in the General Fund are primarily balances due from other government entities such as Oregon Department of Education and High Desert Education Service District for reimbursement of expenditures. The accounts and other receivables in Special Revenue Funds represent balances due from state and federal governments for special program grants.

Accounts and other receivables on the Statement of Net Position are comprised of the following as of June 30, 2023:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Accounts and other receivables	$ 929,853	$ 1,156,417	$ 629,088	$ 2,715,358
Intergovernmental receivables	2,688,505	12,096,006	845,051	15,629,562
Total	$ 3,618,358	$ 13,252,423	$ 1,474,139	$ 18,344,920

D. Capital assets

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

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated				
Land	$ 35,947,288	$ 1,141,158	$ 211,514	$ 36,876,932
Construction in progress	44,143,716	14,843,793	25,657,480	33,330,029
Total non-depreciable assets	80,091,004	15,984,951	25,868,994	70,206,962
Capital assets being depreciated and amortized:				
Buildings and improvements	625,157,161	22,817,859	-	647,975,020
Right-of-use SBITA	-	1,270,779	-	1,270,779
Right-of-use leased buildings	6,513,956	-	-	6,513,956
Site improvements	24,688,741	3,315,130	-	28,003,871
Vehicles and equipment	37,689,577	3,982,442	633,274	41,038,745
Right-of-use leased equipment	121,016	80,554	-	201,570
Total depreciable assets at cost	694,170,451	31,466,765	633,274	725,003,944
Less accumulated depreciation and amortization for:				
Buildings and improvements	(167,817,573)	(14,658,195)	-	(182,475,768)
Right-of-use leased buildings	(624,186)	(624,186)	-	(1,248,372)
Site improvements	(10,653,425)	(993,663)	-	(11,647,088)
Vehicles and equipment	(25,324,756)	(2,483,742)	(633,274)	(27,175,224)
Right-of-use SBITA	-	(255,441)	-	(255,441)
Right-of-use leased equipment	(6,051)	(35,951)	-	(42,002)
Depreciation and amortization expense	(204,425,991)	(19,051,178)	(633,274)	(222,843,896)
Total depreciable assets, net	489,744,460	12,415,586	-	502,160,048
Total capital assets, net	$569,835,464	$28,400,537	$25,868,994	$572,367,010

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

Program	Buildings	Equipment	Improvements	Total
Business, transportation and maintenance	$ 1,123,841	$1,719,523	$ 61,452	$ 2,904,815
Central activities	3,900,518	700,879	240,063	4,841,460
Food services	7,134	41,314		48,448
Students	10,250,887	313,419	692,149	11,256,454
Total depreciation and amortization expense	$15,282,380	$2,775,134	$ 993,663	$19,051,178

Net investment in capital assets is calculated as follows:

All capital assets net of depreciation	$ 571,351,670
SBITAs	1,015,338
Short and long term debt	(420,745,000)
Loan for buses	(1,709,000)
Retainage payable	(214,082)
Accounts payable (capital construction)	(2,005,953)
Bond premium/discounts	(22,538,243)
Advanced refunding outflow	8,357,573
Unspent bond proceeds	103,842,293
Investment in capital assets, net of related debt	$ 237,354,596

E. Leases: Lessee

Under GASB Statement No. 87, Leases, the District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements for each lease. The lease liability is measured as the present value of all expected payments during the lease term, reduced by the principal portion of lease payments made. The lease asset is the initial lease liability, adjusted lease payments made before the commencement date plus certain direct costs. The lease asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

a. Brinson Lease

On May 16, 2018, the District entered into a noncancelable lease for the Brinson building, which contains the REALMS Middle and High School programs. The lease terminates on May 15, 2031 and has an assumed interest rate is 3.25 percent based on our estimated borrowing rate.

b. Twin Knolls Lease

On January 1, 2013 the District entered into a noncancelable lease for the Twin Knolls building, which contains our Transition Co-Op program. The lease terminates on June 30, 2034 and has an assumed interest rate of 3.25 percent based on our estimated borrowing rate.

c. Copier Lease

On March 31, 2022 the District entered into a noncancelable lease for printer and copier equipment. The lease terminates on March 30, 2027 and the interest rate of 7.62 percent is implicit to the lease.

d. Turf Tank Lease

On August 16, 2022 the District entered into a noncancelable lease for a robotic field painter for sports fields. The lease terminates on August 15, 2028 and the interest rate of 5.5 percent is implicit to the lease.

Lease liabilities are as follows:

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023	Due within One Year
Brinson Lease	$ 4,679,755		$ 399,240	$ 4,280,515	$429,019
Twin Knolls Lease	1,384,429		92,205	1,292,224	91,021
Copier Lease	113,578		21,067	92,511	22,731
Turf Tank Lease	-	79,054	15,000	64,054	11,477
Total	$ 6,177,762	$ 79,054	$ 527,512	$ 5,729,304	$554,247

Debt service requirements on leases are as follows:

	Brinson Lease		Twin Knolls Lease		Copier Lease		Turk Tank Lease	
As of June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	429,019	132,801	91,021	40,649	22,731	6,269	11,477	3,523
2025	460,279	118,396	95,805	37,620	24,525	4,475	12,108	2,892
2026	493,083	102,953	100,748	34,434	26,462	2,538	12,774	2,226
2027	527,497	86,419	105,853	31,084	18,793	3,362	13,477	1,523
2028	563,592	68,742	111,127	27,565	-	-	14,218	782
2029-2033	1,807,047	84,777	641,038	78,758	-	-	-	-
2034	-	-	146,632	2,594	-	-	-	-
Total	$4,280,515	$594,089	$1,292,224	$252,704	$92,511	$16,644	$64,054	$10,946

F. Leases: Lessor

Under GASB Statement No. 87, Leases, the District recognizes a lease receivable and a deferred inflow of resources in the government-wide and government funds financial statements for each lease. The lease receivable is measured as the present value of all expected payments during the lease term, reduced by the principal portion of lease payments received. The deferred inflow is the initial lease receivable, adjusted for lease payments received before the commencement date. Subsequently, the deferred inflow is recognized as a revenue over the life of the lease term.

The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

a. Ed Center Lease
Beginning July 1, 2015 the High Desert ESD leased a portion of the Ed Center building in a noncancelable contract. The lease terminates on June 30, 2025 and the assumed interest rate is 3.25 percent based on estimated lending rates.

b. Trillium Lease
Beginning September 1, 2022 Trillium Family Services leased a portion of the Tamarack Building in a noncancelable contract. The lease terminates on June 30, 2024 and the assumed interest rate is 5.73 percent based on estimated lending rates.

A summary of our leases in which we are the lessor is below.

Issue	Inception Date	Termination Date	Interest Rate	2023 Rental Payments	2023 Interest Payments
Ed Center Lease	7/1/2015	6/30/2025	3.25%	50,633	4,519
Trillium Lease	9/1/2022	6/30/2024	5.73%	41,963	5,815
Total				$ 92,596	$ 10,334

The long term lease receivable is as follows:

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023	Due within One Year
Ed Center Lease	162,108	3,350	53,982	111,475	53,982
Trillium Lease	-	210,411	95,888	114,523	114,523
Total	$ 162,108	$ 213,760	$ 149,870	$ 225,998	$ 168,505

The deferred inflow of resources is as follows:

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023
Ed Center Lease	157,585	-	52,528	105,056
Trillium Lease	-	156,486	71,130	85,356
Total	$ 157,585	$ 156,486	$ 123,658	$ 190,413

The schedule of lease payments are as follows:

	Ed Center Lease		Trillium Lease	
As of June 30	Principal	Interest	Principal	Interest
2024	53,982	1,075	114,523	3,586
2025	57,493	315	-	-
Total	$111,475	$ 1,390	$ 114,523	$ 3,586

G. Subscription based information technology arrangements

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet the definition. Under this statement, the District now recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements for each arrangement. The subscription liability is measured as the present value of all expected payments during the subscription term. The subscription asset is the initial subscription liability, payments made before the commencement date, and certain capitalizable implementation costs. The subscription asset is amortized on a straight-line basis. The implementation date for this accounting change was July 1, 2022 and did not include any prior period restatements.

The District monitors changes in circumstances that would require remeasurement of SBITAs, and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long term debt on the statement of net position.

a. CDW-G EMG

On November 23, 2022 the District entered into an arrangement for enterprise mobility management software. The arrangement terminates on December 28, 2023 and the interest rate of 6.95 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

b. CVE Technologies

Prior to July 1, 2022 the District entered into an arrangement for phone software. The arrangement terminates on August 9, 2026 and the interest rate of 4.85 percent is based on estimated lending rates.

c. Instructure Canvas/Cloud

Prior to July 1, 2022 the District entered into an arrangement for digital classroom software. The arrangement terminates on June 30, 2024 and the interest rate of 4.85 percent is based on estimated lending rates.

d. Palo Alto Security

Prior to July 1, 2022 the District entered into an arrangement for security software. The arrangement terminates on June 30, 2025 and the interest rate of 4.85 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

e. PowerSchool

Prior to July 1, 2022 the District entered into an arrangement for enterprise resource planning software. The arrangement terminates on June 30, 2028 and the interest rate of 7.82 percent is based on estimated lending rates.

f. Really Great Reading

Prior to July 1, 2022 the District entered into an arrangement for reading curriculum software. The arrangement terminates on June 30, 2029 and the interest rate of 4.85 percent is based on estimated lending rates. The Really Great Reading arrangement has a variable payment schedule based on the number of classrooms and students supported, which can lead to differences between the actual outflow of resources and the estimated outflows used to calculate the subscription asset. For the fiscal year ending June 30, 2023 the variable payments not included in the Really Great Reading SBITA asset are as follows:

	Actual Payments	Estimated Payments Used in SBITA Calculation	Payments Excluded From SBITA Calculation
Really Great Reading	$ 57,616	$ 31,725	$ 25,891

The schedule of subscription assets for all arrangements is as follows:

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023
CDW-G EMG	$ -	$ 14,216	$ -	$ 14,216
CVE Technologies	-	309,960	-	309,960
Instructure	-	118,806	-	118,806
Palo Alto Security	-	147,581	-	147,581
PowerSchool	-	382,982	-	382,982
Really Great Reading	-	297,233	-	297,233
Total	$ -	$1,270,778	$ -	$ 1,270,778

The schedule of subscription amortization for all arrangements is as follows:

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023
CDW-G EMG	$ -	$ 7,826	$ -	$ 7,826
CVE Technologies	-	75,447	-	75,447
Instructure Canvas/Cloud	-	59,403	-	59,403
Palo Alto Security	-	49,194	-	49,194
PowerSchool	-	21,109	-	21,109
Really Great Reading	-	42,462	-	42,462
Total	$ -	$ 255,441	$ -	$ 255,441

The schedule of future subscription payments for all arrangements is:

	CVE Technologies		Instructure		PowerSchool		Really Great Reading	
As of June 30	Liability	Interest	Liability	Interest	Liability	Interest	Liability	Interest
2024	70,867	10,819	58,386	2,832	69,925	8,278	39,182	12,877
2025	74,304	7,382	-	-	59,148	22,770	41,082	10,977
2026	77,907	3,779	-	-	67,665	18,144	43,075	8,984
2027	-	-	-	-	77,032	12,853	45,164	6,895
2028	-	-	-	-	87,326	6,829	47,354	4,705
2029	-	-	-	-	-	-	49,651	2,408
Total Subscription Payments	$223,078	$21,980	$58,386	$2,832	$361,096	$68,873	$265,508	$46,846

H. Pension plan

a. PERS pension program

The District is participating in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by PERS. The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: http://www.oregon.gov/pers. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto 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. GASB Statements 68 and 71 were implemented as of July 1, 2014.

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 benefit result.

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 conditions are met:

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

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

iv. Benefit changes after retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

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.

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.

iv. Benefit changes after retirement – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

c. Contributions

PERS members are required to contribute 6 percent of their salary and the employer makes contributions at an actuarially-determined rate as adopted by the PERS Board. The rate for Tier I and Tier II for the year ended June 30, 2023 was 18.1 percent of covered annual payroll. The rate for OPSRP for the year ended June 30, 2023 was 14.99 percent. The contribution requirements of plan members are established by state statute. The employer contribution is set and may be amended by the Retirement Board.

At June 30, 2023, the District reported a total pension liability of $142,358,706 for its proportionate share of the total pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of December 31, 2020. The District's proportion of the total 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. At the measurement date of June 30, 2022, the District's proportion was .93 percent, an increase from June 30, 2021 when the District's proportion was .89 percent. For the year ended June 30, 2023, the District recognized a pension expense of $21,479,574.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 6,910,367	$ 887,775
Changes of assumptions	22,336,850	204,070
Net difference between projected and actual earnings on investments	-	25,450,983
Changes in proportionate share	5,859,987	5,753,444
Differences between employer contributions and employer's proportionate share of the system contributions	1,904,590	16,562,197
Subtotal-amortized deferrals	37,011,794	$ 48,858,469
District contributions subsequent to the measurement date	20,098,995	
Total PERS deferred outflows	$ 57,110,789	

District contributions subsequent to the measurement date but before June 30, 2023 will be recognized as a reduction of the total pension liability in the fiscal year ending June 30, 2024.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending	Amount
June 30, 2024	$ (2,547,057)
June 30, 2025	(5,622,867)
June 30, 2026	(13,115,811)
June 30, 2027	10,098,969
June 30, 2028	(659,910)
Total deferred outflow (inflow) of resources	$ (11,846,676)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated June 30, 2022. Oregon PERS produces an independently audited ACFR which can be found in the following location: https://www.oregon.gov/pers/emp/pages/annual-reports.aspx

d. Actuarial valuations

The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier I and Tier II 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 (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) 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

	Pension
Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled retirees:*** Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions

show above are based on the 2020 Experience Study, which reviewed experience for the four year period ended on December 31, 2020

e. Discount rate

The discount rate used to measure the total pension liability was 6.90 percent, and remained unchanged from the prior valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the 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 the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

f. Depletion Date Projection

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

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

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

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net

position is always projected to be sufficient to cover benefit payments and administrative expenses.

Detailed information about PERS' fiduciary net position is available in the separately issued financial report available online at the following website: https://www.oregon.gov/pers/emp/pages/annual-reports.aspx, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

g. Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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.

Long-Term Expected Rate of Return [1]				
Asset Class	Target Allocation	Annual Arithmetic Return [2]	20-Year Annuallized Geometric Mean	Annual Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds - Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity - Hedge	0.63	5.85	5.31	11.05
Hedge Fund - Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 [3]	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

[1] Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.
[2] The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.
[3] Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

h. Sensitivity of the District's proportionate share of the total pension liability to changes in the discount rate

The following presents the District's proportionate share of the total pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the total pension liability would be if it were calculated using a

discount rate that is 1- percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	Discount rate	Proportionate share of total pension liability (asset)
1% decrease	5.90%	$ 252,460,850
Current discount rate	6.90%	142,358,706
1% increase	7.90%	50,208,294

i. Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflow of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

Fiscal Year ended June 30, 2022 - 5.5 years
Fiscal Year ended June 30, 2021 - 5.4 years
Fiscal Year ended June 30, 2020 - 5.3 years
Fiscal Year ended June 30, 2019 - 5.2 years
Fiscal Year ended June 30, 2018 - 5.2 years
Fiscal Year ended June 30, 2017 - 5.3 years

The net difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

l. Other post-employment benefits (OPEB)

The District provides subsidized health benefits to retirees under age 65, as required by ORS 243.303. Retirees electing to remain on district-sponsored health plans must pay the entire premium in order to maintain coverage. However, while the District does not directly contribute to the cost of the premium for retirees, the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This

additional cost is called the “implicit rate subsidy” and is required to be valued under GASB Statement 75. The GASB 75 valuation is based on the following employee census:

Employee Group	Employee Count
Retirees receiving benefits	60
Retirees not receiving benefits	64
Active employees receiving benefits	1,591
Active employees not receiving benefits	492
Total Employees	2,207

Currently, the District participates in the Oregon Educators Benefit Board, a statewide agent multiple-employer plan for health insurance benefits.

a. Other post-employment benefit health insurance subsidy

i. Funding policy – These benefits are not funded at this time.

ii. Total OPEB liability – The District’s total OPEB liability of 9,903,355 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

iii. Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2022 Data was collected as of March 2023, and benefits were valued as if the data was representative of data on July 1, 2022
Measurement Date	June 30, 2023
Fiscal Year Ends	June 30, 2023
Actuarial Cost Method	Entry Age Normal, level percent of salary
Interest Rate for Discounting Future Liabilities	3.75% per year, based on all years discounted at municipal bond rate based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2023, an increase from 3.50% in the previous valuation.
Inflation Rate	2.5 percent per year
Payroll Growth	3.5 percent per year

<table>
<tr><td>Salary Merit Scale</td><td>Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows:
<table>
<tr><th>Duration</th><th>Rate</th></tr>
<tr><td>0</td><td>4.15%</td></tr>
<tr><td>5</td><td>2.98%</td></tr>
<tr><td>10</td><td>1.79%</td></tr>
<tr><td>15</td><td>0.72%</td></tr>
<tr><td>20</td><td>-0.11%</td></tr>
<tr><td>25</td><td>-0.55%</td></tr>
<tr><td>30+</td><td>-0.59%</td></tr>
</table></td></tr>
<tr><td>Annual Premium Increase Rate</td><td>The initial rates are based in part on the 2023 Segal Health Plan Cost Trend Survey, tempered by our expectation of the impact of ORS 243.866, as amended in 2017. Rates are trended down in accordance with prevalent actuarial practice based in part on the Society of Actuaries - Getzen Longer Term Healthcare Trends Resource Model, as updated October 2021.
<table>
<tr><th>Year</th><th>Rate</th><th>Year</th><th>Rate</th></tr>
<tr><td>2022-23</td><td>4.00%</td><td>2032-33</td><td>5.40%</td></tr>
<tr><td>2023-24</td><td>4.50%</td><td>2033-34</td><td>5.30%</td></tr>
<tr><td>2024-25</td><td>5.00%</td><td>2034-35</td><td>5.20%</td></tr>
<tr><td>2025-26</td><td>5.50%</td><td>2035-36</td><td>5.10%</td></tr>
<tr><td>2026-27</td><td>6.00%</td><td>2036-37</td><td>5.00%</td></tr>
<tr><td>2027-28</td><td>5.90%</td><td>2037-38</td><td>4.90%</td></tr>
<tr><td>2028-29</td><td>5.80%</td><td>2038-39</td><td>4.80%</td></tr>
<tr><td>2029-30</td><td>5.70%</td><td>2039-40</td><td>4.70%</td></tr>
<tr><td>2030-31</td><td>5.60%</td><td>2040-41</td><td>4.60%</td></tr>
<tr><td>2031-32</td><td>5.50%</td><td>2041+</td><td>4.50%</td></tr>
</table></td></tr>
<tr><td>Mortality Rates</td><td>Active Employees: PUB-2010 Employee Tables for Teachers, sex-distinct, projected generationally, 125% of published rates for makes, 100% of published rates for females.
Retirees: PUB-2010 Retiree Tables for Teachers, sex distinct, projected generationally, 80% of published rates blended with 20% of PUB 2010 Retiree Tables for General Employees for males, 100% of published rates for females.
Beneficiaries: Pub-2010 Employee and Retiree Table for General Employees, sex distinct, projected generationally, set back 12 months for males, no set back for females; 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females .</td></tr>
</table>

