Annual Comprehensive Financial Report

For Fiscal Year Ended June 30th, 2022



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, 2022

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



"If you're not willing to learn, no one can help you. If you are determined to learn, no one can stop you."

-Zig Ziglar

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

December 13, 2022

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, 2022. 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 San Filipo (SSF), issued an unmodified (“clean”) opinion on Bend-La Pine Schools’ financial statements for the year ended June 30, 2022. SSF’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, 2022 can be found in the Audit Comments and Disclosures Section of this report.

Management’s discussion and analysis (MD&A) immediately follows SSF’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 17,440 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 $211 million operating budget focused on people. We celebrate an award-winning staff of over 2100, 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, and community engagement.

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 2022, 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. 338 of these students earned honors diplomas, 29 earned the Seal of Biliteracy, and 28 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

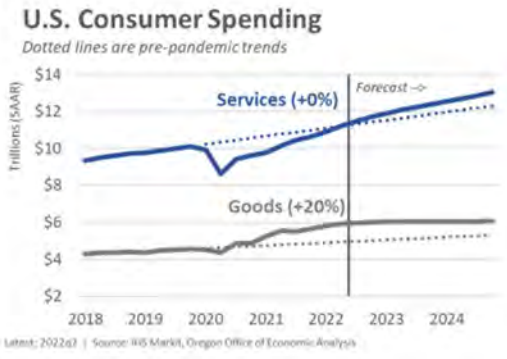
Bend-La Pine Schools is located entirely within Deschutes County. Deschutes County is the most populous county in the eastern part of Oregon with a 2021 population of approximately 204,800 people. With its varied topography, tourism is one of Deschutes County largest economic sectors. The Mount Bachelor 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 FY2021-22, 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; Bright Wood Corporation, one of the world’s largest manufacturers of wood components and millwork; Sunriver Resort, a prime Central Oregon destination; 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 2022 Oregon Economic and Revenue Forecast economists are on a recession watch given the combination of slower economic growth, high inflation, and rising interest rates. Most importantly, right now the fundamental indicators of economic health are still positive. Employment and industrial production are growing, and the main indicators used by the National Bureau of Economic Research (NBER) do not support the worry that the U.S economy is currently in a recession. However, most financial advisors believe the risks of a recession are real. It is still uncertain the extent of the potential economic impact of a recession.

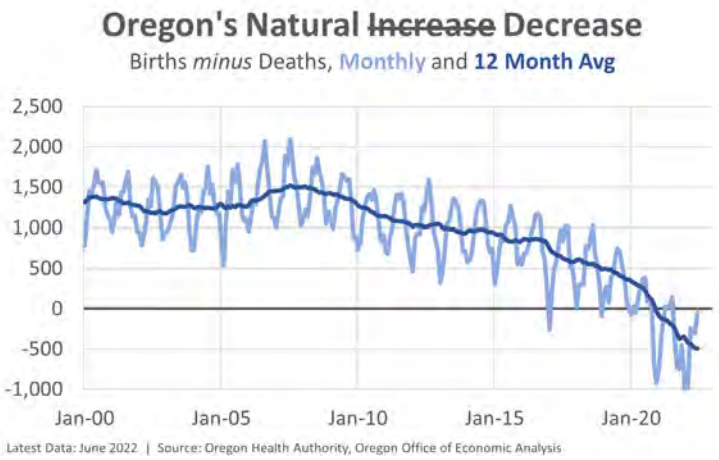
With all the turmoil of the last two and a half years, it is easy to lose sight of the fact that incomes are higher today than they were expected to be in pre-pandemic forecasts. All told, incomes continue to grow and consumer spending is still increasing, it is hard for an economy to fall into recession when both of these are occurring.





However, inflation has accelerated and remains more persistent than anticipated. Should inflation not subside as expected, the potential for a deeper and longer-lasting recession could become the more likely outcome.

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 have increased 5 percent over the last 10 years, and an additional 5 percent in 2021 alone. 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 FY2022-23 projected enrollment for Bend-La Pine Schools is 17,552, a slight increase of 52 students compared with enrollment of 17,500 on October 1, 2021. 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 FY2021-22 ending fund balance in the General Fund Operations subfund is almost $17.2 million, which is approximately $7.5 million more than the budgeted $9.7 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 this year. 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.



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 FY2021-22 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 FY2021-22 ending fund balance for the General Fund Operations subfund is almost $17.2 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, 2022 our net bonded debt is approximately $2.8 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, 2021. 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 38 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.

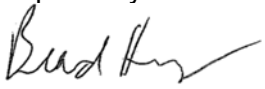
GFOA Certificate of Achievement of Excellence

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, 2021. 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 39 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, 2021.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