<table>
<tr><td></td><td>Improvement scale: Unisex Social Security Data Scale (60 year average), with data through 2017</td></tr>
<tr><td>Turnover Rates</td><td>As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the terminations are reflected in the census date provided.
<table>
<tr><th>Years of Service</th><th>Male</th><th>Female</th></tr>
<tr><td>0</td><td>16.63%</td><td>13.50%</td></tr>
<tr><td>5</td><td>6.86%</td><td>7.13%</td></tr>
<tr><td>10</td><td>3.31%</td><td>3.85%</td></tr>
<tr><td>15</td><td>2.30%</td><td>2.68%</td></tr>
<tr><td>20</td><td>1.62%</td><td>1.95%</td></tr>
<tr><td>25</td><td>1.20%</td><td>1.50%</td></tr>
<tr><td>30 +</td><td>1.20%</td><td>1.50%</td></tr>
</table></td></tr>
<tr><td>Disability Rates</td><td>As developed for the valuation of benefits under Oregon PERS. Sample rates are as follows:
<table>
<tr><th>Age</th><th>Rate</th></tr>
<tr><td>30</td><td>0.0164%</td></tr>
<tr><td>35</td><td>0.0252%</td></tr>
<tr><td>40</td><td>0.0406%</td></tr>
<tr><td>45</td><td>0.0666%</td></tr>
<tr><td>50</td><td>0.1151%</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>Retirement Rates</td><td>As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the retirements are reflected in the census data provided.
<table>
<tr><th></th><th colspan="3">Tier 1 / Tier 2</th><th colspan="3">OPSRP</th></tr>
<tr><th></th><th colspan="3">Years of Service</th><th colspan="3">Years of Service</th></tr>
<tr><th>Age</th><th>< 15</th><th>15 - 29</th><th>30 +</th><th>< 15</th><th>15 - 29</th><th>30 +</th></tr>
<tr><td><55</td><td>0.0%</td><td>0.0%</td><td>25.0%</td><td>0.0%</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>55</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>0.5%</td><td>2.5%</td><td>5.0%</td></tr>
<tr><td>56</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>0.5%</td><td>2.5%</td><td>5.0%</td></tr>
<tr><td>57</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>1.0%</td><td>2.5%</td><td>7.5%</td></tr>
<tr><td>58</td><td>1.5%</td><td>11.0%</td><td>27.5%</td><td>1.5%</td><td>3.0%</td><td>30.0%</td></tr>
<tr><td>59</td><td>4.5%</td><td>11.0%</td><td>27.5%</td><td>1.5%</td><td>3.0%</td><td>25.0%</td></tr>
<tr><td>60</td><td>6.5%</td><td>12.5%</td><td>27.5%</td><td>2.5%</td><td>3.75%</td><td>20.0%</td></tr>
<tr><td>61</td><td>6.5%</td><td>12.5%</td><td>27.5%</td><td>2.5%</td><td>5.0%</td><td>20.0%</td></tr>
<tr><td>62</td><td>15.0%</td><td>21.0%</td><td>34.0%</td><td>6.0%</td><td>12.0%</td><td>30.0%</td></tr>
<tr><td>63</td><td>13.0%</td><td>19.5%</td><td>27.5%</td><td>6.0%</td><td>10.0%</td><td>20.0%</td></tr>
<tr><td>64</td><td>13.0%</td><td>19.5%</td><td>27.5%</td><td>6.0%</td><td>10.0%</td><td>20.0%</td></tr>
<tr><td>65</td><td>25.5%</td><td>33.5%</td><td>45.0%</td><td>12.5%</td><td>35.0%</td><td>20.0%</td></tr>
<tr><td>66</td><td>23.0%</td><td>36.5%</td><td>45.0%</td><td>12.5%</td><td>33.0%</td><td>20.0%</td></tr>
<tr><td>67</td><td>21.0%</td><td>34.5%</td><td>38.0%</td><td>11.0%</td><td>22.0%</td><td>30.0%</td></tr>
<tr><td>68</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>69</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>70</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>71</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>72</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>73</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>74</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr>
<tr><td>75</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr>
</table></td></tr>
<tr><td>Participation</td><td>Of the active employees currently enrolled in the medical plan, 70% are assumed to remain enrolled at retirement until Medicare eligibility.</td></tr>
<tr><td>Plan Enrollment</td><td>Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.</td></tr>
<tr><td>Lapse</td><td>None assumed.</td></tr>
<tr><td>Marital Status</td><td>40% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status and ages as of the valuation date are used for current retirees, if available</td></tr>
<tr><td>Coverage of Eligible Children</td><td>We have assumed no impact of dependent children on the implicit subsidy</td></tr>
</table>

Health Care Claims Cost	2022-23 claims costs for an age 64 retiree or spouse are assumed range from 11,819 to 16,296 depending on the plan selected. The age specific claims costs were developed based on the OEBB health plans' overall demographics and total premiums, to the extent data was available
Aging Factors	Aging factors are used to adjust the age 64 per capita claims cost. Claims costs are reduced by 3.25% to 4.00% by age for those under 64.
Dental and Vision Costs	We have assumed no implicit subsidy due to dental or vision costs
Changes Since Prior Valuation	Premium increase rates were modified to better reflect the anticipated experience and current Oregon law. General inflation and payroll growth assumptions were increased to better reflect anticipated experience. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS

Changes in the Total OPEB Liability:

Balance at June 30, 2022	$ 8,763,022
Changes for the year	
Service Cost	568,049
Interest	321,962
Difference between expected and actual experience	1,209,153
Changes in assumptions	(694,512)
Benefit payments	(264,319)
Net Changes	1,140,333
Total OPEB Liability at June 30, 2023	$ 9,903,355

As of June 30, 2023, the deferred inflows and outflows were as follows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 1,391,079	$ 1,258,743
Changes in assumptions or other input	99,821	1,435,292
Total	$ 1,490,900	$ 2,694,035

Amounts reported as deferred outflows of resources related to OPEB's will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense
2024	$ (207,820)
2025	(207,823)
2026	(270,902)
2027	(270,902)
2028	(270,899)
Thereafter	25,211
Total deferred outflows recognized as expense	$ (1,203,135)

iv. Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.75 percent) or one percentage point higher (4.75 percent) than the current rate:

	1% Decrease 2.75%	Current discount rate 3.75%	1% Increase 4.75%
Total OPEB liability	$ 10,622,564	$ 9,903,355	$ 9,219,277

v. Sensitivity of the total OPEB liability to changes in the healthcare trend rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 3.00%, Graded Up to 5.00%, Then Back Down to 3.50%	Current Trend Rate 4.00%, Graded Up to 6.00%, Then Back Down to 4.50%	1% Increase 5.00%, Graded Up to 7.00%, Then Back Down to 5.50%
Total OPEB liability	$ 8,794,181	$ 9,903,355	$ 11,196,116

b. Other post-employment benefits, PERS Retiree Health Insurance Account (RHIA)
Oregon Public Employees Retirement System (PERS or the system) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of the June 30, 2022 measurement date, there were 812 participating employers.

At June 30, 2022, the District reported a total OPEB asset of $2,747,616 for its proportionate share of the total OPEB liability/asset. The measurement date was as of June 30, 2022 and the actuarial valuation date was as of December 31, 2020. As of the June 30, 2022

measurement date, the District's proportionate share was .77 percent, which is lower than .79 percent determined for the prior measurement period.

At June 30, 2023, the District also reported an OPEB related deferred outflow of $68,370 calculated as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ -	$ 74,458
Changes of assumptions	21,513	91,586
Net difference between projected and actual earnings on investments	-	209,541
Changes in proportionate share	422,442	-
Subtotal-amortized deferrals	443,955	$ 375,585
District contributions subsequent to the measurement date	17,409	
Total deferred outflow and inflow	$ 461,364	

District contributions subsequent to the measurement date of June 30, 2022, but before June 30, 2023, will be recognized as an increase to the total OPEB asset in the fiscal year ending June 30, 2024.

Amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense/income as follows:

Year ending June 30	Amount
2024	$ 250,420
2025	(116,929)
2026	(132,230)
2027	67,109
Total	$ 68,370

i. Actuarial methods and assumptions –

Actuarial Methods and Assumptions

	RHIA
Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15.0 %
Healthcare cost trend rate	Not applicable
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled retirees:*** Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

ii. Discount rate – The discount rate used to measure the total OPEB liability at June 30, 2022 was 6.90 percent, and remained unchanged from the previous valuation. 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.

iii. Long-term expected rate of return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board

reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long- term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: https://www.oregon.gov/pers/emp/pages/annual-reports.aspx

iv. Depletion date projection – GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the OPEBB plan:

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

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

v. Sensitivity of the District's proportionate share of the total OPEB liability/asset to the changes in the discount rate – The following presents the District's proportionate share of the total OPEB liability/asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or a 1-percentage-point higher (7.90 percent) than the current rate.

	Discount rate	Proportionate share of total pension liability (asset)
1% decrease	5.90%	$ (2,476,376)
Current discount rate	6.90%	(2,747,616)
1% increase	7.90%	(2,980,131)

vi. Deferred inflows of resources and deferred outflows of resources – Deferred inflows of resources and deferred outflow of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual earnings. One-year's amortization is recognized in the employer's total OPEB expense for the measurement period

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service life determined as of the beginning of each measurement period are described below:

Fiscal Year ended June 30, 2022 - 2.5 years
Fiscal Year ended June 30, 2021 - 2.7 years
Fiscal Year ended June 30, 2020 - 2.9 years
Fiscal Year ended June 30, 2019 - 3.1 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

J. Commitments and contingencies

The District has contractual commitments for construction and improvement projects. As of June 30, 2023, those commitments are:

Project	Commitment Remaining
Kenwood Elementary Lighting	5,008
LaPine High Wrestling Room	552,475
Bend Tech Academy Renovation	1,761,129
WE Miller Elementary Parking Lot	49,859
Bend High Renovation	5,667,054
Total commitments remaining	$ 8,035,525

K. Risk management

The District is exposed 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.

The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from prior years.

A liability for estimated unemployment claims is presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of unemployment claims during FY2022-23 that were unpaid as of June 30, 2023. The estimate was calculated based on district experience and actual claims paid after June 30, 2023. A reconciliation of the claims liability at the end of the year are as follows:

	2023	2022
Beginning balance	$ 307,408	$ 192,005
Claims incurred	79,918	275,824
Claims paid	(53,213)	(160,421)
Ending balance	$ 334,113	$ 307,408

A liability for estimated general liability claims is also presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of various general liability claims during FY2022-23 that were unpaid as of June 30, 2023. The liability was calculated using actual claims settled and paid after June 30, 2023. A reconciliation of the claims liability at the end of the year are as follows:

	2023	2022
Beginning balance	$ 132,632	$ 257,076
Claims incurred	315,933	-
Claims paid	(163,363)	(124,444)
Ending balance	$ 285,202	$ 132,632

Reimbursement claims under federal and state program grants may be subject to further audit and adjustment by grantor agencies. State school support from the Oregon Department of Education may also be subject to further audit and adjustment. Disallowed claims could become a liability of the General Fund. Any such amounts are not expected to be significant. Accordingly, management does not anticipate any material adverse consequences arising from such actions.

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. Because these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

a. Environmental matters
The District has complied with EPA standards for asbestos removal or encasement as well as maintenance of an asbestos management plan. In addition, the District's fuel storage facilities meet EPA standards including annual testing requirements. We are developing a heathy and safe schools plan outlined by the state, which includes items like lead and radon testing.

L. Long-term liabilities
The District has outstanding general obligation bonds, full faith and credit bonds, limited tax pension bonds and notes from direct borrowings related to governmental activities totaling $420,200,000, $545,000, $37,334,999, and $1,709,000 respectively. The District has pledged property taxes and all unobligated revenues from the general fund to the punctual payment of principal and interest in the full faith and credit bonds and notes from direct borrowings. The District's outstanding notes from direct borrowings provide that in the event of default all amounts payable under the agreement will become immediately due and payable. The District does not have any open or unused lines of credit.

The changes in long-term obligations for governmental activities for the year ended June 30, 2023 are as follows:

	Balance at June 30, 2022	Increases/ Accretion	Decreases	Balance at June 30, 2023	Due within One Year
General obligation bonds	$ 347,720,000	$100,000,000	$27,520,000	$ 420,200,000	$24,390,000
Full faith and credit bonds	1,095,000	-	550,000	545,000	545,000
Limited tax pension obligation bonds	43,475,479	139,520	6,280,000	37,334,999	6,915,000
Notes from direct borrowings	1,973,000	-	264,000	1,709,000	264,000
Unamortized bond premium	19,376,799	5,903,531	2,742,087	22,538,243	-
Early retiree program	18,815	-	16,833	1,982	1,982
Lease liability	6,177,762	121,974	570,431	5,729,304	554,247
SBITA liability	-	1,706,187	798,119	908,068	238,360
Total	$ 419,836,854	$107,871,211	$38,741,469	$ 488,966,596	$32,908,590

Debt service requirements on long-term debt at June 30, 2023, exclusive of the remaining issue discount for limited tax pension obligation bonds, are as follows:

	General Obligation Bonds		Full Faith and Credit Bonds		Limited Tax Pension Obligation Bonds		Notes from direct borrowings	
As of June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	24,390,000	15,436,022	545,000	21,800	6,915,000	2,087,191	264,000	42,986
2025	28,200,000	13,420,267	-	-	7,730,000	1,702,032	264,000	36,298
2026	23,885,000	12,649,617	-	-	8,610,000	1,269,533	264,000	29,608
2027	26,190,000	11,737,067	-	-	9,555,000	787,792	264,000	22,919
2028	28,555,000	10,711,637	-	-	4,525,000	253,176	264,000	16,231
2029-2033	116,095,000	40,954,454	-	-	-	-	389,000	12,394
2034-2038	99,645,000	22,856,888	-	-	-	-	-	-
2039-2043	42,035,000	10,348,050	-	-	-	-	-	-
2044-2047	31,205,000	3,239,600	-	-	-	-	-	-
Total	420,200,000	141,353,599	545,000	21,800	37,335,000	6,099,725	1,709,000	160,436

a. General obligation bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities. The original amount of the general obligation bond issues are as follows:

Issue	Original Amount
2013 Refunding	81,050,000
2013 GO Bond	91,825,000
2017 GO Bond	175,000,000
2019 GO Bond	93,300,000
2021 Refunding	80,795,000
2023 GO Bond	100,000,000
Total debt issued	$ 621,970,000

Debt service on bond principal and bond interest is paid from the Debt Service Fund. The District is subject to statutory limitations on indebtedness. As of June 30, 2023, the District's net bonded debt is $3,774,696,797 less than the statutory debt limit. Certain issues of the District's bonds are subject to federal arbitrage regulations. The District employs the services of an arbitrage rebate specialist to determine the amount of the arbitrage liability if applicable. In February 2023, Moody's affirmed the District's Aa2 bond rating.

A summary of outstanding general obligation bonds is below:

Issue	Issue Date	Maturity Date	Interest Rate	2023 Principal Payments	2023 Interest Payments
2013 Refunding	3/7/2013	6/15/2024	4.25% - 5.00%	$ 13,530,000	$ 1,009,500
2013 GO Bond	8/14/2013	6/15/2033	4.00% - 5.00%	875,000	35,000
2017 GO Bond	8/31/2017	6/15/2037	2.82%	6,340,000	5,623,213
2019 GO Bond	7/24/2019	6/15/2039	3.00% - 5.00%	4,725,000	2,943,050
2021 Refunding	12/7/2021	6/15/2033	4.00% - 5.00%	2,050,000	1,272,834
2023 GO Bond	3/2/2023	6/15/2047	4.00% - 6.00%	-	-
Total General Obligation Bonds				$ 27,520,000	$ 10,883,597

In December of 2021 the District issued general obligation refunding bonds to refund our 2013 general obligation bonds. The aggregate principal amount of the refunding was 76,050,000 and the present value of savings was 7,482,896.65. At the time of the refunding, the prior bond debt service included 76,050,000 in principal and 23,442,187.50 in interest for an aggregate debt service of 99,492,187.50. After the refunding, the new refunding bond debt service included 82,320,000 in principal and 8,758,729.96 for an aggregate debt service of 91,078,729.96. The District defeased the newly refunded 2013 general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The final payment was made on June 15, 2023 and the defeased bonds have been fully paid off.

b. Limited tax pension obligation bonds

The District participated in the Oregon School Board Association (OSBA) Pension Bond Pool for the purpose of funding the District's allocated portion of the PERS Unfunded Actuarial Liability (UAL). Bonds in the amount of $40,926,720 were issued October 31, 2002, additional

bonds in the amount of $25,316,992 were issued April 21, 2003 and $5,930,000 were issued February 19, 2004. The bonds are being amortized over 25-26 years. In February 2012 the District refinanced a portion of the 2002 Pension Bonds. This refinance was structured to save approximately $45,000 per year in interest. Debt service on bond principal and interest is paid from the debt service fund. General fund resources typically have been used to liquidate the limited tax pension obligation bonds.