William A. Sutter
President

David J. Lewis
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

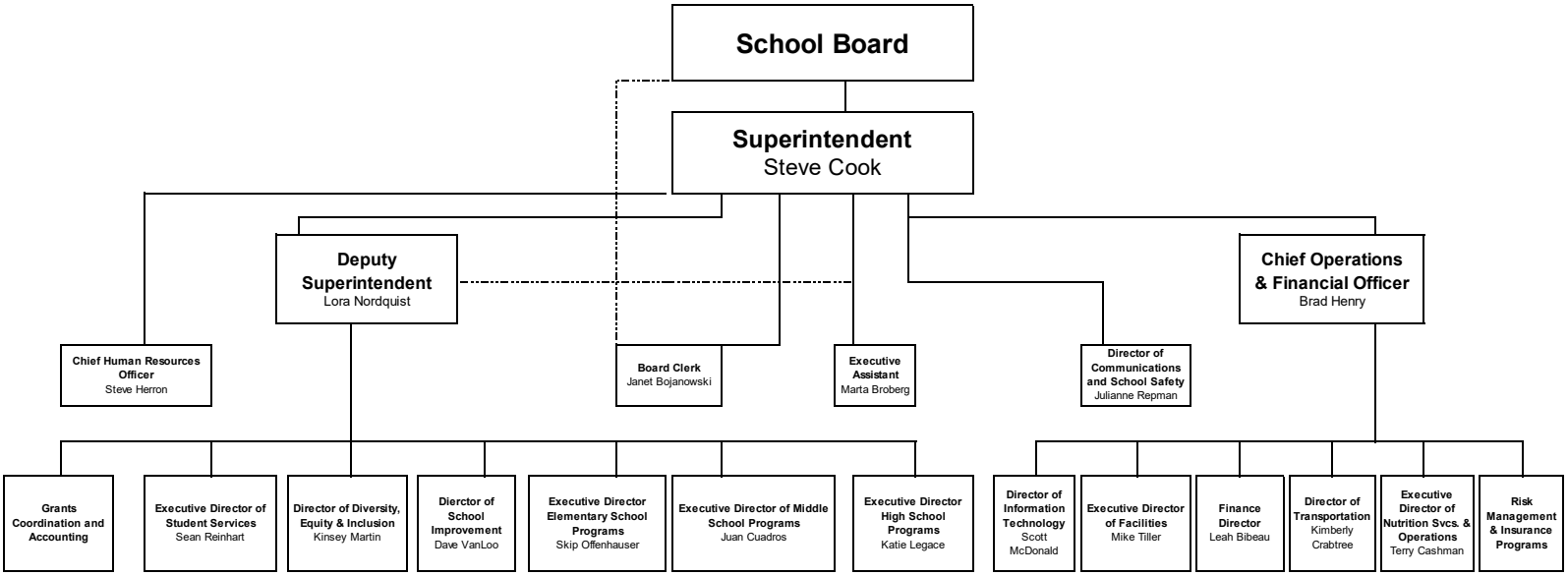
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021



Executive Director/CEO

Administrative School District No. 1
Deschutes County, Oregon
Organizational Chart
June 30, 2022



Administrative School District No. 1
Deschutes County, Oregon
Principal Officials
June 30, 2022

BOARD OF DIRECTORS

	Term Expires
Melissa Barnes Dholakia – Chair Bend, Oregon	June 30, 2023
Marcus LeGrand – Vice Chair Bend, Oregon	June 30, 2025
Carrie McPherson Douglass Bend, Oregon	June 30, 2022
Shimiko Montgomery Bend, Oregon	June 30, 2023
Shirley Olson Sunriver, Oregon	June 30, 2025
Amy Tatom Bend, Oregon	June 30, 2023
Janet Sarai Llerandi Gonzalez Bend, 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



"The content of a book holds the power of education and it is with this power that we can shape our future and change lives."

-Malala Yousafza

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BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

SENSIBA SAN FILIPPO LLP

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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, 2022, 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, 2022, 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 subfunds; combining schedule of revenue, expenditures and changes in fund balance general fund subfunds; budgetary schedules for the general fund subfunds, 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 13, 2022 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 13, 2022 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.



Sensiba San Filippo, LLP
Bend, Oregon

December 13, 2022

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, 2022. 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 FY2021-22 are as follows:

- The District's net position of governmental activities increased by $32.1 million, which represents a 62 percent increase from FY2020-21.

- For governmental activities, general revenues accounted for $234.3 million, 81.7 percent of total revenues of $286.9 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for $52.7 million, 18.4 percent of total revenues.

- The District had $254.8 million in expenses related to governmental activities; only $52.7 million was offset by program specific charges for services, grants or contributions. General revenues of $234.3 million were adequate to provide for the governmental activities of the District.

- The District's net proportionate share of the Oregon PERS pension liability decreased by $97.4 million.

- At the end of FY2021-22, the District's governmental funds reported a combined fund balance of $68.5 million, a decrease of $28.4 million from FY2020-21, mainly the result of converting cash into buildings and improvements.

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 FY2021-22. 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 77 and 78. Budgetary comparisons for the Debt Service Fund and Capital Projects Fund funds have been provided as supplementary information on pages 97 and 98. The District was fully compliant with Oregon Budget Law in FY2021-22.

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 $84 million at the close of the fiscal year ending June 30, 2022, an increase of $32.1 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, 2022 this portion of the net position is positive which indicates the District has $224 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 86 percent of total assets. This percentage increased over the last two years as a result of the capital construction program supported by the $268 million general obligation bond approved by voters in May 2017. Information on capital asset activities is presented on page 41.

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 19 percent of total liabilities. Together the long-term debt and net pension liability represent 88 percent of total liabilities. Current liabilities, representing about 10 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 64-67.

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, 2022 and June 30, 2021.