A summary of outstanding limited tax pension obligation bonds is below:

Issue	Issue Date	Maturity Date	Interest Rate	2023 Principal Payments	2023 Interest Payments
PERS 10/02	10/31/2002	6/30/2028	5.55%	$ 3,495,000	$ 1,366,533
PERS 4/03	4/21/2003	6/30/2028	5.68%	2,330,000	2,275,840
PERS 4/04	2/19/2004	6/30/2028	3.25% - 5.528%	455,000	177,449
Total limited tax pension obligation bonds				$ 6,280,000	$ 3,819,822

c. Full faith and credit bonds

On March 21, 2011, the District issued full faith and credit bonds to refinance a long-term loan taken out in 2009 that was used to finance the repair of Summit High School athletic fields. The refunding was undertaken to reduce total debt service payments over the life of the debt by $886,848 and resulted in an economic gain to the taxpayers of approximately $740,000. The bonds mature in January 2024 and the interest rates range from 2 to 4%.

A summary of outstanding full faith and credit bonds is below:

Issue	Issue Date	Maturity Date	Interest Rate	2023 Principal Payments	2023 Interest Payments
Series 2011	3/22/2011	1/15/2024	2.00% - 4.00%	550,000	43,800
Total full faith and credit bonds				$ 550,000	$ 43,800

d. Notes from direct borrowings

On March 21, 2019, the District financed $1,390,000 to purchase 10 school buses. This loan matures in 2029 and the fixed interest rate is 2.76%. The interest rate will increase by 1.50% in an Event of Default that extends beyond 60 days after a written demand is made to the District to cure such failure. On May 20, 2020 the District financed $1,250,000 to purchase additional school buses. The loan matures in 2030 and the fixed interest rate is 2.282%. The interest rate, at the option of the lender, shall increase to 5.282% in an occurrence and continuation of an Event of Default. The payments on these notes from direct borrowings are made from the general fund.

A summary of outstanding notes on direct borrowings is below:

Issue	Issue Date	Maturity Year	Interest Rate	2023 Principal Payments	2023 Interest Payments
2019 Bus Purchase	3/21/2019	2029	2.76%	139,000	26,855
2020 Bus Purchase	5/28/2020	2030	2.28%	125,000	22,820
Total notes from direct borrowings				$ 264,000	$ 49,675

e. Other long-term liabilities

The District carries the liabilities below. With the exception of early retirement, all listed liabilities are liquidated from the general fund. Early retirement is liquidated from the special revenue fund.

Long-term liabilities	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023	Due within one year
Other post-employment benefits	$ 8,763,022	$ 2,099,164	$ 958,831	$ 9,903,355	$ -
Total pension liability	106,176,637	36,182,069	-	142,358,706	-
Claims and judgments	440,040	179,276	-	619,316	309,658
Accrued compensated absences	35,770	45,430	35,770	45,430	45,430
Early retirement	18,815	-	16,833	1,982	1,982
Total long-term liabilities	$115,434,284	$38,505,939	$1,011,434	$152,928,789	$357,070

M. Fund balances

The District categorizes its fund balance for major funds as nonspendable, restricted, assigned or unassigned. Nonspendable fund balance represents resources that can't be spent as they are not in a spendable format. Restricted fund balances represent resources whose use is constrained by restrictions imposed by law or externally imposed restrictions placed by creditors, grantors or contributors. Assigned fund balances represent amounts the district intends to use for specific purposes and are imposed by the Superintendent or designee. The authority for the Superintendent or designee to assign resources for specific purposes is granted by the School Board, the District's governing body.

For the classification of unrestricted ending fund balance the District first reduces assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. At times when restricted and unrestricted amounts can be used, the District uses restricted amounts first.

Details of fund balance classifications displayed in the aggregate:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	June 30, 2023	June 30, 2022
Nonspendable:						
Inventory	$ 168,539	$ 458,468	$ -	$ -	$ 627,007	$ 605,524
Prepaid items	1,486,278	40,000	-	-	1,526,278	1,367,414
Total Nonspendable	1,654,817	498,468	-	-	2,153,285	1,972,938
Restricted for:						
Capital projects	-	-	-	116,160,274	116,160,274	23,021,619
Debt service	-	-	5,387,006	-	5,387,006	4,662,158
Energy efficency program	-	1,304,775	-	-	1,304,775	1,419,468
Federal, state, and private grants	-	6,338,670	-	-	6,338,670	7,207,911
Transportation equipment	2,689,734	-	-	-	2,689,734	1,484,951
Total Restricted	2,689,734	7,643,445	5,387,006	116,160,274	131,880,459	37,796,107
Assigned to:						
Appropriated fund balance	9,227,482	-	-	-	9,227,482	10,078,018
Student athletics	516,367	-	-	-	516,367	397,391
Facility usage	1,039,491	-	-	-	1,039,491	957,576
Instructional materials	3,564,696	-	-	-	3,564,696	2,465,929
Maintenance equipment replacement	1,758,395	-	-	-	1,758,395	1,104,476
Technology replacement	3,775,642	-	-	-	3,775,642	2,453,667
Print shop equipment	380,557	-	-	-	380,557	276,093
Insurance and risk reserves	2,253,615	-	-	-	2,253,615	2,257,906
Student activities	-	3,009,340	-	-	3,009,340	2,682,277
Early retirement program	-	404,878	-	-	404,878	413,662
Student and staff safety	-	701,487	-	-	701,487	573,750
Other programs	-	812,255	-	-	812,255	610,882
Total Assigned	22,516,245	4,927,960	-	-	27,444,205	24,271,627
Unassigned	6,668,382	-	-	-	6,668,382	5,642,799
Total fund balances	$33,529,178	$13,069,873	$5,387,006	$116,160,274	$168,146,331	$69,683,471

N. Interfund transfers

Transfers are comprised of the following:

	Transfers In	Transfers Out
Maintenance Replacement Fund	$ 182,178	$ -
Special Revenue Fund	-	182,178
Total	$ 182,178	$ 182,178

Transfers between funds were used for SB 1149 energy efficiency projects related to LED lighting upgrades and occupancy sensors.

O. Tax abatements

GASB 77, Tax Abatement Disclosures became effective for those periods beginning after December 15, 2015. All such abatement programs are authorized by Oregon Revised Statues or by local resolution or ordinance. Some programs are initiated by the County and others by other local governments and state agencies. For the year ended June 30, 2023, the District's revenues were estimated to be reduced by the following amounts for each program:

Program	Estimated Tax Exempted/Abated to District	
Enterprise zones	$	544,889
Housing for low income rental		88,046
Nonprofit low income rental housing		109,273
Solar projects		848
Total exempted/abated	$	743,055

P. Termination benefits

Special termination benefits were made available to employees who met guidelines of a plan adopted by the Board on May 3, 1983 and revised in 2009. On May 27, 2009, the School Board voted to implement a phasing out of the program. All employees participating in the plan before the effective date of the phase out period will receive benefits as anticipated when they retire. Beginning in FY2009-10, benefits for retirees under the plan were reduced each year by 10 percent and on June 30, 2013, the plan closed to new retirees.

The maximum monthly benefit paid by the District is equal to .1667 times the base salary divided by 12. Base salary is the average of the scheduled annual gross regular salary for the three highest completed paid contract years before retirement, but shall not exceed $36,000. Employees do not contribute to the plan and accrue no vested benefits prior to their acceptance in the program.

The District's liability under the program is reported in the government-wide statements. The plan is funded by an assessment charged against payroll in all funds. The assessed charges are accumulated and stipends paid from the special revenue fund. The intent of this assessment is to fund the plan on a "pay-as-you-go" basis and not to accumulate resources in the special revenue fund for this plan.

These benefits are in addition to benefits that may become available under the pension plan administered under the State of Oregon Public Employees Retirement System. The expenditures incurred under the post-employment benefit plan during the current fiscal year totaled $8,784 and covered 9 retirees.

A liability for termination benefits has been recorded in the government-wide statements. Future maturities of termination benefits are not discounted due to the 1 year remaining life of the program and the fill balance of $1,982 is payable in the fiscal year ending June 30, 2024.

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Schools

EDUCATING THRIVING STUDENTS

Required Supplementary Information

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios-Medical Benefit
June 30, 2023

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service cost	$ 568,049	$ 670,411	$ 560,806	$ 541,842	$ 501,534	$ 489,301
Interest	321,962	214,438	423,167	401,158	346,262	325,807
Difference between expected and actual experience	1,209,153	-	(2,013,990)	-	1,165,745	-
Changes in assumptions	(694,512)	(827,579)	159,713	-	(724,174)	-
Benefit payments	(264,319)	(308,851)	(266,944)	(556,520)	(512,221)	(540,824)
Net change in total OPEB liability	1,140,333	(251,581)	(1,137,247)	386,480	777,146	274,284
Total OPEB Liability - beginning	8,763,022	9,014,603	10,151,850	9,765,371	8,988,225	8,713,941
Total OPEB Liability - ending	$ 9,903,355	$ 8,763,022	$ 9,014,603	$ 10,151,851	$ 9,765,371	$ 8,988,225
Estimated covered payroll	$ 124,582,784	$112,344,992	$109,072,808	$103,269,319	$99,777,120	$91,648,023
Total OPEB Liability as a percentage of covered payroll	7.95%	7.80%	8.26%	9.83%	9.79%	9.81%

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability for PERS
June 30, 2023

Year ended June 30	(a) Employers proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employers covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.93%	$ 142,358,706	$118,966,841	119.66%	84.50%
2022	0.89%	106,176,637	109,277,918	97.16%	87.60%
2021	0.93%	203,590,516	103,024,521	197.61%	75.80%
2020	0.95%	162,784,846	98,767,292	164.82%	80.23%
2019	0.95%	144,280,577	94,269,442	153.05%	82.07%
2018	0.94%	126,760,591	89,909,286	140.99%	83.10%
2017	0.95%	142,785,408	85,328,728	167.34%	80.50%
2016	0.94%	54,255,989	80,204,296	67.65%	91.90%
2015	0.88%	(19,970,972)	76,452,742	-26.12%	103.60%

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

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.

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of Employer Contributions for PERS
June 30, 2023

Year ended June 30	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2023	$ 19,805,335	$ 19,805,335	-	$ 125,426,366	15.79%
2022	18,917,828	18,917,828	-	$ 118,966,841	15.90%
2021	20,763,856	20,763,856	-	109,277,918	19.00%
2020	19,809,362	19,809,362	-	103,024,521	19.23%
2019	14,469,727	14,469,727	-	98,767,292	14.65%
2018	13,898,819	13,898,819	-	94,269,442	14.74%
2017	8,751,328	8,751,328	-	89,909,286	9.73%
2016	8,379,165	8,379,165	-	85,328,728	9.82%
2015	10,122,605	10,122,605	-	80,204,296	12.62%
2014	9,674,212	9,674,212	-	76,452,742	12.65%

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

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of the Proportionate Share of the Net OPEB Liability - RHIA
June 30, 2023

Year ended June 30	(a) Employer's proportion of net OPEB asset (NOA)	(b) Employer's proportionate share of net OPEB asset (NOA)	(c) Employers covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of total OPEB asset
2023	0.77%	$ (2,747,616)	$ 118,966,841	-2.31%	194.6%
2022	0.79%	(2,727,253)	109,277,918	-2.50%	183.9%
2021	1.57%	(3,194,226)	103,024,521	-3.10%	150.1%
2020	0.90%	(1,740,207)	98,767,292	-1.76%	144.4%
2019	0.90%	(999,849)	94,269,442	-1.06%	124.0%
2018	0.87%	(363,209)	89,909,286	-0.40%	108.9%
2017	0.88%	240,400	85,328,728	0.28%	94.2%

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

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of Employer Contributions for OPEB - RHIA
June 30, 2023

Year ended June 30	Statutorily required contribution	Contributions in the relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2023	$ 19,010	$ 19,010	-	$125,426,366	0.02%
2022	23,535	23,535	-	118,966,841	0.02%
2021	99,696	99,696	-	109,277,918	0.09%
2020	446,816	446,816	-	103,024,521	0.43%
2019	429,920	429,920	-	98,767,292	0.44%
2018	433,280	433,280	-	94,269,442	0.46%
2017	394,714	394,714	-	89,909,286	0.44%

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

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
Year Ended June 30, 2023

	General Fund					
	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	$ 98,145,000	$ 98,145,000	$ 863,655	$ 99,008,655	$ -	$ 99,008,655
Tuition	-	-	18,887	18,887	-	18,887
Investment earnings	315,000	315,000	1,670,546	1,985,546	-	1,985,546
Other local sources	5,813,163	5,813,163	768,555	6,581,718	-	6,581,718
Intermediate sources	2,078,520	2,078,520	(439,312)	1,639,208	-	1,639,208
State sources	92,516,821	92,516,821	4,460,469	96,977,290	-	96,977,290
Federal sources	170,000	170,000	242,325	412,325	-	412,325
Total revenues	199,038,504	199,038,504	7,585,125	206,623,629	-	206,623,629
Expenditures						
Current:						
Instruction	123,246,959	123,246,959 (1)	(5,008,675)	118,238,284	(79,316)	118,158,968
Support services	85,681,202	85,681,202 (1)	(3,158,144)	82,523,058	(3,995,799)	78,527,259
Community services	515,341	515,341 (1)	(234,889)	280,452	-	280,452
Debt service	1,348,760	1,348,760 (1)	(509,490)	839,270	(839,270)	-
Principal	-	-	-	-	672,676	672,676
Interest	-	-	-	-	166,594	166,594
Capital outlay	-	-	-	-	4,826,714	4,826,714
Contingency	500,000	500,000 (1)	(500,000)	-	-	-
Total expenditures	211,292,262	211,292,262	(9,411,198)	201,881,064	751,599	202,632,663
Revenues over (under) expenditure	(12,253,758)	(12,253,758)	16,996,323	4,742,565	(751,599)	3,990,966
Other financing sources (uses)						
Lease financing	-	-	-		79,054	79,054
Subscription based IT financing	-	-	-		672,545	672,545
Sale of capital assets	-	-	30,425	30,425	-	30,425
Issuance of long-term debt	1,450,000	1,450,000	(1,450,000)	-	-	-
Transfer from special revenue fund	725,740	725,740	(543,562)	182,178	-	182,178
Total other financing sources (uses)	2,175,740	2,175,740	(1,963,137)	212,603	751,599	964,202
Net change in fund balances	(10,078,018)	(10,078,018)	15,033,186	4,955,168	-	4,955,168
Fund balance, beginning of year	24,625,396	24,625,396	3,948,614	28,574,010	-	28,574,010
Fund balance, end of year	$ 14,547,378	$ 14,547,378	$ 18,981,800	$ 33,529,178	$ -	$ 33,529,178

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual
Special Revenue Fund
Year Ended June 30, 2023

	Special Revenue Fund					
	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ 6,000	$ 6,000	$ 361,196	$ 367,196	$ -	$ 367,196
Other local sources	7,694,639	7,694,639	1,193,832	8,888,471	-	8,888,471
Intermediate sources	400,000	400,000	(5,000)	395,000	-	395,000
State sources	27,277,562	27,277,562 (2)	(642,661)	26,634,901	-	26,634,901
Federal sources	27,402,121	27,402,121	(8,546,267)	18,855,854	-	18,855,854
Total revenues	62,780,322	62,780,322	(7,638,900)	55,141,422	-	55,141,422
Expenditures						
Current						
Instruction	33,022,561	33,022,561 (1)	(8,579,858)	24,442,703	(146,089)	24,296,614
Support services	18,810,084	18,810,084 (1)	(21,172)	18,788,912	(1,135,248)	17,653,664
Community services	12,045,319	12,045,319 (1)	(565,933)	11,479,386	(211,533)	11,267,853
Debt service	658,252	658,252 (1)	(116,550)	541,702	(541,702)	-
Principal	-	-	-	-	459,660	459,660
Interest	-	-	-	-	82,042	82,042
Capital outlay	-	-	-	-	1,492,870	1,492,870
Total expenditures	64,536,216	64,536,216	(9,283,513)	55,252,703	-	55,252,703
Revenues over (under) expenditures	(1,755,894)	(1,755,894)	1,644,613	(111,281)	-	(111,281)
Other financing sources (uses)						
Transfer to general fund	(725,740)	(725,740)	543,562	(182,178)	-	(182,178)
Total other financing sources (uses)	(725,740)	(725,740) (1)	543,562	(182,178)	-	(182,178)
Net change in fund balance	(2,481,634)	(2,481,634)	2,188,175	(293,459)	-	(293,459)
Fund balance, beginning of year	5,962,209	5,962,209	7,401,123	13,363,332	-	13,363,332
Fund balance, end of year	$ 3,480,575	$ 3,480,575	$ 9,589,298	$ 13,069,873	$ -	$ 13,069,873

Totals may not precisely add due to rounding

(1) Appropriation level
(2) Included in this State Revenue is the required match of $69,881 for National School Lunch Support.

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Supplementary Information

Description of Fund Types

General Fund
This fund accounts for general operating revenues, expenditures and transfers of the District. The principal sources of revenue are from the local tax levy and state school support.

Subfund account groupings are used to separate accounting records for management purposes. The subfund account groupings are as follows:

General Operations
Athletics and Activities
Instructional Materials
Transportation Equipment
Print Shop Equipment
Facility Usage
Technology Reserve
Maintenance Replacement
Insurance Reserve

Special Revenue Fund
The special revenue fund accounts for revenue sources that are set aside for specific purposes or have legal restrictions that determine how and on what the funds may be disbursed.

The District accounts for grant funds, student body funds and nutritional services activities in special revenue funds. The grant funds include Title grants, IDEA (special education), Family Advocate Network and various other grants received from federal, state or other sources.

Debt Service Fund
The debt service fund is used to account for all sources and uses related to the general obligation debt, PERS UAL refunding debt, and Summit High Athletic field project debt of the District.

The main source used to pay for the general obligation debt of the District is property taxes levied at a rate to cover the debt for the current period. The source used to pay for the PERS UAL refunding debt of the District is a portion of the State School Fund. The source used to pay the long-term debt for the Summit High Athletic field project is general resources of the district.

Capital Projects Fund
The capital projects fund is used to account for the transactions related to projects funded through the issuance of general obligation bonds. The major source of revenue for this fund is proceeds from the issuance of bonds.

Private Purpose Trust Fund
The private purpose trust fund accounts for revenues and expenses of individual bequests and grants held by the District. The fund assets have been contributed by individuals and are subject to restrictions set forth in the trust agreements.