	Governmental Activities		
	2022	2021	Change
Capital assets	$ 569,836,000	$ 547,394,000	$ 22,442,000
Current and other assets	93,108,000	130,565,000	(37,457,000)
Total assets	662,944,000	677,959,000	(15,015,000)
Deferred outflow of resources	70,484,000	71,713,000	(1,229,000)
Long-term liabilities	535,252,000	657,850,000	(122,598,000)
Current liabilities	20,423,000	29,397,000	(8,974,000)
Total liabilities	555,675,000	687,247,000	(131,572,000)
Pension deferrals - inflows	93,643,000	10,449,000	83,194,000
Net Position			
Net investment in capital assets	223,516,000	191,764,000	31,752,000
Restricted	21,341,000	19,052,000	2,289,000
Unrestricted	(160,747,000)	(158,840,000)	(1,907,000)
Total net position	$ 84,110,000	$ 51,976,000	$ 32,134,000

Rounded to nearest thousand

Governmental Activities

The District's net position increased by approximately $32.1 million in FY2021-22. Capital assets increased by $22.4 million and changes in pension related liabilities, deferred inflows and deferred outflows decreased net position by $5.9 million. There was a net decrease in the restriction for capital projects of approximately $893,000.

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 FY2021-22 and FY2020-21.

Changes in Net Position, Fiscal Year Ended June 30

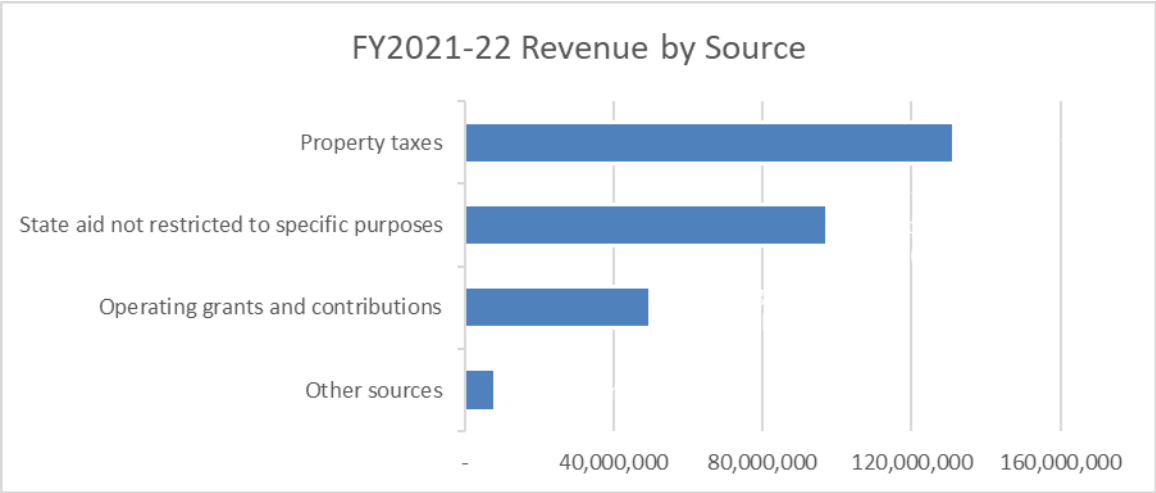
	Governmental Activities		
	2022	2021	Change
Revenues			
Programs revenues			
Charges for services	$ 1,919,000	$ 845,000	$ 1,074,000
Operating grants and contributions	49,933,000	40,577,000	9,356,000
Capital grants and contributions	815,000	792,000	23,000
General revenues			
Property taxes	131,384,000	124,734,000	6,650,000
Federal aid not restricted to specific purposes	442,000	167,000	275,000
State aid not restricted to specific purposes	97,396,000	103,024,000	(5,628,000)
Intermediate aid not restricted to specific purpo	2,324,000	2,529,000	(205,000)
Earnings on investments	549,000	400,000	149,000
Other local revenue	2,180,000	1,497,000	683,000
Total Revenues	286,942,000	274,565,000	12,377,000
Expenses			
Instruction	146,397,000	158,447,000	(12,050,000)
Support services	88,840,000	84,467,000	4,373,000
Enterprise and community services	10,695,000	9,716,000	979,000
Interest on long-term liabilities	8,876,000	16,681,000	(7,805,000)
Total Expenses	254,808,000	269,311,000	(14,503,000)
Changes in net position	32,134,000	5,254,000	26,880,000
Net position	51,976,000	46,722,000	5,254,000
Net position June 30	$ 84,110,000	$ 51,976,000	$ 32,134,000