Combining Statements of General Fund Subfunds

Administrative School District No. 1
Deschutes County, Oregon
Combining Statement of Assets, Liabilities and Fund Balance
General Fund - Subfunds
(GAAP Basis)
June 30, 2023

	General Operations	Athletics and Activities	Instructional Materials
Assets			
Cash and investments	$ 28,253,170	$ 516,368	$ 3,564,694
Receivables:		-	
Property taxes	1,933,209	-	-
Accounts and other receivables	654,857	-	-
Intergovernmental receivables	2,688,505	-	-
Prepaid items	1,483,878	2,400	-
Inventories	59,360	-	-
Total assets	$ 35,072,979	$ 518,768	$ 3,564,694
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts and interest payable	$ 3,161,192	$ -	$ -
Accrued payroll and related charges	13,019,851	-	-
Total liabilities	16,181,043	-	-
Deferred inflows of resources			
Leases deferred inflows	-	-	-
Unavailable revenue - property taxes	1,452,834	-	-
Total deferred inflows of resources	1,452,834	-	-
Fund balances			
Nonspendable	1,543,238	2,400	-
Restricted	-	-	-
Assigned	9,227,482	516,368	3,564,694
Unassigned	6,668,382	-	-
Total fund balances	17,439,102	518,768	3,564,694
Total liabilities, deferred inflows and fund balances	$ 35,072,979	$ 518,768	$ 3,564,694

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2023
$ 2,689,734	$ 379,247	$ 956,220	$ 3,775,641	$ 1,758,395	$ 2,253,615	$ 44,147,084
-	-	-	-	-	-	1,933,209
-	1,311	273,685	-	-	-	929,853
-	-	-	-	-	-	2,688,505
-	-	-	-	-	-	1,486,278
-	109,179	-	-	-	-	168,539
$ 2,689,734	$ 489,737	$ 1,229,905	$ 3,775,641	$ 1,758,395	$ 2,253,615	$ 51,353,468
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,161,192
-	-	-	-	-	-	13,019,851
-	-	-	-	-	-	16,181,043
-	-	190,413	-	-	-	190,413
-	-	-	-	-	-	1,452,834
-	-	190,413	-	-	-	1,643,247
-	109,179	-	-	-	-	1,654,817
2,689,734	-	-	-	-	-	2,689,734
-	380,558	1,039,492	3,775,641	1,758,395	2,253,615	22,516,245
-	-	-	-	-	-	6,668,382
2,689,734	489,737	1,039,492	3,775,641	1,758,395	2,253,615	33,529,178
$ 2,689,734	$ 489,737	$ 1,229,905	$ 3,775,641	$ 1,758,395	$ 2,253,615	$ 51,353,468

Administrative School District No. 1
Deschutes County, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund Subfunds
(GAAP Basis)
Year Ended June 30, 2023

	General Operations	Athletics and Activities	Instructional Materials
Revenues			
Property taxes	$ 99,008,655	$ -	$ -
Tuition	18,887	-	-
Investment earnings	1,520,188	44,660	43,789
Print shop	-	-	-
Indirect costs charged to grants	606,663	-	-
Charges for services	1,897,829	-	-
Other local sources	701,157	579,660	16,000
County school funds	257,920	-	-
ESD apportionment	1,293,520	-	-
Other Intermediate sources	87,768	-	-
State school fund	87,205,540	-	1,500,000
Common school fund	2,225,971	-	-
Other state sources	1,071,384	-	-
Federal grant sources	412,325	-	-
Total revenues	196,307,807	624,320	1,559,789
Expenditures			
Current:			
Instruction	112,173,063	3,782,161	1,998,300
Support services	75,864,491	530,910	77,127
Community services	156,063	-	-
Debt service:			
Principal	355,884	-	31,725
Interest	108,986	-	-
Capital outlay	2,197,550	61,249	-
Total expenditures	190,856,037	4,374,320	2,107,152
Revenues over (under) expenditures	5,451,770	(3,750,000)	(547,363)
Other financing sources (uses)			
Subscription based information technology financing	672,545	-	-
Lease financing	79,054	-	-
Sale of capital assets	-	-	-
Transfer from special revenue fund	-	-	-
Transfers	(5,838,812)	3,871,377	1,646,128
Total other financing sources (uses)	(5,087,213)	3,871,377	1,646,128
Net change in fund balances	364,557	121,377	1,098,765
Fund balances, beginning of year	17,074,545	397,391	2,465,929
Fund balances, end of year	$ 17,439,102	$ 518,768	$ 3,564,694

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2023
$ -	$ -	$ -	$ -	$ -	$ -	$ 99,008,655
-	-	-	-	-	-	18,887
71,092	12,192	48,166	89,959	40,005	115,495	1,985,546
-	862,108	-	-	-	-	862,108
-	-	-	-	-	-	606,663
-	-	-	-	-	-	1,897,829
292,372	-	404,827	544,012	196,139	480,951	3,215,118
-	-	-	-	-	-	257,920
-	-	-	-	-	-	1,293,520
-	-	-	-	-	-	87,768
2,500,000	-	-	1,280,000	890,000	-	93,375,540
-	-	-	-	-	-	2,225,971
304,395	-	-	-	-	-	1,375,779
-	-	-	-	-	-	412,325
3,167,859	874,300	452,993	1,913,971	1,126,144	596,446	206,623,629
-	-	73,242	-	-	132,202	118,158,968
-	721,178	132,613	527,626	210,511	462,803	78,527,259
-	-	124,389	-	-	-	280,452
264,000	21,067	-	-	-	-	672,676
49,675	7,933	-	-	-	-	166,594
2,001,133	11,953	40,834	64,371	443,892	5,732	4,826,714
2,314,808	762,131	371,078	591,997	654,403	600,737	202,632,663
853,051	112,169	81,915	1,321,974	471,741	(4,291)	3,990,966
-	-	-	-	-	-	672,545
-	-	-	-	-	-	79,054
30,425	-	-	-	-	-	30,425
-	-	-	-	182,178	-	182,178
321,307	-	-	-	-	-	-
351,732	-	-	-	182,178	-	964,202
1,204,783	112,169	81,915	1,321,974	653,919	(4,291)	4,955,168
1,484,951	377,568	957,577	2,453,667	1,104,476	2,257,906	28,574,010
$ 2,689,734	$ 489,737	$ 1,039,492	$ 3,775,641	$ 1,758,395	$ 2,253,615	$ 33,529,178

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Budgetary Comparisons

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Operations Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	$ 98,145,000	$ 98,145,000	$ 863,655	$ 99,008,655	$ -	$ 99,008,655
Tuition	-	-	18,887	18,887	-	18,887
Investment earnings	300,000	300,000	1,220,188	1,520,188	-	1,520,188
Other local sources	2,059,620	2,059,620	1,146,029	3,205,649	-	3,205,649
Intermediate sources	2,078,520	2,078,520	(439,312)	1,639,208	-	1,639,208
State sources	91,647,111	91,647,111	(1,144,216)	90,502,895	-	90,502,895
Federal sources	170,000	170,000	242,325	412,325	-	412,325
Total revenues	194,400,251	194,400,251	1,907,556	196,307,807	-	196,307,807
Expenditures						
Current						
Instruction	116,259,714	116,259,714	(4,077,059)	112,182,655	(9,592)	112,173,063
Support services	76,874,933	76,874,933	425,917	77,300,850	(1,436,359)	75,864,491
Community services	161,599	161,599	(5,536)	156,063	-	156,063
Debt service	750,180	750,180	(285,310)	464,870	(464,870)	-
Principal	-	-	-	-	355,884	355,884
Interest	-	-	-	-	108,986	108,986
Capital outlay	-	-	-	-	2,197,550	2,197,550
Contingency	500,000	500,000	(500,000)	-	-	-
Total expenditures	194,546,426	194,546,426	(4,441,988)	190,104,438	751,599	190,856,037
Revenues over (under) expenditures	(146,175)	(146,175)	6,349,544	6,203,369	(751,599)	5,451,770
Other financing sources (uses)						
Lease financing	-	-	-	-	79,054	79,054
Subscription based IT financing	-	-	-	-	672,545	672,545
Transfers to general subfunds	(5,738,812)	(5,738,812)	(100,000)	(5,838,812)	-	(5,838,812)
Total other financing sources (uses)	(5,738,812)	(5,738,812)	(100,000)	(5,838,812)	751,599	(5,087,213)
Net change in fund balance	(5,884,987)	(5,884,987)	6,249,544	364,557	-	364,557
Fund balance, beginning of yea	15,900,000	15,900,000	1,174,545	17,074,545	-	17,074,545
Fund balance, end of year	$ 10,015,013	$ 10,015,013	$ 7,424,089	$ 17,439,102	$ -	$ 17,439,102

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Athletics and Activities Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 44,660	$ 44,660	$ -	$ 44,660
Other local sources	$ 395,000	$ 395,000	$ 184,660	$ 579,660	$ -	$ 579,660
State sources	-	-	-	-	-	-
Total revenues	395,000	395,000	229,320	624,320	-	624,320
Expenditures						
Current						
Instruction	3,704,245	3,704,245	139,165	3,843,410	(61,249)	3,782,161
Support services	723,374	723,374	(192,464)	530,910	-	530,910
Capital outlay	-	-	-	-	61,249	61,249
Total expenditures	4,427,619	4,427,619	(53,299)	4,374,320	-	4,374,320
Revenues over (under) expenditures	(4,032,619)	(4,032,619)	282,619	(3,750,000)	-	(3,750,000)
Other financing sources						
Transfers from general fund operations	3,671,377	3,671,377	200,000	3,871,377	-	3,871,377
Net change in fund balance	(361,242)	(361,242)	482,619	121,377	-	121,377
Fund balance, beginning of year	401,242	401,242	(3,851)	397,391	-	397,391
Fund balance, end of year	$ 40,000	$ 40,000	$ 478,768	$ 518,768	$ -	$ 518,768

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Instructional Materials Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 43,789	$ 43,789	$ -	$ 43,789
Other local sources	-	-	16,000	16,000	-	16,000
State sources	-	-	1,500,000	1,500,000	-	1,500,000
Total revenues	-	-	1,559,789	1,559,789	-	1,559,789
Expenditures						
Current						
Instruction	2,878,000	2,878,000	(879,700)	1,998,300		1,998,300
Support services	-	-	77,127	77,127		77,127
Debt service	-	-	31,725	31,725	(31,725)	-
Principal	-	-	-	-	31,725	31,725
Total expenditures	2,878,000	2,878,000	(770,848)	2,107,152	-	2,107,152
Revenues over (under) expenditures	(2,878,000)	(2,878,000)	2,330,637	(547,363)	-	(547,363)
Other financing sources						
Transfers from general fund operations	1,646,128	1,646,128	-	1,646,128	-	1,646,128
Net change in fund balance	(1,231,872)	(1,231,872)	2,330,637	1,098,765	-	1,098,765
Fund balance, beginning of year	1,231,872	1,231,872	1,234,057	2,465,929	-	2,465,929
Fund balance, end of year	$ -	$ -	$ 3,564,694	$ 3,564,694	$ -	$ 3,564,694

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Transportation Equipment Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 71,092	$ 71,092	$ -	$ 71,092
Other local sources	157,500	157,500	134,872	292,372	-	292,372
State sources	869,710	869,710	1,934,685	2,804,395	-	2,804,395
Total revenues	1,027,210	1,027,210	2,140,649	3,167,859	-	3,167,859
Expenditures						
Current						
Support services	2,315,850	2,315,850	(314,717)	2,001,133	(2,001,133)	-
Debt service	498,580	498,580	(184,905)	313,675	(313,675)	-
Principal	-	-	-	-	264,000	264,000
Interest	-	-	-	-	49,675	49,675
Capital outlay	-	-	-	-	2,001,133	2,001,133
Total expenditures	2,814,430	2,814,430	(499,622)	2,314,808	-	2,314,808
Revenues over (under) expenditures	(1,787,220)	(1,787,220)	2,640,271	853,051	-	853,051
Other financing sources (uses)						
Issuance of long-term debt	1,450,000	1,450,000	(1,450,000)	-	-	-
Sale of capital assets	-	-	30,425	30,425	-	30,425
Transfers from general fund operations	321,307	321,307	-	321,307	-	321,307
Total other financing sources	1,771,307	1,771,307	(1,419,575)	351,732	-	351,732
Net change in fund balance	(15,913)	(15,913)	1,220,696	1,204,783	-	1,204,783
Fund balance, beginning of year	1,288,200	1,288,200	196,751	1,484,951	-	1,484,951
Fund balance, end of year	$ 1,272,287	$ 1,272,287	$ 1,417,447	$ 2,689,734	$ -	$ 2,689,734

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Print Shop Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 12,192	$ 12,192	$ -	$ 12,192
Other local sources	930,000	930,000	(67,892)	862,108	-	862,108
Total revenues	930,000	930,000	(55,700)	874,300	-	874,300
Expenditures						
Current						
Support services	920,000	920,000	(186,869)	733,131	(11,953)	721,178
Debt service	100,000	100,000	(71,000)	29,000	(29,000)	-
Principal	-	-	-	-	21,067	21,067
Interest	25,000	-	-	-	7,933	7,933
Capital outlay	-	-	-	-	11,953	11,953
Total expenditures	1,045,000	1,020,000	(257,869)	762,131	-	762,131
Revenues over (under) expenditures	(115,000)	(90,000)	202,169	112,169	-	112,169
Other financing sources (uses)						
Lease financing	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balances	(115,000)	(90,000)	202,169	112,169	-	112,169
Fund balance, beginning of year	350,000	350,000	27,568	377,568	-	377,568
Fund balance, end of year	$ 235,000	$ 260,000	$ 229,737	$ 489,737	$ -	$ 489,737

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Facility Usage Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 48,166	$ 48,166	$ -	$ 48,166
Other local sources	411,000	411,000	(6,173)	404,827	-	404,827
Total revenues	411,000	411,000	41,993	452,993	-	452,993
Expenditures						
Current						
Instruction	105,000	105,000	(23,283)	81,717	(8,475)	73,242
Support services	805,000	805,000	(640,028)	164,972	(32,359)	132,613
Community services	353,742	353,742	(229,353)	124,389	-	124,389
Capital outlay	-	-	-	-	40,834	40,834
Total expenditures	1,263,742	1,263,742	(892,664)	371,078	-	371,078
Revenues over (under) expenditures	(852,742)	(852,742)	934,657	81,915	-	81,915
Other financing sources (uses)						
Transfers from General Fund Operations	100,000	100,000	(100,000)	-	-	-
Net change in fund balance	(752,742)	(752,742)	834,657	81,915	-	81,915
Fund balance, beginning of year	824,256	824,256	133,321	957,577	-	957,577
Fund balance, end of year	$ 71,514	$ 71,514	$ 967,978	$ 1,039,492	$ -	$ 1,039,492

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Technology Reserve Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 89,959	$ 89,959	$ -	$ 89,959
Other local sources	1,116,043	1,116,043	(572,031)	544,012	-	544,012
State sources	-	-	1,280,000	1,280,000	-	1,280,000
Total revenues	1,116,043	1,116,043	797,928	1,913,971	-	1,913,971
Expenditures						
Current						
Instruction	-	-	-	-	-	-
Support services	2,483,681	2,483,681	(1,891,684)	591,997	(64,371)	527,626
Capital outlay	-	-	-	-	64,371	64,371
Total expenditures	2,483,681	2,483,681	(1,891,684)	591,997	-	591,997
Revenues over (under) expenditures	(1,367,638)	(1,367,638)	2,689,612	1,321,974	-	1,321,974
Net change in fund balance	(1,367,638)	(1,367,638)	2,689,612	1,321,974	-	1,321,974
Fund balance, beginning of year	1,717,315	1,717,315	736,352	2,453,667	-	2,453,667
Fund balance, end of year	$ 349,677	$ 349,677	$ 3,425,964	$ 3,775,641	$ -	$ 3,775,641

Totals may not precisely add due to rounding

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Maintenance Replacement Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 40,005	$ 40,005	$ -	$ 40,005
Other local sources	94,000	94,000	102,139	196,139	-	196,139
State sources	-	-	890,000	890,000	-	890,000
Total revenues	94,000	94,000	1,032,144	1,126,144	-	1,126,144
Expenditures						
Current						
Support services	793,364	793,364	(138,961)	654,403	(443,892)	210,511
Capital outlay	-	-	-	-	443,892	443,892
Total expenditures	793,364	793,364	(138,961)	654,403	-	654,403
Revenues over (under) expenditures	(699,364)	(699,364)	1,171,105	471,741	-	471,741
Other financing sources (uses)						
Transfer from special revenue fund	500,000	500,000	(317,822)	182,178	-	182,178
Total other financing sources (uses)	500,000	500,000	(317,822)	182,178	-	182,178
Net change in fund balance	(199,364)	(199,364)	853,283	653,919	-	653,919
Fund balance, beginning of year	1,030,511	1,030,511	73,965	1,104,476	-	1,104,476
Fund balance, end of year	$ 831,147	$ 831,147	$ 927,248	$ 1,758,395	$ -	$ 1,758,395

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Insurance Reserve Subfund
Year Ended June 30, 2023

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ 15,000	$ 15,000	$ 100,495	$ 115,495	$ -	$ 115,495
Other local sources	650,000	650,000	(169,049)	480,951	-	480,951
Total revenues	665,000	665,000	(68,554)	596,446	-	596,446
Expenditures						
Current						
Instruction	300,000	300,000	(167,798)	132,202	-	132,202
Support services	765,000	765,000	(296,465)	468,535	(5,732)	462,803
Capital outlay	-	-	-	-	5,732	5,732
Total expenditures	1,065,000	1,065,000	(464,263)	600,737	-	600,737
Revenues over (under) expenditures	(400,000)	(400,000)	395,709	(4,291)	-	(4,291)
Net change in fund balance	(400,000)	(400,000)	395,709	(4,291)	-	(4,291)
Fund balance, beginning of year	1,882,000	1,882,000	375,906	2,257,906	-	2,257,906
Fund balance, end of year	$ 1,482,000	$ 1,482,000	$ 771,615	$ 2,253,615	$ -	$ 2,253,615

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Debt Service Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget	Actuals		
	Adopted	Final		Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues							
Property taxes	$ 38,186,208	$ 38,186,208		$ 816,835	$ 39,003,043	$ -	$ 39,003,043
Investment earnings	30,000	30,000		712,125	742,125	-	742,125
State sources	8,584,219	8,584,219		(22,275)	8,561,944	-	8,561,944
Total revenues	46,800,427	46,800,427		1,506,685	48,307,112	-	48,307,112
Expenditures							
Current:							
Support services	3,000	3,000	(1)	(2,350)	650	-	650
Debt service	47,581,616	47,581,616	(1)	(2)	47,581,614	(47,581,614)	-
Principal	-	-		-	-	32,689,828	32,689,828
Interest	-	-		-	-	14,891,786	14,891,786
Total expenditures	47,584,616	47,584,616		(2,352)	47,582,264	-	47,582,264
Revenues over (under) expenditures	(784,189)	(784,189)		1,509,037	724,848	-	724,848
Net change in fund balance	(784,189)	(784,189)		1,509,037	724,848	-	724,848
Fund balance, beginning of year	3,896,950	3,896,950		765,208	4,662,158	-	4,662,158
Fund balance, end of year	$ 3,112,761	$ 3,112,761		$ 2,274,245	$ 5,387,006	$ -	$ 5,387,006

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget	Actuals		
	Adopted	Final		Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues							
Investment earnings	$ 1,000	$ 1,000		$ 1,497,089	$ 1,498,089	$ -	$ 1,498,089
Other local sources	-	-		715,703	715,703	-	715,703
State sources	-	-		851,367	851,367	-	851,367
Total revenues	1,000	1,000		3,064,159	3,065,159	-	3,065,159
Expenditures							
Current							
Facilities acquisition and construction	25,834,929	25,834,929	(1)	(10,957,896)	14,877,033	(11,174,999)	3,702,034
Capital outlay	-	-		-	-	11,174,999	11,174,999
Total expenditures	25,834,929	25,834,929		(10,957,896)	14,877,033	-	14,877,033
Revenues over (under) expenditures	(25,833,929)	(25,833,929)		14,022,055	(11,811,874)	-	(11,811,874)
Other financing sources							
General obligation bonds issued	-	-		100,000,000	100,000,000	-	100,000,000
General obligation bonds issued - premium	-	-		5,903,531	5,903,531	-	5,903,531
Sale of capital assets	-	-		211,514	211,514	-	211,514
Total other financing sources	-	-		106,115,045	106,115,045	-	106,115,045
Net change in fund balance	(25,833,929)	(25,833,929)		120,137,100	94,303,171	-	94,303,171
Fund balance, beginning of year	25,833,929	25,833,929		(3,976,826)	21,857,103	-	21,857,103
Fund balance, end of year	$ -	$ -		$ 116,160,274	$ 116,160,274	$ -	$ 116,160,274

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Private Purpose Trust Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget	Actuals		
	Adopted	Final		Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues							
Investment earnings	$ -	$ -		$ 4,678	$ 4,678	$ -	$ 4,678
Donations	20,000	20,000		(10,780)	9,220	-	9,220
Total revenues	20,000	20,000		(6,102)	13,898	-	13,898
Expenditures							
Current							
Community services	25,000	25,000	(1)	(5,900)	19,100	-	19,100
Total expenditures	25,000	25,000		(5,900)	19,100	-	19,100
Revenues over (under) expenditures	(5,000)	(5,000)		(202)	(5,202)	-	(5,202)
Net change in fund balances	(5,000)	(5,000)		(202)	(5,202)	-	(5,202)
Fund balance, beginning of year	92,107	92,107		4,083	96,190	-	96,190
Fund balance, end of year	$ 87,107	$ 87,107		$ 3,881	$ 90,988	$ -	$ 90,988

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Other Information

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues (Budgetary Basis) by ODE Object
Year Ended June 30, 2023

	100 - General Funds
Revenue from Local Sources	
1110 - Ad Valorem Taxes	$ 99,008,655
1311 - Tuition from Individuals	18,387
1330 - Tuition Summer School	500
1411 - Transportation Fees From Other Districts Within the State	6,235
1500 - Earnings on Investments	1,985,546
1600 - Food Service	-
1700 - Extracurricular Activities	579,660
1910 - Rentals	405,577
1920 - Private Source Donatn Contrib	117,872
1960 - Recovery Prior Yr Expenditure	151,910
1970 - Services Provided Other Funds	1,891,594
1980 - Fees Charged to Grants	606,663
1990 - Miscellaneous	2,822,207
Revenue from Local Sources Total	107,594,806
Revenue from Intermediate Sources	
2101 - County School Funds	257,920
2199 - Other Intermediate Sources	87,768
2102 - Education Svc Dist Apportnment	1,293,520
Revenue from Intermediate Sources Total	1,639,208
Revenue from State Sources	
3101 - State School Fund Gen Support	92,614,124
3102 - State School Fund Lunch Match	-
3103 - Common School Fund	2,225,971
3222 - St School Fund Transp Equip	761,416
3299 - Other Restricted Grants in Aid	1,375,779
Revenue from State Sources Total	96,977,290
Revenue from Federal Sources	
4202 - Fed Rev Thru State Medicaid	223,202
4300 - Restricted Fed Revenue Direct	-
4500 - Restr Federal Rev Thru State	28,141
4801 - Federal Forest Fees	160,982
Revenue from Federal Sources Total	412,325
Revenue from Other Sources	
5100 - Long term Debt Financing	-
5200 - Interfund Transfers	182,178
5300 - Sale of Fixed Assets	30,425
5400 - Fund Balance	28,574,010
Revenue from Other Sources Total	28,786,613
Total Revenues	$ 235,410,242

200 - Special Revenue Funds	300 - Debt Service Funds	400 - Capital Projects Funds	700 - Trust and Agency Funds	Totals
$ -	$ 39,003,043	$ -	$ -	$ 138,011,698
-	-	-	-	18,387
-	-	-	-	500
-	-	-	-	6,235
367,196	742,125	1,498,089	4,678	4,597,634
2,017,776	-	-	-	2,017,776
3,263,148	-	-	-	3,842,808
-	-	23,903	-	429,480
329,228	-	-	9,220	456,320
459,351	-	-	-	611,261
-	-	-	-	1,891,594
-	-	-	-	606,663
2,818,968	-	691,800	-	6,332,975
9,255,667	39,745,168	2,213,792	13,898	158,823,331
-	-	-	-	257,920
-	-	-	-	87,768
395,000	-	-	-	1,688,520
395,000	-	-	-	2,034,208
-	8,561,944	-	-	101,176,068
69,881	-	-	-	69,881
-	-	-	-	2,225,971
-	-	-	-	761,416
26,565,020	-	851,367	-	28,792,166
26,634,901	8,561,944	851,367	-	133,025,502
-	-	-	-	223,202
135,089	-	-	-	135,089
18,720,765	-	-	-	18,748,906
-	-	-	-	160,982
18,855,854	-	-	-	19,268,179
-	-	105,903,531	-	105,903,531
-	-	-	-	182,178
-	-	211,514	-	241,939
13,363,332	4,662,158	21,857,103	96,190	68,552,793
13,363,332	4,662,158	127,972,148	96,190	174,880,442
$ 68,504,754	$ 52,969,270	$ 131,037,307	$ 110,088	$ 488,031,662

Administrative School District No. 1
Deschutes County, Oregon
General Fund Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2023

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	$ 26,207,833	$ 13,729,345
1121 - Middle School Programs	10,793,316	5,588,528
1122 - Middle School Extracurricular	516,245	127,097
1131 - High School Programs	14,910,478	7,638,745
1132 - High School Extracurricular	2,107,653	584,572
1210 - Talented and Gifted Programs	255,261	131,847
1220 - Restrictive Prog Fr Disability	5,862,078	3,456,587
1250 - Less Restrictive Prog Disabled	3,311,955	1,778,358
1280 - Alternative Education	796,644	433,066
1291 - English Second Language	1,451,249	748,238
1292 - Teen Parent Programs	117,659	67,150
1400 - Summer School Programs	423	123
Instruction Total	66,330,794	34,283,656
Support Services		
2110 - Attendance and Social Work	165,653	93,641
2120 - Guidance Services	3,689,542	1,865,727
2130 - Health Services	1,308,966	609,705
2140 - Psychological Services	1,163,400	559,952
2150 - Speech Pathology and Audiology	1,954,683	997,256
2190 - Service Dir, Stu Support Svcs	962,158	508,705
2210 - Improvement of Instruction Svc	1,529,412	654,390
2220 - Educational Media Services	1,214,070	761,817
2230 - Assessment and Testing	187,754	93,129
2240 - Instructional Staff Developmnt	116,273	33,652
2310 - Board of Education Services	87,497	36,223
2320 - Executive Administration Svcs	341,917	137,362
2410 - Office of the Principal Svcs	10,386,287	5,055,714
2490 - Other Support Services	34,153	17,639
2510 - Business Support Services	71,426	30,700
2520 - Fiscal Services	994,547	460,508
2540 - Oper/Maint of Plant Services	7,053,463	3,731,889
2550 - Student Transportation Svcs	5,334,320	2,836,516
2570 - Internal Services	529,569	259,135
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	70,197	36,402
2630 - Information Services	274,398	106,818
2640 - Staff Services	1,213,330	837,028
2660 - Technology Services	2,295,235	1,138,428
2680 - Interp and Translation	42,672	37,006
Support Services Total	41,020,922	20,899,342
Enterprise and Community Services		
3300 - Community Services	172,073	108,379
Enterprise and Community Services Total	172,073	108,379
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
Other Uses/Expenditures Total	-	-
Total General Fund	$ 107,523,789	$ 55,291,377

Object 300	Object 400	Object 500	Object 600	Totals
$ 1,756,486	$ 2,656,815	$ 2,217	$ 59	$ 44,352,755
801,528	830,935	9,600	13,646	18,037,553
37,154	97,717	21,200	3,911	803,324
939,081	1,160,354	6,250	22,657	24,677,565
671,054	441,416	40,049	44,684	3,889,428
6,177	805	-	-	394,090
355,590	46,589	-	10	9,720,854
202,440	28,034	-	25	5,320,812
7,296,547	31,553	-	-	8,557,810
86,066	3,431	-	-	2,288,984
7,518	2,236	-	-	194,563
-	-	-	-	546
12,159,641	5,299,885	79,316	84,992	118,238,284
284,393	3,688	-	-	547,375
59,624	63,501	-	-	5,678,394
11,455	12,581	-	2,517	1,945,224
14,662	11,681	-	-	1,749,695
14,009	8,532	-	48	2,974,528
125,917	10,981	-	944	1,608,705
166,028	60,453	-	917	2,411,200
26,706	163,877	-	9,749	2,176,219
171,412	1,601	-	121	454,017
210,469	55,807	-	828	417,029
335,418	26,471	-	16,903	502,512
69,610	57,841	-	8,615	615,345
172,227	229,074	-	9,546	15,852,848
-	-	-	-	51,792
12,289	4,293	-	1,854	120,562
86,926	211,692	5,732	1,423,310	3,182,715
5,094,236	1,355,662	1,759,796	16,400	19,011,446
888,668	1,213,332	2,056,116	244,438	12,573,390
144,611	170,468	11,953	315	1,116,051
-	125	-	-	106,724
64,241	8,962	-	465	454,884
276,745	76,657	-	61,665	2,465,425
826,500	2,004,614	162,202	285	6,427,264
36	-	-	-	79,714
9,056,182	5,751,893	3,995,799	1,798,920	82,523,058
-	-	-	-	280,452
-	-	-	-	280,452
-	-	-	839,270	839,270
-	-	-	839,270	839,270
$ 21,215,823	$ 11,051,778	$ 4,075,115	$ 2,723,182	$ 201,881,064

Administrative School District No. 1
Deschutes County, Oregon
Special Revenue Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2023

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	$ 1,328,097	$ 784,615
1113 - Elementary Extracurricular	3,548	1,774
1121 - Middle School Programs	774,369	465,988
1122 - Middle School Extracurricular	4,812	1,468
1131 - High School Programs	2,587,901	1,449,504
1132 - High School Extracurricular	30,366	7,094
1210 - Talented and Gifted Programs	570	217
1220 - Restrictive Prog Fr Disability	468,462	260,580
1250 - Less Restrictive Prog Disabled	2,453,899	1,448,308
1271 - Remediation	210,500	84,599
1272 - Title I	858,448	483,250
1280 - Alternative Education	429,733	266,503
1291 - English Second Language	646,243	372,587
1292 - Teen Parent Programs	44,685	21,473
1299 - Other Special Ed Programs	-	-
1400 - Summer School Programs	1,118,657	405,863
Instruction Total	10,960,290	6,053,823
Support Services		
2110 - Attendance and Social Work	476,450	307,393
2120 - Guidance Services	3,642,588	2,220,904
2130 - Health Services	524,209	315,197
2140 - Psychological Services	46,712	22,141
2150 - Speech Pathology and Audiology	65,501	32,744
2190 - Service Dir, Stu Support Svcs	33,697	36,462
2210 - Improvement of Instruction Svc	2,198,511	1,204,744
2220 - Educational Media Services	7,222	2,675
2230 - Assessment and Testing	89,438	51,683
2240 - Instructional Staff Developmnt	790,967	422,932
2310 - Board of Education Services	285	104
2320 - Executive Administration Svcs	285	104
2410 - Office of the Principal Svcs	361,711	186,080
2490 - Other Support Services	94,583	52,566
2510 - Business Support Services	-	718
2520 - Fiscal Services	117,422	73,816
2540 - Oper/Maint of Plant Services	147,046	72,065
2550 - Student Transportation Svcs	106,138	41,291
2570 - Internal Services	2,129	806
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	228	90
2630 - Information Services	855	192
2640 - Staff Services	137,149	575,846
2660 - Technology Services	38,797	32,252
2680 - Interp and Translation	29,198	29,627
2700 - Supplemental Retirement Progrm	8,465	319
Support Services Total	8,919,586	5,682,751
Enterprise and Community Services		
3100 - Food Services	3,510,523	1,886,721
3300 - Community Services	407,252	278,829
3500 - Custody and Care of Children	-	-
Enterprise and Community Services Total	3,917,775	2,165,550
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
5200 - Transfers of Funds	-	-
Other Uses/Expenditures Total	-	-
Total Special Revenue Funds	$ 23,797,651	$ 13,902,124

Object 300	Object 400	Object 500	Object 600	Object 700	Totals
$ 460,936	$ 463,985	$ -	$ 210	$ -	$ 3,037,843
59,055	190,008	3,000	962	-	258,347
117,683	180,573	-	1,660	-	1,540,273
32,967	95,237	-	1,250	-	135,734
357,526	1,194,147	28,148	20,925	-	5,638,151
647,917	1,229,307	107,214	2,670	-	2,024,568
-	-	-	-	-	787
24,889	126,745	-	155	-	880,831
119,802	96,966	-	-	-	4,118,975
-	-	-	-	-	295,099
32,220	34,201	-	-	-	1,408,119
1,413,158	25,288	-	-	-	2,134,682
20,570	878	-	-	-	1,040,278
1,486	383	-	-	-	68,027
165	6,504	-	-	-	6,669
25,440	296,633	7,727	-	-	1,854,320
3,313,814	3,940,855	146,089	27,832	-	24,442,703
177,857	59,715	9,883	965	-	1,032,263
528,974	50,193	17,967	265	-	6,460,891
13,910	4,937	-	535	-	858,788
25,111	13,253	-	-	-	107,217
1,285	3,229	-	125	-	102,884
16,309	422	-	-	-	86,890
86,381	20,449	-	2,065	-	3,512,150
137	29,623	-	51	-	39,708
51,893	-	-	-	-	193,014
558,923	56,908	-	950	-	1,830,680
-	-	-	-	-	389
-	-	-	-	-	389
793	6,955	-	-	-	555,539
51,237	-	-	-	-	198,386
-	12	-	606,663	-	607,393
-	-	-	-	-	191,238
117,177	153,466	612,153	15,342	-	1,117,249
126,300	1,962	495,245	-	-	770,936
-	-	-	-	-	2,935
-	-	-	-	-	318
89,200	-	-	-	-	90,247
47,997	35,520	-	-	-	796,512
60,163	34,075	-	-	-	165,287
-	-	-	-	-	58,825
-	-	-	-	-	8,784
1,953,647	470,719	1,135,248	626,961	-	18,788,912
250,023	3,554,617	211,533	15,773	-	9,429,190
1,322,016	41,621	-	478	-	2,050,196
-	-	-	-	-	-
1,572,039	3,596,238	211,533	16,251	-	11,479,386
-	-	-	541,702	-	541,702
-	-	-	-	182,178	182,178
-	-	-	541,702	182,178	723,880
$ 6,839,500	$ 8,007,812	$ 1,492,870	$ 1,212,746	$ 182,178	$ 55,434,881

Administrative School District No. 1
Deschutes County, Oregon
Debt Service Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2023

	Object 300	Object 600	Totals
Support Services			
2520 - Fiscal Services	$ 650	$ -	$ 650
Support Services Total	650	-	650
Other Uses/Expenditures Total			
5100 - Debt Service	-	47,581,614	47,581,614
Other Uses/Expenditures Total	-	47,581,614	47,581,614
Total Debt Service Funds	$ 650	$ 47,581,614	$ 47,582,264

Administrative School District No. 1
Deschutes County, Oregon
Capital Project Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2023

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Totals
Facilities Acquisition and Contstruction							
4110 - Constr Service Area Direction	$ 735,348	$ 384,885	$ 636,176	$ 23,315	$ 679	$ -	$ 1,780,403
4120 - Site Acquisition and Development Services	-	-	28,914	-	36,251	1,806	66,971
4150 - Building Acquisition, Construction, and Improvement Services	4,983	2,957	1,866,054	15,820	10,032,831	1,355	11,924,000
4190 - Other Facilities and Construction Services	-	-	-	-	1,105,238	421	1,105,659
Facilities Acquisition and Contstruction Total	740,331	387,842	2,531,144	39,135	11,174,999	3,582	14,877,033
Total Captial Project Funds	$ 740,331	$ 387,842	$ 2,531,144	$ 39,135	$ 11,174,999	$ 3,582	$ 14,877,033

Administrative School District No. 1
Deschutes County, Oregon
Trust and Agency Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2023

	Object 300	Totals
Enterprise and Community Services		
3300 - Community Services	19,100	19,100
Enterprise and Community Services Total	19,100	19,100
Total Trust and Agency Funds	$ 19,100	$ 19,100

Administrative School District No. 1
Deschutes County, Oregon
Supplemental Information as Required by the Oregon Department of Education
for the Year Ended June 30, 2023

A. Energy Bill for Heating - All Funds
Please enter your expenditures for electricity and heating fuel for these Functions an Objects.