Rounded to nearest thousand

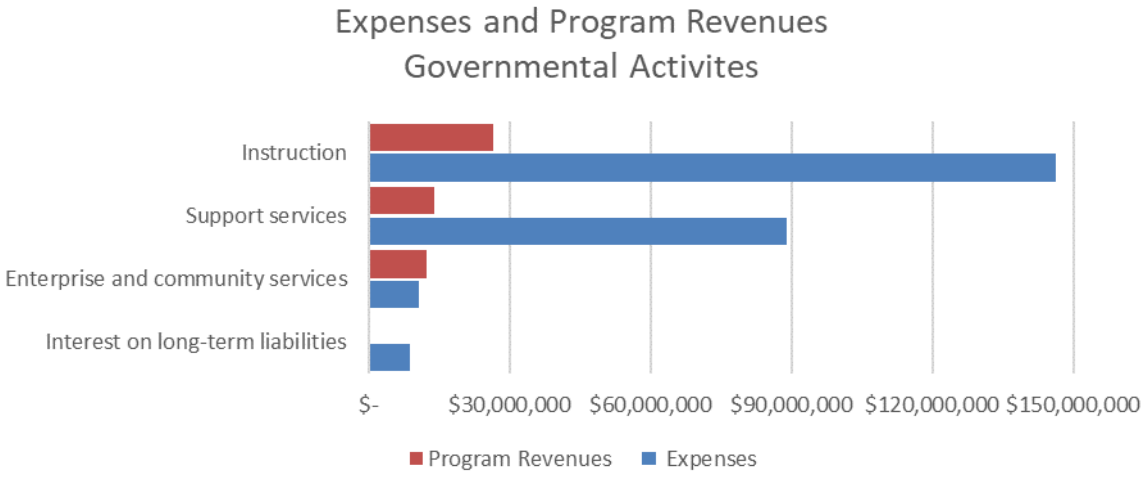
The increase in property taxes is the result of the increase in assessed values in Deschutes County. The decrease in State aid not restricted to specific purposes is a reflection of the reduction in the District's proportional share of the State School fund.

Net position of the District's governmental activities increased by $32.1 million. Total governmental expenses of $254.8 million were offset by program revenues of $52.7 million and general revenues of $234.3 million. Program revenues supported about 15 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 $228.8 million and represent 80 percent of total governmental revenue.



Overall expenses decreased by $14.5 million or about 5.4 percent. This decrease was primarily the result of decreases to classroom instruction and interest on long-term liabilities. The decrease in classroom instruction was primarily due to a decrease in enrollment, which resulted in a decrease in costs. The decrease in interest on long-term liabilities was the result of savings from a refunding of the 2013 issue of general obligation bonds.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a FY2021-22 combined fund balance of $68.5 million, a decrease of $28.4 million compared with the FY2020-21 combined fund balance of $96.8 million. The decrease in the combined fund balance is primarily the result of converting cash into buildings and improvements. The following schedule shows the fund balance and change in fund balance as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change	Percentage Change from June 30, 2021
General	28,574,000	29,790,000	(1,216,000)	-4%
Special Revenue	13,363,000	11,229,000	2,134,000	19%
Debt Service	4,662,000	4,694,000	(32,000)	-1%
Capital Projects	21,857,000	51,115,000	(29,258,000)	-57%
Total fund balances	68,456,000	96,828,000	(28,372,000)	-29%

Rounded to nearest thousand

General Fund
The District's general fund balance decreased by $1.2 million. The decrease is primarily attributable to a decrease in the State School Fund Formula revenues.

The following table summarizes the revenues and expenditures for FY2021-22 and FY2020-21:

	FY2021-22	FY2020-21	Percentage change
Revenues			
Property taxes	$ 93,689,000	$ 89,158,000	5.08%
Tuition	18,000	25,000	-28.00%
Investment earnings	356,000	387,000	-8.01%
Other local sources	5,586,000	3,475,000	60.75%
Intermediate sources	2,324,000	2,529,000	-8.11%
State sources:	90,964,000	95,459,000	-4.71%
Federal grant sources	451,000	185,000	143.78%
Other financing sources	166,000	18,000	822.22%
Total revenues & other financing sources	$ 193,554,000	$ 191,236,000	1.21%
Expenditures by function			
Instruction	$ 117,339,000	$ 114,170,000	2.78%
Support services	73,025,000	66,305,000	10.13%
Community services	362,000	278,000	30.22%
Debt Service	1,324,000	677,000	95.57%
Capital outlay	2,721,000	2,903,000	-6.27%
Other financing uses	-	1,000,000	-100.00%
Total expenditures & other financing uses by function	$ 194,771,000	$ 185,333,000	5.09%

Rounded to nearest thousand

The increase in property taxes reflects the growth in assessed valuation in Deschutes County. Investment earnings have declined, mainly the result of converting cash into buildings and improvements. The decrease in State sources is primarily a result of this being the first year of the biennium where state funding is paid out at 49% of the biennial budget.

The largest expenditure line items, instruction and support services, increased over FY2020-21. 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.
The original adopted budget amount for FY2021-22 was $377 million. In June 2022 a resolution was passed to transfer $1.5 million of general fund appropriations between categories. This transfer was necessary to properly align the budget and actuals due to a change in the reporting of lease payments as required by the Government Accounting and Standards Board. There was no change to the total approved budget.