Function	Objects 325 & 326
2540	$ 2,969,135
2550	-

B. Replacement of Equipment - General Fund
Include all General Fund expenditures in object 542, except for the following exclusions:

Fund	Amount
General	None

Exclude these functions:
1113, 1122, 1132 Co-curricular Activities
1140 Pre-Kindergarten
1300 Continuing Education
1400 Summer School
4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Statistical Section



"We all know that education unlocks the door of opportunity for the young."

-Gordon B. Hinckley

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Statistical Section Contents

This part of Bend-La Pine School's statistical comprehensive annual financial report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

Financial Trends 119-125

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity 126-131

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity 132-135

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 136-137

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information 138-145

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

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BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Administrative School District No. 1
Deschutes County, Oregon
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	Governmental Activities			
Fiscal Year Ended June 30	Net Investment in Capital Assets	Restricted	Unrestricted	Total Governmental Activities Net Position
2023	$ 237,355,000	$ 30,941,000	$ (151,326,000)	$ 116,970,000
2022, as restated	223,516,000	24,068,000	(163,474,000)	84,110,000
2021, as restated	191,764,000	22,246,000	(162,034,000)	51,976,000
2020, as restated	165,268,000	25,434,000	(143,980,000)	46,722,000
2019, as restated	155,762,000	18,840,000	(132,977,000)	41,625,000
2018, as restated	146,069,000	15,323,000	(131,121,000)	30,272,000
2017, as restated	127,031,000	18,345,000	(126,579,000)	18,795,000
2016	118,403,000	25,671,000	(116,242,000)	27,832,000
2015, as restated	111,248,000	8,557,000	(58,038,000)	61,767,000
2014, as restated	103,831,000	8,567,000	7,081,000	119,479,000

Note:
Fiscal years ending June 30, 2018 through June 30, 2022 were restated in fiscal year 2023 to move the Net OPEB RHIA asset from Unrestricted to Restricted to accurately report the asset as Restricted Net Position

Administrative School District No. 1
Deschutes County, Oregon
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2014, as restated	2015, as restated	2016
Expenses			
Governmental activities			
Regular instruction	$ 72,461	$ 74,280	$ 81,791
Special programs including summer school	25,089	23,932	23,739
Students	10,541	10,070	10,740
Instructional staff	5,800	6,066	6,012
General administration	661	740	737
School administration	9,765	9,478	10,640
Business, transportation and maintenance	22,667	3,232	75,610
Central activities	4,941	3,968	6,261
Supplemental retirement program	2,493	676	507
Food services	5,764	5,804	6,344
Other enterprise and community services	1,525	1,606	1,713
Interest on long-term liabilities	14,275	12,965	12,304
Total governmental activities expenses	175,982	152,817	236,398
Program revenues			
Governmental activities			
Charges for services			
Regular instruction	3,588	3,634	3,985
Business, transportation and maintenance	977	932	965
Food services	1,401	1,443	1,633
Other enterprise and community services	353	350	340
Operating grants and contributions	17,538	19,425	18,203
Capital grants and contributions	670	636	662
Total governmental activities program revenues	24,527	26,420	25,788
Total governmental net expense	(151,455)	(126,397)	(210,610)
General revenues and other changes in net position			
Governmental activities			
Property taxes levied for:			
General purposes	59,048	63,524	67,577
Debt service	18,791	20,383	21,312
Federal aid not restricted to specific purposes	284	190	242
State aid not restricted to specific purposes	69,610	75,139	82,316
Intermediate aid not restricted to specific purposes	1,828	2,003	2,198
Earnings on investments	1,138	470	390
Other local revenue	2,373	2,349	2,639
Gain/loss on sale of capital assets	-	-	-
Restitution	-	-	-
Insurance proceeds	-	-	-
Total governmental activities general revenues and other	153,072	164,058	176,674
Change in net position governmental activities	$ 1,617	$ 37,661	$ (33,936)

2017, as restated	2018	2019	2020	2021	2022	2023
$ 81,756	$ 99,305	$ 104,943	$ 111,703	$ 121,073	$ 110,116	$ 113,989
25,782	31,563	31,741	33,961	37,374	36,281	37,838
11,461	14,906	15,651	17,402	18,753	20,705	22,783
6,244	7,600	7,786	8,468	9,413	9,032	10,885
746	859	915	916	914	909	1,108
10,450	12,930	13,366	15,348	15,951	13,989	16,377
50,235	29,153	31,022	31,698	31,370	31,821	35,865
7,015	6,460	6,635	7,404	7,996	12,349	15,209
394	276	189	125	70	34	9
6,217	7,536	7,497	7,363	7,434	8,836	9,180
1,767	2,041	2,115	2,363	2,282	1,859	2,317
12,416	15,757	15,787	17,648	16,681	8,876	14,341
214,484	228,386	237,647	254,399	269,311	254,807	279,902
834	809	784	630	113	588	687
927	921	925	800	605	842	887
1,869	2,063	2,321	1,857	23	224	2,018
315	343	618	311	104	264	406
18,776	20,958	22,117	22,602	40,577	49,933	54,172
713	873	746	654	792	815	761
23,433	25,967	27,511	26,854	42,214	52,666	58,931
(191,051)	(202,420)	(210,136)	(227,544)	(227,097)	(202,141)	220,971
71,211	75,808	80,353	86,058	88,715	93,725	99,210
22,118	30,655	32,546	34,796	36,019	37,659	39,003
-	1,292	215	169	167	442	384
84,340	92,740	94,700	100,478	103,024	97,396	103,472
2,497	2,718	2,795	2,765	2,529	2,324	1,639
610	1,850	5,557	6,335	400	549	4,593
4,618	3,374	1,721	1,984	1,521	2,137	5,499
-	19	1	56	(24)	41	30
-	-	-	-	-	2	-
-	5,441	3,602	1	-	-	-
185,394	213,895	221,490	232,642	232,351	234,275	253,831
$ (5,657)	$ 11,475	$ 11,353	$ 5,097	$ 5,254	$ 32,134	$ 32,860

Administrative School District No. 1
Deschutes County, Oregon
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2014	2015	2016	2017
General fund				
Nonspendable	$ 857,000	$ 1,397,000	$ 1,010,000	$ 1,740,000
Restricted	311,000	815,000	905,000	117,000
Assigned	3,629,000	5,664,000	6,160,000	6,003,000
Unassigned	5,332,000	3,926,000	5,454,000	3,758,000
Total general fund	$ 10,129,001	$ 11,802,001	$ 13,529,001	$ 11,618,000
All other governmental funds				
Nonspendable, reported in				
Special revenue fund	$ 366,000	$ 331,000	$ 376,000	$ 415,000
Restricted, reported in				
Special revenue fund	2,657,000	3,076,000	3,360,000	4,221,000
Debt service fund	2,784,000	2,272,000	2,511,000	1,937,000
Capital project fund	84,114,000	34,888,000	18,895,000	8,764,000
Assigned, reported in				
Special revenue fund	1,888,000	2,212,000	2,710,000	2,890,000
Total all other governmental funds	$ 91,809,000	$ 42,779,000	$ 27,852,000	$ 18,227,000

2018	2019	2020	2021	2022	2023
$ 1,040,000	$ 1,400,000	$ 1,171,000	$ 1,971,000	$ 1,518,000	$ 1,655,000
530,000	1,623,000	2,356,000	2,240,000	1,485,000	2,690,000
9,625,000	12,380,000	13,367,000	16,669,000	19,991,000	22,516,000
5,877,000	4,480,000	6,993,000	8,910,000	5,580,000	6,668,000
$ 17,072,000	$ 19,883,000	$ 23,887,000	$ 29,790,000	$ 28,574,000	$ 33,529,000
$ 475,000	$ 373,000	$ 576,000	$ 667,000	$ 455,000	$ 498,000
4,513,000	4,980,000	3,232,000	4,659,000	8,627,000	7,643,000
2,385,000	3,585,000	4,032,000	4,694,000	4,662,000	5,387,000
175,098,000	123,285,000	145,228,000	51,115,000	21,857,000	116,160,000
3,175,000	3,087,000	4,619,000	5,903,000	4,281,000	4,928,000
$ 185,646,000	$ 135,310,000	$ 157,687,000	$ 67,038,000	$ 39,882,000	$ 134,617,000

Administrative Schoo District No. 1
Deschutes County, Oregon
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2014	2015	2016
Revenues			
Property taxes	$ 78,346	$ 84,294	$ 88,977
Tuition	842	931	8
Investment earnings	421	376	390
Other local sources	12,269	12,263	13,021
Intermediate sources	1,929	2,303	2,642
State sources	71,169	77,342	85,964
Federal sources	13,706	14,579	12,613
Total revenues	178,682	192,088	203,615
Expenditures			
Current			
Instruction	90,667	97,324	101,799
Support services	54,895	55,626	59,016
Community services	7,472	7,969	8,545
Facilities acquisition and construction	-	-	-
Debt service:			
Principal	13,143	14,339	15,617
Interest	13,269	13,644	13,315
Capital outlay	14,352	50,817	22,696
Total expenditures	193,798	239,719	220,988
Revenues over (under) expenditures	(15,116)	(47,631)	(17,373)
Other financing sources (uses)			
Refunding bonds issued	91,825	-	-
Payment to refunded bond escrow agent	-	-	-
Premium on bonds issued	4,732	-	-
General obligation bonds issued	-	-	4,175
PERS UAL Payment	-	-	-
General obligation bonds issued-premium	-	-	-
Insurance proceeds	-	-	-
Lease financing	-	-	-
Sale of capital assets	-	272	-
Restitution	-	-	-
Lease purchase / long term loan proceeds	-	-	-
Total other financing sources (uses)	96,557	272	4,175
Net change in fund balances	$ 81,441	$ (47,359)	$ (13,198)
Ratio of total debt service to noncapital expenditures	15%	15%	15%

Note: The figures in this chart include all funds presented on page 24 of the basic financial statements.

2017	2018	2019	2020	2021	2022	2023
$ 93,175	$ 106,499	$ 112,924	$ 120,726	$ 125,177	$ 131,348	$ 138,012
3	6	19	26	24	18	19
610	1,850	5,557	6,335	400	549	4,593
15,446	13,753	12,574	11,326	7,602	10,528	16,186
2,866	3,395	3,590	3,160	2,924	2,719	2,034
86,094	97,036	101,165	107,666	115,966	121,160	133,026
11,419	12,519	10,869	11,158	24,350	22,738	19,268
209,612	235,058	246,698	260,397	276,443	289,060	313,137
103,774	112,662	117,178	121,838	131,611	139,140	142,456
63,011	65,657	69,673	72,652	75,299	87,400	96,182
8,492	9,278	9,251	9,037	9,041	10,825	11,548
727	2,416	1,569	2,156	1,832	1,510	3,702
17,465	21,030	22,135	21,871	25,913	29,813	33,822
12,979	17,668	18,558	21,167	19,108	15,760	15,140
14,699	26,746	60,853	87,822	97,721	31,785	17,495
221,146	255,458	299,217	336,543	360,524	316,233	320,345
				0		
(11,534)	(20,400)	(52,519)	(76,146)	(84,081)	(27,175)	(7,207)
-	-	-	-	-	80,795	-
-	-	-	-	-	(82,245)	-
-	12,809	-	7,920	-	31	-
-	175,000	-	93,300	-	-	100,000
-	-	-	-	(1,000)	-	-
-		-	-	-	-	5,904
-	5,441	3,602	1	-	-	-
-	-	-	-	-	121	752
-	21	1	56	334	99	242
-	-	-	-	-	2	-
-	-	1,390	1,250	-	-	-
-	193,271	4,993	102,527	(665)	(1,197)	106,897
$ (11,534)	$ 172,871	$ (47,526)	$ 26,381	$ (84,746)	$ (28,372)	$ 99,690
15%	17%	17%	17%	17%	16%	16%

Administrative School District No. 1
Deschutes County, Oregon
Assessed Value and Estimated Value of Taxable Property in Deschutes County
Last Ten Fiscal Years
(in thousands of dollars)

	Real Property		Personal Property		Manufactured Homes		Public
Fiscal Year Ended June 30	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value
2023	$ 28,853,678	$ 71,360,846	$ 735,632	$ 735,632	$ 92,994	$ 210,014	$ 853,781
2022	27,365,201	54,432,055	627,551	627,551	90,106	173,790	834,257
2021	25,896,554	46,294,856	586,141	586,165	84,899	147,202	803,586
2020	24,642,529	43,452,590	524,739	524,739	81,184	131,478	710,117
2019	23,380,813	39,872,595	508,792	508,792	78,182	112,683	668,084
2018	22,107,667	35,571,219	482,975	482,975	74,665	103,958	600,475
2017	20,943,309	31,302,357	451,004	451,007	65,759	79,422	560,616
2016	19,847,234	27,721,055	415,663	415,679	60,520	70,526	652,906
2015	18,803,090	24,717,972	393,213	393,227	53,660	58,261	475,914
2014	17,812,786	21,290,547	372,149	372,148	47,241	50,377	411,711

Source:
Valuation information has been obtained from the Deschutes County Assessor, and includes all property within Deschutes County.

Note:
Total Direct Rate column represents the District Direct rate

Utilities	Exemptions	Total			
Estimated Actual Value	Assessed Value	Taxable Assessed Value	Estimated Actual Value	Total Direct Rate	Assessed Value as a Percentage of Estimated Actual Value
$ 938,116	$ 59,461	$ 30,476,624	$ 73,185,145	$ 6.61	41.724%
910,502	58,719	28,858,395	56,085,178	6.65	51.559%
887,767	57,288	27,313,792	47,858,703	6.66	57.191%
784,443	54,658	25,903,911	44,838,592	6.67	57.893%
736,374	51,211	24,584,663	41,179,234	6.67	59.826%
628,510	47,457	23,218,324	36,739,204	6.67	63.327%
582,833	45,078	21,975,610	32,370,540	6.22	68.027%
677,075	43,032	20,933,290	28,841,302	6.23	72.730%
492,477	39,804	19,686,343	25,322,403	6.26	77.900%
455,805	36,566	18,637,322	22,132,314	6.20	84.374%

Administrative School District No. 1
Deschutes County, Oregon
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Fiscal Years Ended June 30th

	2014	2015	2016	2017
Administrative School District No. 1	$ 6.20	$ 6.26	$ 6.23	$ 6.22
High Desert ESD	0.10	0.10	0.10	0.10
Central Oregon Community College	0.75	0.75	0.74	0.74
Deschutes County	4.74	4.70	4.76	4.75
City of Bend	3.03	3.22	3.20	3.19
Bend Parks & Recreation	1.67	1.66	1.63	1.63
City of La Pine	1.93	1.98	1.98	1.98
La Pine Park & Recreation	0.30	0.30	0.30	0.30
Sunriver Service District	3.31	3.31	3.31	3.31
La Pine RFPD	2.37	2.41	2.47	2.41
Sunriver Library CSD	0.05	0.05	0.04	-
Total	$ 24.45	$ 24.74	$ 24.76	$ 24.63

Source:
Property tax rates have been obtained from the Deschutes County Assessor; rates are per $1,000 of assessed value.

Notes:
The tax rates for all districts include the amount needed to service bonded long-term debt.
The District's operating tax rate is set by Oregon State Statute and cannot be increased by the District.

2018	2019	2020	2021	2022	2023
$ 6.67	$ 6.67	$ 6.67	$ 6.66	$ 6.65	$ 6.61
0.10	0.10	0.10	0.10	0.10	0.10
0.74	0.73	0.73	0.72	0.72	0.70
4.80	4.19	4.19	4.19	4.16	4.25
3.18	3.17	3.16	3.16	3.15	3.30
1.62	1.62	1.61	1.61	1.59	1.59
1.98	1.98	1.98	1.98	1.98	1.98
0.30	0.30	0.30	0.30	0.30	0.30
3.31	3.31	3.31	3.31	3.31	3.78
2.41	2.41	2.41	2.41	2.41	2.41
-	-	-	-	-	-
$ 25.11	$ 24.48	$ 24.46	$ 24.44	$ 24.37	$ 25.02

Administrative School District No. 1
Deschutes County, Oregon
Major Property Taxpayers
June 30, 2023

Bend-La Pine Schools

Taxpayer	Type of Business	2022-2023 Tax	2022-2023 Assessed Value	2022-2023 Percent of Value	2022-2023 Rank	2013-2014 Tax	2013-2014 Assessed Value	2013-2014 Percent of Value
TDS Baja Bendbroadband LLC	Telecommunications	$ 1,684,939	$ 110,032,000	0.51%		$ -	$ -	-
Pacificorp (P P&I)	Electrical utility	1,626,382	108,794,000	0.50%	1	820,133	57,845,000	0.44%
Cascade Natural Gas Corp	Natural gas utility	1,068,204	70,238,000	0.32%	5	568,881	39,675,590	0.30%
Deschutes Brewery Inc.	Brewery and restaurant	941,525	60,528,250	0.28%	7	499,522	34,460,330	0.26%
Crowdstrike Inc	Cybersecurity technology	906,259	58,664,740	0.27%		-	-	-
Bend Research Inc	Biotechnology services	872,995	56,046,420	0.26%		-	-	-
Touchmark at Mount Bachelor Village	Retirement community	866,134	54,687,760	0.25%	4	570,468	48,272,780	0.37%
Gas Transmission NW Corp.	Natural gas utility	859,000	70,162,772	0.32%	2	683,526	58,517,300	0.44%
Suterria LLC	Pest control products	816,755	52,870,930	0.24%	8	446,477	33,784,850	0.26%
CVSC LLC	Retail stores	772,487	48,706,990	0.23%	6	520,845	35,345,300	0.27%
West Bend Property Company	Real estate service	-	-	-	9	434,759	15,224,548	0.12%
Sunriver Resort Limited	Vacation resort	-	-	-	10	413,762	35,888,675	0.27%
Bend Cable Communications	Cable company	-	-	-	3	620,963	42,457,000	0.32%
Subtotal top ten of District's major taxpayers			690,731,862	3.19%		5,579,336	401,471,373	3.04%
All other District's taxpayers			20,951,935,510	96.81%			12,811,921,548	96.96%
Total District			$ 21,642,667,372	100.00%			$ 13,213,392,921	100.00%