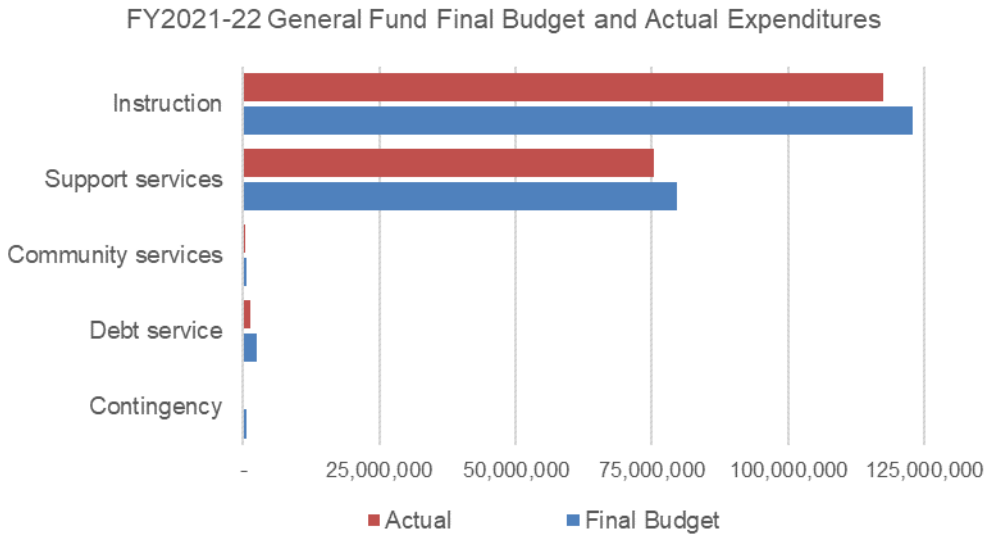
Final budget compared to actual results.
The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Revenues - Final Budget	Actual Revenues	Difference	Difference from Final Budget
Property taxes	$ 93,190,000	$ 93,689,000	$ 499,000	1%
Tuition	-	18,000	18,000	0%
Investment earnings	312,000	356,000	44,000	14%
Other local sources	7,255,000	5,586,000	(1,669,000)	-23%
Intermediate sources	2,390,000	2,324,000	(66,000)	-3%
State sources	92,913,000	90,964,000	(1,949,000)	-2%
Federal sources	160,000	451,000	291,000	182%
Total revenues	196,220,000	193,388,000	(2,832,000)	-1%

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 difference in local sources reflects a lower than anticipated eRate reimbursement. 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. Costs for supplies and materials were under budget due to supply chain issues.



Special Revenue Fund

The District's special revenue fund balance increased over the 2020-21 school year by $2.1 million dollars. The following table summarizes the revenues and expenditures for FY2021-22 and FY2020-21.

	FY2021-22	FY2020-21	Percentage change
Revenues			
Investment earnings	$ 30,000	$ 22,000	36.36%
Food Service	224,000	23,000	873.91%
Other local sources	4,646,000	3,923,000	18.43%
Intermediate sources	395,000	395,000	0.00%
State sources:	22,043,000	11,581,000	90.34%
Federal grant sources	22,287,000	24,166,000	-7.78%
Total revenues & other financing sources	$ 49,625,000	$ 40,110,000	23.72%
Expenditures by function			
Instruction	$ 21,802,000	$ 17,441,000	25.00%
Support services	14,132,000	8,992,000	57.16%
Community services	10,463,000	8,764,000	19.39%
Capital outlay	554,000	1,611,000	-65.61%
Other financing uses	540,000	500,000	8.00%
Total expenditures & other financing uses by function	$ 47,491,000	$ 37,308,000	27.29%

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, 2022, the District had total debt outstanding of $394.3 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 FY2021-22, the District's total debt decreased by $25.9 million as a result of scheduled debt service payments applied to outstanding principal.

The debt service fund had $45.9 million in revenues and $44.5 million in expenditures for regularly scheduled debt service payments. Overall fund balance decreased by approximately $31,000. In FY2021-22 the district also completed refunding of our 2013 general obligation bond and 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.

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

	Governmental Activities		
	FY2021-22	FY2020-21	Change
General obligation bonds	$ 347,720,000	$ 366,995,000	$ (19,275,000)
Limited tax pension obligation bo	43,475,000	48,904,000	(5,429,000)
Full faith and credit bonds	1,095,000	1,650,000	(555,000)
Notes payable	1,973,000	2,580,000	(607,000)
Total outstanding debt	$ 394,263,000	$ 420,129,000	$ (25,866,000)

Rounded to nearest thousand

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 March 2021, Moody's confirmed the District's Aa2 bond rating in its Issuer Comment 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 $3.2 billion and the District is well within this limit. The current legal debt margin is approximately $2.8 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 decreased by $29.3 million due to continued expenditure of general obligation debt issued in FY2019-20 and FY2017-18. The following table summarizes the revenues and expenditures for FY2021-22 and FY2020-21.

	FY2021-22	FY2020-21	Percentage change
Revenues			
Investment earnings	$ 95,000	$ (71,000)	-233.80%
Other local sources	72,000	181,000	-60.22%
Federal grant sources	-	-	100.00%
Proceeds from insurance	-	-	0.00%
General obligation debt issued	-	-	0.00%
Premium from general obligation debt	-	-	0.00%
Other financing sources	596,000	816,000	-26.96%
Total revenues & other financing sources	$ 763,000	$ 926,000	-17.60%
Expenditures by function			
Facilities acquisition & construction	$ 1,510,000	$ 1,832,000	-17.58%
Capital outlay	28,510,000	93,208,000	-69.41%
Total expenditures by function	$ 30,020,000	$ 95,040,000	-68.41%

Rounded to nearest thousand

Net capital assets increased by $22.4 million in FY2021-22. See Note "D" on page 41 in the basic financial statements for further details on the District's capital assets. Major capital asset events during the FY2021-22 included the following:

- Caldera High School –Opened for students in the fall of 2021. Caldera High School is a two-story school that includes nearly 60 classrooms, a 600-seat auditorium and a library as a central focal point of the school.
- Bear Creek Elementary School – Secure entry, new cafeteria, upgrade climate controls and HVAC system, replace windows, and drainage improvements throughout the property.
- RE Jewell Elementary School – New kitchen and cafeteria, upgrade climate controls and HVAC system, and new gym floor.

Economic Factors and FY2022-23 Budgets and Rates

The following economic factors currently affect the District and were considered in developing the FY2022-23 budget.

- FY2022-23 is the second year of the 2021-23 biennium. The operating budget was based a state funding level of $9.3 billion with a 49/51 split between the first and second year of the biennium.
- The FY2022-23 ending fund balance for General Fund Operations was budgeted at 5 percent of revenues.
- Student enrollment was projected to be 17,552, an increase of 52 students compared with the

October 1, 2021 enrollment of 17,500.

- Funding from the State School Fund was estimated to be $196.8 million.
- FY2022-23 salary schedules increased by 3.25 and 3 percent respectively for our Certified and Classified staff, while the district's contribution to health insurance increased by $40 and $70 per month respectively for our Certified and Classified staff.
- FY2022-23 PERS employer rates are 14.99 percent for OPSRP and 18.1 percent for Tier1/Tier2 members.
- The District completed negotiating new agreements for wages and benefits with all of the employee groups in 2021.
- 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 FY2022-23 the District expects to receive $13.8 million from the Student Success Act.

New Accounting Standards Implemented

The District implemented GASB Statement No. 87, Leases during FY2021-22.

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, 2022

	Governmental Activities
	2022
Assets:	
Cash and investments	$ 74,574,891
Property taxes receivable	2,603,157
Accounts and other receivables	2,438,393
Intergovernmental receivables	8,791,795
Prepaid items	1,367,414
Inventories	605,523
Net OPEB RHIA asset	2,727,253
Capital assets, net of amortization and depreciation	
Land	35,947,289
Construction in progress	44,143,716
Site improvements	14,035,316
Buildings and improvements	457,339,588
Vehicles and equipment	12,364,821
Leased buildings	5,889,770
Leased equipment	114,965
Total assets	662,943,891
Deferred outflow of resources:	
Pension related deferred outflows	58,458,061
OPEB - implicit subsidy deferred outflows	619,390
OPEB - RHI deferred outflows	1,021,170
Deferred charges on advanced refunding	10,385,699
Total deferred outflows of resources	70,484,320
Liabilities	
Accounts payable	4,217,339
Accrued payroll and related charges	14,967,327
Accrued interest	484,413
Unearned revenue	98,166
Retainage payable	655,923
Claims and judgements due within one year	220,020
Long-term liabilities due within one year	35,126,512
Accrued compensated absences	35,770
Noncurrent liabilities due in more than one year	
Net pension liability	106,176,637
Other postemployment benefits, implicit rate subsidy	8,763,022
Claims and judgements due in more than one year	220,020
Long-term liabilities due in more than one year	384,710,344
Total liabilities	555,675,493
Deferred inflows of resources:	
PERS deferred inflows	89,853,728
OPEB - RHI deferred inflows	1,086,900
OPEB - implicit subsidy deferred inflows	2,544,986
Leases deferred inflows	157,585
Total deferred inflows of resources	93,643,199
Net investment in capital assets	223,516,283
Restricted for:	
Transportation	1,484,951
Federal, state, and private grants	7,207,911
Energy efficency program	1,419,467
Debt service	4,662,158
Capital projects	6,565,808
Unrestricted	(160,747,059)
Total net position	$ 84,109,519

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, 2022

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 2022
Governmental Activities					
Instruction					
Regular instruction	$ 110,115,858	$ 588,388	$ 17,937,129	$ -	$ (91,590,341)
Special programs including summer school	36,281,477	-	7,878,939	-	(28,402,538)
Total direct classroom services	146,397,335	588,388	25,816,068	-	(119,992,879)
Support Services					
Students	20,705,358	-	4,498,691	-	(16,206,667)
Instructional staff	9,031,583	-	2,100,528	-	(6,931,055)
General administration	909,078	-	-	-	(909,078)
School administration	13,989,109	-	-	-	(13,989,109)
Business, transportation and maintenance	31,821,331	842,400	1,577,560	814,814	(28,586,557)
Central activities	12,349,292	-	4,051,666	-	(8,297,626)
Supplemental retirement program	33,556	-	-	-	(33,556)
Total classroom support services	88,839,307	842,400	12,228,445	814,814	(74,953,648)
Enterprise and Community Services					
Food services	8,835,793	224,090	10,866,289	-	2,254,586
Other enterprise and community services	1,859,358	263,742	1,022,222	-	(573,394)
Total enterprise and community services	10,695,151	487,832	11,888,511	-	1,681,192
Unallocated interest expense	8,875,840	-	-	-	(8,875,840)
Total school district	$ 254,807,633	$ 1,918,620	$ 49,933,024	$ 814,814	(202,141,175)
	General revenues:				
	Property taxes levied for general purposes				93,724,829
	Property taxes levied for debt service				37,659,298
	Federal aid not restricted to specific purposes				441,794
	State aid not restricted to specific purposes				97,395,640
	Intermediate aid not restricted to specific purposes				2,324,042
	Earnings on investments				549,175
	Other local revenue				2,137,059
	Gain on sale of capital assets				40,865
	Restitution				1,583
	Total general revenues				234,274,285
	Change in net position				32,133,110
	Net position - beginning				51,976,409
	Net position - ending				$ 84,109,519