Deschutes County

Taxpayer	Type of Business	2022-2023 Tax	2022-2023 Assessed Value	2022-2023 Percent of Value	2022-2023 Rank	2013-2014 Tax	2013-2014 Assessed Value	2013-2014 Percent of Value
Pacificorp (P P&I)	Electrical utility	$ 2,413,723	$ 156,726,000	0.51%	1	$ 1,257,051	$ 84,889,000	0.46%
TDS Baja Bendbroadband LLC	Telecommunications	1,973,760	127,032,000	0.42%		-	-	-
Cascade Natural Gas Corp.	Natural gas utility	1,430,791	90,674,000	0.30%	3	741,146	49,790,800	0.27%
Gas Transmission NW Corp.	Natural gas utility	1,108,968	86,597,879	0.28%	2	862,245	70,935,300	0.38%
Bend Research Inc	Biotechnology services	1,001,055	68,906,330	0.23%		-	-	-
Deschutes Brewery Inc.	Brewery and restaurant	941,525	60,528,250	0.20%		-	-	-
Crowdstrike Inc	Cybersecurity technology	906,259	58,664,740	0.19%		-	-	-
Lumen Technologies Inc	Technology	899,017	60,128,000	0.20%		-	-	-
Touchmark at Mount Bachelor Village, LLC	Retirement community	866,134	54,687,760	0.18%	5	570,468	37,623,690	0.20%
PCC Structurals Inc	Manufacturing	864,285	46,635,930	0.15%		-	-	-
Bend Cable Communications	Cable company	-	-	-	4	731,945	49,126,000	0.26%
CVSC LLC	Retail stores	-	-	-	6	520,845	35,345,300	0.19%
Deschutes Brewery Inc.	Brewery and restaurant	-	-	-	7	499,522	33,262,940	0.18%
CentryLink	Telecommunications	-	-	-	8	482,606	33,294,300	0.18%
Suterria LLC	Pest control products	-	-	-	9	446,477	33,784,850	0.18%
Wal-Mart Stores Inc	Retail stores	-	-	-	10	440,601	25,766,970	0.14%
Subtotal-top ten County major taxpayers			810,580,889	2.66%		6,552,906	453,819,150	2.44%
All other County's taxpayers			29,666,043,143	97.34%			18,183,502,752	97.56%
Total Deschutes County			$ 30,476,624,032	100.00%			$ 18,637,321,902	100.00%

Administrative School District No. 1
Deschutes County, Oregon
Property Tax Levies and Collections for Operations and Debt Service
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	$ 141,553,464	$ 136,565,409	96.5%	$ 524,226	$ 137,089,635	96.8%
2022	134,904,226	130,126,897	96.5%	639,789	130,766,685	96.9%
2021	128,098,347	123,228,650	96.2%	932,472	124,161,121	96.9%
2020	121,960,693	117,451,670	96.3%	932,472	118,384,141	97.1%
2019	115,946,713	111,169,277	95.9%	834,376	112,003,653	96.6%
2018	109,136,848	104,709,632	95.9%	718,005	105,427,638	96.6%
2017	96,003,356	91,614,978	95.4%	805,801	92,420,779	96.3%
2016	91,728,870	87,438,223	95.3%	673,894	88,112,117	96.1%
2015	85,961,207	82,295,410	95.7%	798,588	83,093,998	96.7%
2014	79,721,283	76,157,930	95.5%	939,576	77,097,506	96.7%

Source:
Levy information was obtained from Deschutes County

Administrative District No. 1
Deschutes County, Oregon
Computation of Direct and Overlapping Debt
June 30, 2023

Jurisdiction	Gross Bonded Debt Outstanding	Percentage Applicable to ASD No. 1	Amount Applicable to ASD No. 1
Alfalfa RFPD	$ 213,000	3.54%	$ 7,546
Bend Metro Park & Rec District	19,985,201	99.88%	19,960,619
Central Oregon Community College	45,467,476	62.18%	28,270,813
Central Oregon Regional Housing Authority	1,650,200	72.76%	1,200,692
City of Bend	160,011,815	100.00%	160,011,815
City of La Pine	275,000	100.00%	275,000
Deschutes County	51,190,000	72.76%	37,246,049
Deschutes Cty RFPD 2 (Bend)	8,470,000	75.26%	6,374,497
Deschutes Public Library District	189,200,000	72.76%	137,662,677
High Desert ESD	8,179,885	66.30%	5,422,904
La Pine Parks & Recreation District	275,000	100.00%	275,000
Lazy River Special Road District	19,000	100.00%	19,000
Sunriver Service	6,440,000	100.00%	6,440,000
Subtotal, overlapping debt			403,166,612
Administrative School District No. 1 direct debt			482,327,243
Total direct and overlapping debt			$ 885,493,855

Source:
The gross debt outstanding and the percentage applicable has been obtained from the Oregon State Treasury. Percentage applicable to the District is the ratio of the district boundary to the entire area subject to the debt.

Note:
Gross bonded debt outstanding does not include self-supporting unlimited-tax general obligation bonds and self-supporting full faith and credit debt.

Administrative School District No. 1
Deschutes County, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Full Faith & Credit Obligations	Loans	Premium on Bonds	Total	Percentage of Personal Income	Per Capita
2023	$ 420,200,000	$ 37,880,000	$ 1,709,000	$ 22,538,243	$ 482,327,243	N/A	$ 2,324
2022	347,720,000	44,570,479	1,973,000	19,376,799	413,640,278	2.80%	2,034
2021	366,995,000	50,553,728	2,579,566	24,361,227	444,489,521	3.20%	2,256
2020	387,870,000	56,000,794	3,179,388	27,019,428	474,069,610	3.84%	2,456
2019	313,540,000	60,715,358	2,397,598	21,757,826	398,410,782	3.57%	2,108
2018	332,610,000	64,873,184	1,674,714	24,019,209	423,177,108	4.00%	2,313
2017	175,635,000	68,512,872	2,322,093	13,364,007	259,833,971	2.73%	1,471
2016	190,155,000	71,684,756	2,950,381	14,317,119	279,107,256	3.10%	1,635
2015	198,705,000	74,441,297	3,560,201	16,125,570	292,832,068	3.76%	1,760
2014	210,210,000	76,817,698	4,152,153	17,932,655	309,112,506	4.35%	1,902

Sources:
Personal and per capita income numbers were obtained from the Bureau of Economic Analysis.

Administrative School District No. 1
Deschutes County, Oregon
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Market Value	Debt Limit = Real Market Value X .0795	Computation of Debt Margin: Total General Obligation Bonds	Computation of Debt Margin: Legal Debt Margin	Ratio of Legal Debt Margin to the Debt Limit
2023	$ 53,242,475	$ 4,232,777	$ 420,200	$ 3,812,577	90%
2022, as restated	40,675,964	3,233,739	347,720	2,886,019	89%
2021, as restated	34,535,389	2,745,563	387,870	2,357,693	86%
2020, as restated	32,827,950	2,609,822	387,870	2,221,952	85%
2019, as restated	30,243,766	2,404,379	313,540	2,090,839	87%
2018, as restated	26,993,818	2,146,009	332,610	1,813,399	85%
2017, as restated	23,788,200	1,891,162	175,635	1,715,527	91%
2016, as restated	21,279,466	1,691,718	190,155	1,501,563	89%
2015, as restated	18,608,982	1,479,414	198,705	1,280,709	87%
2014, as restated	16,076,707	1,278,098	210,210	1,067,888	84%

Debt limit by Oregon State Law is 7.95% of real market value.

Source:

Debt limitation formula has been obtained from Oregon Revised Statutes 328.245 (1), (2).
Real market value was obtained from Deschutes County

Note:

Fiscal years 2014 through 2022 were restated in fiscal year 2023 to remove any assets in the debt service fund from the computation of the legal debt margin. Fund balance in the debt service fund was the primary asset, which we do not believe should be included in the computation.

Administrative School District No. 1
Deschutes County, Oregon
Ratio of Net Bonded Debt to Real Market Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30	Gross Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt Per Capita
2023	$ 442,738,243	$ 5,387,005	$ 437,351,238	0.60%	$ 2,107
2022	367,096,799	4,662,158	362,434,641	0.65%	1,782
2021	391,356,227	4,693,630	386,662,597	0.81%	1,963
2020	414,889,428	4,031,467	410,857,961	0.92%	2,129
2019	335,297,826	3,585,422	331,712,404	0.81%	1,755
2018	356,629,209	2,359,500	354,269,709	0.96%	1,937
2017	188,999,007	1,937,200	187,061,807	0.58%	1,059
2016	204,472,119	2,510,423	201,961,696	0.70%	1,183
2015	214,830,570	2,271,973	212,558,597	0.84%	1,277
2014	228,142,655	2,783,953	225,358,702	0.78%	1,387

Gross Bonded Debt has been modified to include the unamortized bond premium and discount

Sources:
Population numbers come from Economic Development for Central Oregon (EDCO).
Real market value comes from Deschutes County

Administrative School District No.1
Deschutes County, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Unemployment Rate	Per capita Income	Total Personal Income	Civilian Labor Force	Average Daily Membership	Annual Cost Per ADM	ADMw
2023	207,561	3.8%	N/A	N/A	101,900	17,158	16,313	19,287
2022	203,390	3.4%	71,627	14,794,468,000	105,407	17,192	14,821	19,331
2021	197,015	5.9%	67,743	13,873,903,000	102,109	17,260	15,604	19,517
2020	193,000	12.4%	61,216	12,351,409,000	98,044	18,448	13,790	20,775
2019	188,980	4.2%	56,447	11,159,204,000	96,706	18,256	13,017	20,550
2018	182,930	4.0%	55,143	10,587,224,000	95,138	18,172	12,568	20,853
2017	176,635	3.7%	50,955	9,522,219,000	93,336	17,851	12,015	20,687
2016	170,740	5.1%	49,881	9,012,257,000	88,985	17,425	13,476	20,230
2015	166,400	6.2%	46,005	7,788,057,000	81,325	16,467	9,201	19,192
2014	162,525	8.1%	41,996	7,100,843,000	77,925	16,051	10,883	18,789

Sources:

Unemployment rate and labor force information is for Deschutes County and was obtained from the State of Oregon Employment Department - Oregon Labor Market Information System (OLMIS). Qualityinfo.org

Personal and per capita income numbers came from the Bureau of Economic Analysis.

Administrative School District No. 1
Deschutes County, Oregon
Principal Employers
Current Year and Nine Years Ago

	2023			2014		
Employer	Employees	Rank	Percentage of Total County Employees	Employees	Rank	Percentage of Total County Employees
St Charles Medical Center	3,506	1	3.80%	2,740	1	3.91%
Administrative School District No. 1	2,300	2	2.49%	1,690	2	2.41%
Deschutes County	1,284	3	1.39%	1,050	3	1.50%
Redmond School District	1,016	4	1.10%	754	6	1.29%
Mt Bachelor	1,081	5	1.17%	756	5	1.15%
Sunriver Resort	900	6	0.98%	900	4	1.29%
City of Bend	717	7	0.78%	-	-	-
U.S Forest Service	615	8	0.67%	-	-	-
Bend Park and Rec District	591	9	0.64%	-	-	-
BASX Solutions	528	10	0.57%	-	-	-
IBEX	-	-	-	700	7	1.00%
Wal Mart	-	-	-	686	8	0.98%
COCC	-	-	-	650	9	0.93%
Bright Wood Corporation	-	-	-	646	10	0.92%
Total	12,538		13.58%	10,572		15.38%

Sources:
Economic Development for Central Oregon, Oregon Department of Education, Deschutes County Finance Department.

Administrative School District No. 1
Deschutes County, Oregon
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	2014	2015	2016	2017
Function:				
Regular instruction	662	685	736	754
Special programs including summer school	286	288	290	301
Student services	120	124	128	134
Instructional staff	48	51	53	55
General administration	2	2	2	2
School administration	111	115	127	119
Business, transportation and maintenance	211	210	218	230
Central activities	31	33	38	40
Food services	64	69	70	71
Other enterprise and community services	14	14	14	12
Facilities acquisition and construction	4	6	5	5
Total	1,553	1,597	1,681	1,723

Source:
Information was obtained from District's payroll records

Note:
FTE is as of June 1 and does not include vacant positions.

2018	2019	2020	2021	2022	2023
767	786	781	831	820	795
313	297	297	294	308	306
148	146	157	171	207	211
57	57	57	54	64	75
2	2	2	3	3	3
124	134	132	136	145	144
229	231	243	230	242	246
41	42	44	45	52	50
72	72	74	60	70	78
14	14	15	14	13	14
10	10	11	12	10	8
1,777	1,791	1,813	1,850	1,934	1,930

Administrative School District No. 1
Deschutes County, Oregon
Operating Indicators by Function
Last Ten Fiscal Years

	2014	2015	2016
Function:			
Instruction			
Enrollment	16,863	17,163	17,534
Transportation			
Number of buses	133	130	139
Miles driven per year	1,679,498	1,580,045	1,951,595
Cost per mile	$ 4.31	$ 4.54	$ 3.64
Students transported to school daily	5,361	4,705	4,595
Food services			
Free lunch participants	6,404	4,701	4,371
Reduced lunch participants	992	953	1,007
Percent free/reduced of total enrollment	44%	33%	31%

Source:
Information was obtained from the District's transportation and food service departments.

Note:
Enrollment is as of October 1 of each fiscal year
* Food Services - Since 2018 Four schools have been, and continue to be, Community Eligibility Provision school - no counts taken
* Food Services - Since 2021 Nine schools have been, and continue to be Community Eligibility Provision school - no counts taken
* Due to Covid-19, all students were eligible for free lunches in 2022 - sperate counts were not taken

2017	2018	2019	2020	2021	2022	2023
18,034	18,375	18,428	18,672	17,612	17,500	17,438
134	124	126	131	125	131	127
1,733,345	1,684,249	1,636,116	1,201,119	947,521	1,581,272	1,597,725
$ 4.31	$ 6.41	$ 6.60	$ 8.99	$ 11.39	$ 6.83	$ 6.76
4,945	5,216	5,395	6,100	2,021	3,138	4,031
4,034	3,949	4,159	4,317	3,113	N/A	2,464
1,002	1,081	1,218	1,037	316	N/A	576
28%	27%	29%	29%	19%	N/A	17%

Administrative School District No. 1
Deschutes County, Oregon
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
Instruction										
Number of elementary schools	17	17	18	18	18	18	19	19	19	19
Number of middle schools	5	5	7	7	7	7	7	7	7	7
Number of high schools	5	5	5	5	5	7	7	7	7	7
Elementary school enrollment	7,719	7,827	8,046	8,260	8,370	8,244	8,222	7,606	7,522	7490
Middle school enrollment	3,785	3,862	3,962	4,125	4,268	4,403	4,523	4,187	3,982	3876
High school enrollment	5,359	5,474	5,526	5,649	5,737	5,781	5,927	5,819	5,996	6072
General administration										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Business, transportation and maintenance										
Number of buildings	4	4	4	4	4	4	4	4	4	4

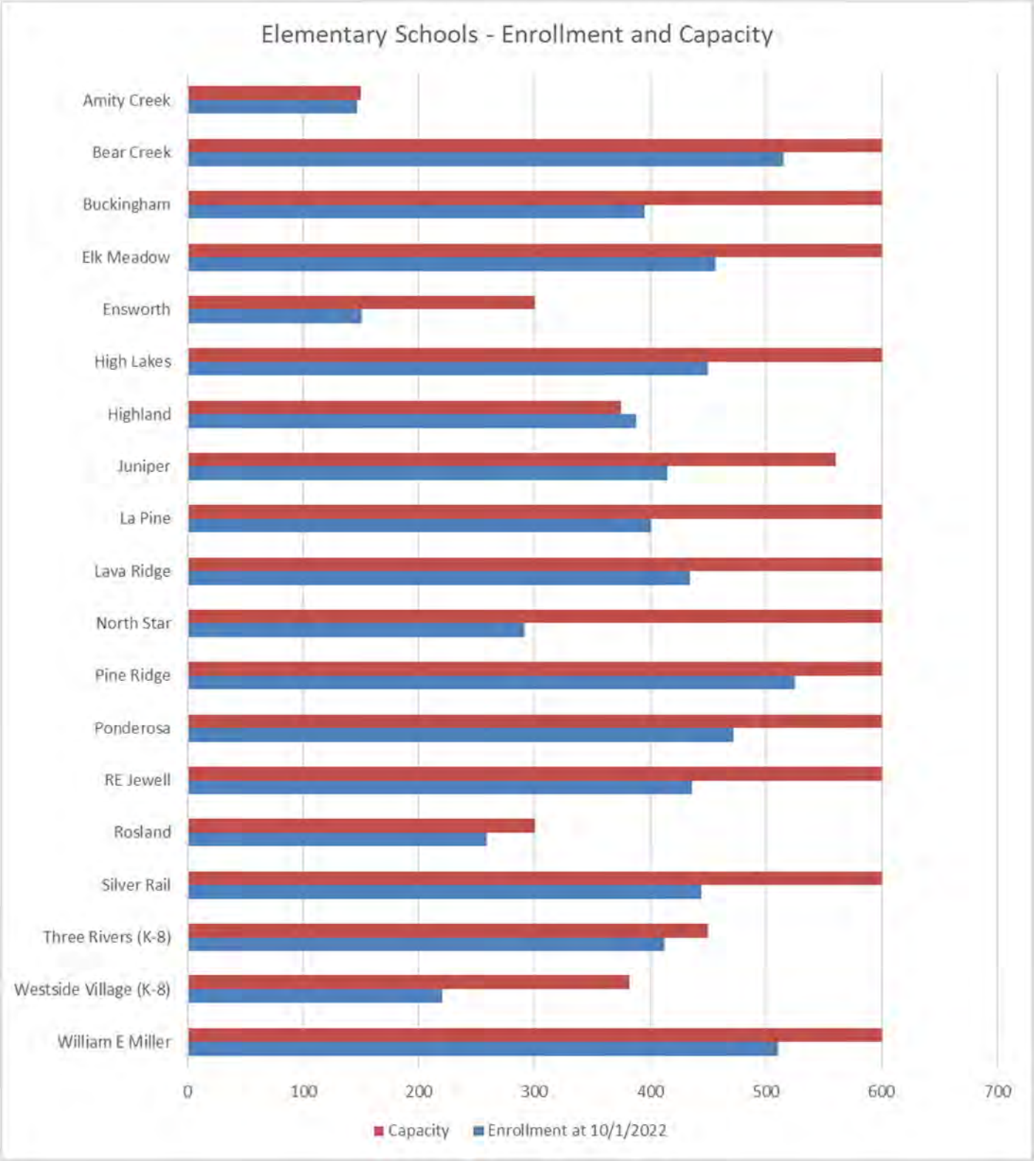
Source:
Information was obtained from the District's capital asset and student enrollment records.