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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Assets					
Cash and investments	$ 40,600,795	$ 5,845,874	$ 4,439,741	$ 23,688,481	$ 74,574,891
Receivables:					
Property taxes	1,856,732	-	746,425	-	2,603,157
Accounts and other receivables	389,464	2,048,929	-	-	2,438,393
Intergovernmental receivables	1,061,256	7,730,539	-	-	8,791,795
Prepaid items	1,327,414	40,000	-	-	1,367,414
Inventories	190,142	415,381	-	-	605,523
Total assets	$ 45,425,803	$ 16,080,723	$ 5,186,166	$ 23,688,481	$ 90,381,173
Liabilities, deferred inflows and fund balances					
Liabilities					
Accounts and interest payable	$ 2,698,945	$ 400,208	$ -	$ 1,118,186	$ 4,217,339
Accrued payroll and related charges	12,691,040	2,219,018	-	57,269	14,967,327
Unearned revenue	-	98,166	-	-	98,166
Retainage payable	-	-	-	655,923	655,923
Total liabilities	15,389,985	2,717,392	-	1,831,378	19,938,755
Deferred inflows of resources					
Leases deferred inflows	157,585	-	-	-	157,585
Unavailable revenue - property taxes	1,304,224	-	524,008	-	1,828,232
Total deferred inflows of resources	1,461,809	-	524,008	-	1,985,817
Fund balances					
Nonspendable	1,517,556	455,381	-	-	1,972,937
Restricted	1,484,951	8,627,379	4,662,158	21,857,103	36,631,591
Assigned	19,991,056	4,280,571	-	-	24,271,627
Unassigned	5,580,446	-	-	-	5,580,446
Total fund balances	28,574,009	13,363,331	4,662,158	21,857,103	68,456,601
Total liabilities, deferred inflows and fund balances	$ 45,425,803	$ 16,080,723	$ 5,186,166	$ 23,688,481	$ 90,381,173

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, 2022

Total fund balances, June 30, 2022 (page 22)		$ 68,456,601
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 774,261,457	
Accumulated depreciation and amortization	(204,425,992)	569,835,465
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	$ 58,458,061	
Deferred outflows of resources related to OPEB Implicit	619,390	
Deferred outflow of resources related to OPEB - RHI	1,021,170	
Deferred inflow of resources related to pensions	(89,853,728)	
Deferred inflow of resources related to OPEB - RHI	(1,086,900)	
Deferred inflow of resources related to OPEB Implicit	(2,544,986)	(33,386,993)
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.		1,828,232
Net OPEB-RHIA asset reported in the government wide statement of net position		2,727,253
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	$ (1,973,000)	
Accrued interest payable	(484,413)	
Bonds payable	(392,290,480)	
Proportionate share of the PERS net pension liability	(106,176,637)	
Net OPEB obligation-implicit rate subsidy	(8,763,022)	
Lease liability	(6,177,762)	
Compensated absences	(35,770)	
Accrued claims and judgments	(440,040)	
Early retirement benefits payable	(18,815)	(516,359,939)
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	$ (19,376,799)	
Deferred outflow on refunding	10,385,699	(8,991,100)
Total net position (page 20)		$ 84,109,519

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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Revenues					
Property taxes	$ 93,688,922	$ -	$ 37,659,298	$ -	$ 131,348,220
Tuition	17,664	-	-	-	17,664
Investment earnings	356,189	30,442	67,346	95,198	549,175
Other local sources:					
Food services	-	224,090	-	-	224,090
Print shop	824,735	-	-	-	824,735
Indirect costs charged to grants	649,631	-	-	-	649,631
Charges for services	1,619,776	-	-	-	1,619,776
Other local sources	2,491,533	4,646,386	-	71,597	7,209,516
Intermediate sources:					
County school funds	241,097	-	-	-	241,097
ESD apportionment	2,005,000	395,000	-	-	2,400,000
Other Intermediate sources	77,945	-	-	-	77,945
State sources:					
State school fund	87,894,308	56,070	8,153,049	-	96,103,427
Common school fund	2,107,027	-	-	-	2,107,027
Other state sources	962,899	21,986,637	-	-	22,949,536
Federal grant sources	451,237	22,286,884	-	-	22,738,121
Total revenues	193,387,963	49,625,509	45,879,693	166,795	289,059,960
Expenditures					
Current:					
Instruction	117,338,548	21,801,858	-	-	139,140,406
Support services	73,025,024	14,131,760	243,413	-	87,400,197
Community services	361,773	10,463,087	-	-	10,824,860
Facilities acquisition and construction	-	-	-	1,510,259	1,510,259
Debt service:					
Principal	1,063,776	-	28,749,397	-	29,813,173
Interest	260,547	-	15,499,745	-	15,760,292
Capital outlay	2,720,954	554,307	-	28,510,032	31,785,293
Total expenditures	194,770,622	46,951,012	44,492,555	30,020,291	316,234,480
Revenues over (under) expenditures	(1,382,659)	2,674,497	1,387,138	(29,853,496)	(27,174,520)
Other financing sources (uses)					
General obligation bonds refunding issued	-	-	80,795,000	-	80,795,000
General obligation bonds refunding issued - premium	-	-	31,487	-	31,487
Payment to refunded bond escrow agent	-	-	(82,245,097)	-	(82,245,097)
Lease financing	121,016	-	-	-	121,016
Sale of capital assets	42,128	-	-	57,237	99,365
Restitution	1,583	-	-	-	1,583
Transfer to general fund	-	(1,496)	-	-	(1,496)
Transfer to capital project fund	-	(538,742)	-	-	(538,742)
Transfer from special revenue fund	1,495	-	-	538,742	540,237
Total other financing sources (uses)	166,222	(540,238)	(1,418,610)	595,979	(1,196,647)
Net change in fund balances	(1,216,437)	2,134,259	(31,472)	(29,257,517)	(28,371,167)
Fund balances, beginning of year	29,790,446	11,229,072	4,693,630	51,114,620	96,827,768
Fund balances, end of year	$ 28,574,009	$ 13,363,331	$ 4,662,158	$ 21,857,103	$ 68,456,601

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, 2022

Net change in fund balance (page 24)		$ (28,371,167)
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	$ 33,294,731	
Less current year amortization and depreciation	(17,306,246)	
Net Loss\(Gain) on asset disposal	(61,461)	15,927,024
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	$ (80,795,000)	
Lease financing	$ (121,016)	
Payment to escrow agent	76,050,000	
Debt principal repaid	29,813,173	24,947,157
In the statement of activities, pension expense is adjusted based on the actuarially determined contribution changes		6,319,948
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	$ 6,648,038	
Amortization of premiums, net of discount amortization	5,015,915	
Premiums on long-term debt issued in current year	(31,487)	11,632,466
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	$ 1,253,852	
Accrued interest on general obligation bonds and other long term debt	161,745	1,415,597
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.		35,907
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	$ 201,046	
Early retirement benefits	48,068	
Compensated absences	11,676	
OPEB RHIA	269,236	
OPEB - implicit subsidy	(303,848)	226,178
Change in net position (page 21)		$ 32,133,110

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, 2022

	2022
Assets	
Cash and investments	$ 96,190
Net position held in trust for scholarships	$ 96,190

Statement of Changes in Fiduciary Net Position
Fiduciary Fund - Private Purpose Trust Fund
Year Ended June 30, 2022

	2022
Additions:	
Donations	$ 17,755
Investment earnings	561
Total revenues	18,316
Deductions:	
Scholarships	16,400
Change in net position	1,916
Net position - beginning	94,274
Net position - ending	$ 96,190

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 first period Average Daily Membership (ADM) in FY2021-22 was 16,914.08 and the Weighted ADM (ADMw) was 19,330.71. 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
Is used to account 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 capital 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, 2022

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 net PERS pension liability, one type related to bond refunding, and one type related to the net 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 financial 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 net PERS pension liability, one type related to the net 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 net 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.

The District’s early retirement stipend plan is valued at the net present value of future benefit payments. The discount rate used was 1.48 percent.

e. Postemployment benefits other than pensions (OPEB)
For the purpose of measuring the net 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 $569,835,465 are as follows:

Land	$ 35,947,289
Construction in progress	44,143,716
Buildings and improvements	625,157,162
Less: Accumulated depreciation buildings and improvements	(167,817,574)
Site improvements	24,688,741
Less: Accumulated depreciation site improvements	(10,653,425)
Vehicles and equipment	37,689,577
Less: Accumulated depreciation vehicles and equipment	(25,324,756)
Right-of-use leased buildings	6,513,956
Less: Accumulated amotization right-of-use leased buildings	(624,186)
Right-of-use leased equipment	121,016
Less: Accumulated amortization right-of-use leased equipment	(6,051)
Total capital assets	$ 569,835,465

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 $1,828,232 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 $2,727,253.

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 $(516,359,939) difference are as follows:

Long-term debt	$ (1,973,000)
Accrued interest payable	(484,413)
Bonds payable	(392,290,480)
Proportionate share of the PERS net pension liability	(106,176,637)
Net OPEB obligation-implicit rate subsidy	(8,763,022)
Lease liability	(6,177,762)
Compensated absences	(35,770)
Accrued claims and judgments	(440,040)
Early retirement benefits payable	(18,815)
Total long term liabilities not payable in current year	$ (516,359,939)

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 $(33,386,993) difference are as follows:

Pension related deferred outflows	$ 58,458,061
OPEB related deferred outflows-Implicit Rate	619,390
OPEB related deferred outflows-RHI	1,021,170
Pension related deferred inflows	(89,853,728)
OPEB related deferred inflows-RHI	(1,086,900)
OPEB related deferred inflows-Implicit Rate	(2,544,986)
Total deferred inflows/outflows related to pension plan	$ (33,386,993)

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 $(8,991,100) difference are as follows:

Unamortized portion of bond issuance premium	(19,376,799)
Deferred outflow on refunding	10,385,699
Total debt deferrals and amortizations	$ (8,991,100)

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 $15,927,024 difference are as follows:

Outlay for capital and right-to-use assets	$ 33,294,731
Depreciation and amortization expense	(17,306,246)
Net