Administrative School District No. 1
Deschutes County, Oregon
School Building Capacity and Enrollment
June 30, 2023

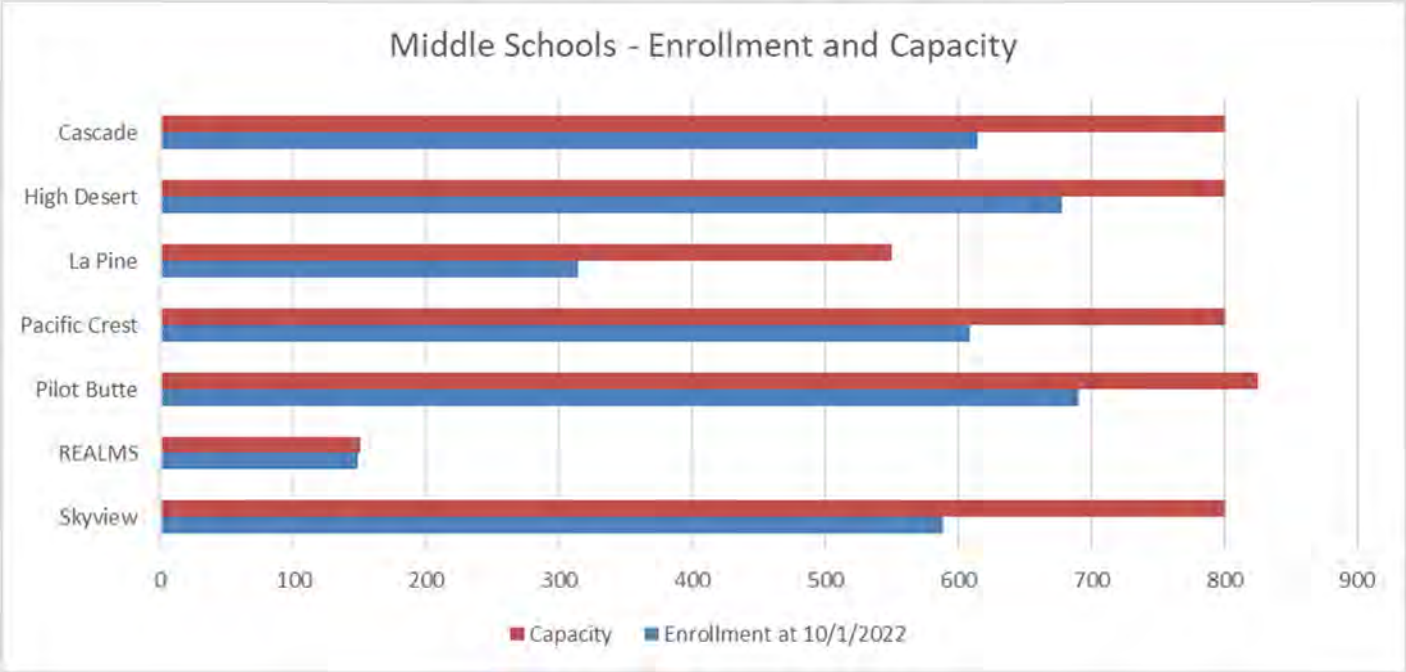
Building	Enrollment	Capacity Without Modular Classrooms	Percent of Capacity	Year of Building Construction
Elementary Schools				
Amity Creek	147	150	98%	1948
Bear Creek	515	600	86%	1963
Buckingham	395	600	66%	1980
Ensworth	151	300	50%	2005
Elk Meadow	456	600	76%	1993
Highland	388	375	103%	1918
High Lakes	450	600	75%	2000
RE Jewell	436	600	73%	1974
Juniper	415	560	74%	1965
La Pine	401	600	67%	1993
Lava Ridge	434	600	72%	1994
North Star	291	600	49%	2019
Pine Ridge	525	600	88%	2004
Ponderosa	472	600	79%	2008
Rosland	259	300	86%	2010
Silver Rail	444	600	74%	2015
Westside Village (K-8)	220	382	58%	1949
William E Miller	510	600	85%	2009
Three Rivers (K-8)	412	450	98%	1989
Total elementary schools	7,321	9,717	89%	
Middle Schools				
Cascade	614	800	77%	1978
High Desert	678	800	85%	1993
Pilot Butte	690	825	84%	1967
Pacific Crest	609	800	76%	2015
La Pine	314	550	57%	1978
REALMS	148	150	99%	1993
Skyview	588	800	85%	2000
Total middle schools	3,641	4,725	88%	
High Schools				
Bend	1,339	1,550	86%	1956
La Pine	467	550	85%	1961
Bend Tech Academy	125	200	63%	1948
Mountain View	1,221	1,500	81%	1978
REALMS	164	200	82%	1993
Caldera	942	1,500	63%	2021
Summit	1,444	1,500	103%	2000
Total high schools	5,702	7,000	99%	

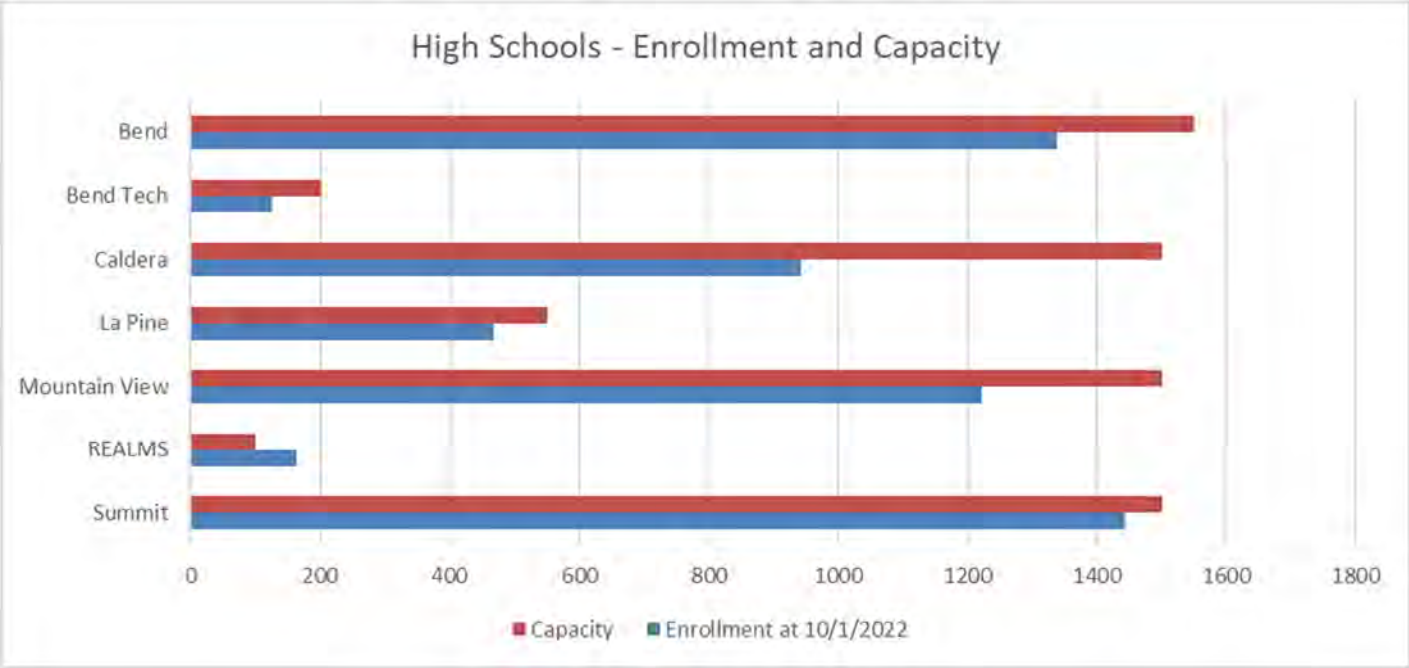
Note:
Enrollment is as of October 1, 2022
Many buildings have undergone remodels since original construction
Information obtained from District's student enrollment and capital asset records

Administrative School District No. 1
Deschutes County, Oregon
Elementary School Enrollment and Capacity
October 1, 2022



Administrative School District No. 1
Deschutes County, Oregon
Middle and High School Enrollment and Capacity
October 1, 2022





Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Auditor's Comments



"Children are the living messages we send to a time we will never see."

-Neil Postman

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Bend-La Pine Schools
Deschutes County, Oregon

We have audited the basic financial statements of the Bend-La Pine Schools, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2023 and have issued our report thereon dated December 12, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

- **Deposit of public funds with financial institutions**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Authorized investment of surplus funds**
- **Public contracts and purchasing**
- **Oregon state school fund factors**

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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



Brenda Bartlett, CPA
Sensiba LLP
Bend, Oregon

December 12, 2023

Grant Compliance



Independent Auditor's Report

The Board of Directors
Bend-La Pine Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of Bend-La Pine Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Bend-La Pine Schools' basic financial statements, and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brenda Bartlett

Sensiba LLP
Bend, Oregon

December 12, 2023

Independent Auditor's Report

Board of Directors
Bend-La Pine Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bend-La Pine Schools' 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 Bend-La Pine Schools' major federal programs for the year ended June 30, 2023. Bend-La Pine Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Bend-La Pine Schools 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 Bend-La Pine Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bend-La Pine Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bend-La Pine Schools' 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 Bend-La Pine Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Brenda Bartlett

Sensiba LLP
Bend, Oregon

December 12, 2023

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Agency	Pass Through Agency	Federal Program Title	Assistance Listing	Other Identification Number	From Direct Awards	From Pass Through Awards	Total Awards	Footnote
USDA	Oregon Dept. of Education	School Breakfast Program	10.553	902001	-	832,882	832,882	
		National School Lunch Program	10.555	902001	-	2,930,373	2,930,373	
		Food Distribution (Commodities)	10.555	902001	-	744,121	744,121	
		Commodities from Private Schools	10.555	n/a	-	22,728	22,728	
		Summer Food Service Program for Children	10.559	902001	-	74,514	74,514	
		Summer Food Service Program for Children	10.559	Health insp	-	2,058	2,058	
		Fresh Fruit and Vegetable Program	10.582	902001	-	196,973	196,973	
		Subtotal Child Nutrition Cluster			-	4,803,650	4,803,650	
		Child and Adult Care Food Program	10.558	902001	-	162,986	162,986	
	Deschutes County	Schools and Roads - Grants to States	10.665	n/a	-	160,982	160,982	
		Subtotal Forest Service Schools and Roads Cluster			-	160,982	160,982	
Total USDA					-	5,127,617	5,127,617	
							-	
Dept of Defense		National Junior ROTC	12.U01	n/a	107,254	-	107,254	
Dept of Homeland Secu	Oregon Military Dept	COVID-19 Disaster Grants - Public Assistance	97.036		-	466,870	466,870	
U.S. Dept of Education	Oregon Dept. of Education	Title I Grants to Local Education Agencies	84.010	66896	-	45	45	
		Title I Grants to Local Education Agencies	84.010	58215	-	12,391	12,391	
		Title I Grants to Local Education Agencies	84.010	72465		2,260,387	2,260,387	
		Title I Grants to Local Education Agencies	84.010	66925	-	311,129	311,129	
		Title I Grants to Local Education Agencies	84.010	73054	-	75,744	75,744	
		Title I Grants to Local Education Agencies	84.010	67939	-	194,385	194,385	
		Subtotal Title I			-	2,854,081	2,854,081	
		Special Education - Grants to States	84.027	75281	-	85,865	85,865	1
		Special Education - Grants to States	84.027	73970		2,694,830	2,694,830	1
		Special Education - Grants to States	84.027	68574	-	42,655	42,655	1
		COVID 19 Special Education - Grants to States	84.027	68325	-	755,714	755,714	1
		Subtotal Special Education - Grants to States			-	3,579,065	3,579,065	
		Special Education - Preschool Grants	84.173	68864	-	17,329	17,329	1
		COVID 19 Special Education - Preschool Grants	84.173	69108	-	16,472	16,472	1
		Special Education - Preschool Grants	84.173	74166	-	13,137	13,137	1
		Subtotal Special Education Cluster (IDEA)			-	3,626,003	3,626,003	
		English Language Acquisition State Grants	84.365	58455	-	1,071	1,071	
		English Language Acquisition State Grants	84.365	73066		103,833	103,833	
		English Language Acquisition State Grants	84.365	67107	-	8,294	8,294	
		Subtotal English Language Acquisition State Grants			-	113,198	113,198	
		Supporting Effective Instruction	84.367	58713	-	51,639	51,639	1
		Supporting Effective Instruction	84.367	67358	-	97,014	97,014	1
		Supporting Effective Instruction	84.367	72662		436,233	436,233	1
		Subtotal Supporting Effective Instruction			-	584,886	584,886	
		Student Support and Academic Enrichment	84.424	72859		145,733	145,733	
		Student Support and Academic Enrichment	84.424	66714	-	77,386	77,386	
		Student Support and Academic Enrichment	84.424	58532	-	24,740	24,740	
		Subtotal Student Support and Academic Enrichment			-	247,859	247,859	
		COVID-19 Education Stabilization Fund	84.425D	64532	-	2,135,625	2,135,625	1
		COVID-19 Education Stabilization Fund	84.425U	64789	-	27,546	27,546	1
		COVID-19 Education Stabilization Fund	84.425U	69320	-	77,444	77,444	1
		COVID-19 Education Stabilization Fund	84.425U	64837	-	3,996,436	3,996,436	1
		Subtotal Education Stabilization Fund			-	6,237,051	6,237,051	
		Total Passed Through Oregon Department of Education			-	13,663,079	13,663,079	
	High Desert ESD	Career and Technical Education - Basic Grants to States	84.048	n/a	-	8,166	8,166	
		Education for Homeless Children and Youth	84.196	n/a	-	17,109	17,109	
		Total Passed Through High Desert ESD			-	25,275	25,275	
	Dept of Human Services	Special Education - State Vocational Rehabilitation	84.126A	n/a	-	65,777	65,777	
Total US Dept of Education					-	13,754,132	13,754,132	
US Dept of Health and Human Services	Oregon Dept. of Education	Foster Care Transportation	93.658	57108	-	17,649	17,649	
Federal Communications Commision		COVID-19 Emergency Connectivity Fund	32.009		-	27,835	27,835	
Total Federal Financial Assistance					107,254	19,394,103	19,501,357	

(1) Audited as major programs

Administrative School District No. 1
Deschutes County, Oregon
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Significant Accounting Policies

Note A - Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Bend-La Pine Schools (the District). The information in this schedule is prepared in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended and does not present the financial position or changes in net position of the District.

Note B – Summary of Significant Accounting Policies

Basis of Presentation - Expenditures on the SEFA are reported on the modified accrual basis of accounting. Under a modified accrual basis, revenues are recorded when measurable and available, or in the case of grants where the expenditure is the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred. Such expenditures are recognized using the Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance, and is instead using the indirect rate approved by the Oregon Department of Education based on actual District expenses in the prior year. For the fiscal year ending June 30, 2023, the indirect rate used was 3.97%.

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

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

Note C – Child Nutrition Cluster

The District commingles cash receipts from the US Department of Agriculture with similar state grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first. The District reports commodities consumed on the Schedule at fair value.

BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	N/A

Identification of major federal programs:

Assistance Listing No.	Name of Federal Program or Cluster
84.425d, 84.425u	Elementary and Secondary School Emergency Relief Fund
84.367	Title IIA
84.027,84.173	Special Education cluster- IDEA Program

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	No

BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

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Summary Schedule of Prior Audit Findings
For the year ended June 30, 2023

Status of Prior Year Findings Relating to Financial Statements

Finding 2022-01

Audit finding – Construction related expenditures were understated due to recording contractor draw request in the subsequent year.

Recommendation – The District should implement additional cut off procedures as a part of the year end process, including review of current year accruals and subsequent year accounts payable aging schedule.

Management response – Additional cutoff testing processes were implemented as a part of the year end processing and the construction pay application process was changed to provide more information. An audit step to catch any similar issues was also added.

Current status – This finding has been corrected.

Status of Prior Year Findings and Questioned Costs Relating to Federal Awards

Finding 2022-02 – Emergency Connectivity Fund – CFDA 32.009; Award ID ECF202115047

Audit finding – Reimbursement claims were submitted for technology purchases made outside of the award year.

Recommendation – The District should require documentation to substantiate the actual date of receipt.

Management response – Additional cutoff testing processes were implemented as a part of the year end processing and staff received additional cutoff testing training. The delivery location for all future technology purchases was moved to the IT Department to ensure appropriate dates and documentation.

Current status – This finding has been corrected.

Finding 2022-03 – Emergency Connectivity Fund – CFDA 32.009; Award ID ECF202115047

Auditing finding – Internal controls over compliance were not effective.

Recommendation – The District should require documentation to substantiate the actual date of receipt.

Management response – Additional cutoff testing processes were implemented as a part of the year end processing and staff received additional cutoff testing training. The delivery location for all future technology purchases was moved to the IT Department to ensure appropriate dates and documentation.

Current status – This finding has been corrected.

We would like to take this opportunity to express our appreciation for all of the efforts of these staff members who assisted in the preparation of this Annual Comprehensive Financial Report: Kristi Scheiderman, Lead Accountant; Matt Gayman, Lead Accountant; Michael Asher, Graphic Designer; and Nick Shein, Accounting Services Manager.

We would also like to recognize the following Business Office staff for their indirect support of the financial reporting process and year round support of District finances: Amy Coronado, Amy Michalski, Brenda Spreier, GraceAnne McJunkin, Jenny Ostrom, Kate Pardo, Lauren Kuhnke, Melinda Kruse, Miriam Dunn, Nicole Olson, Robin Carlson, and Sarah Tucker.

The Finance Team

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS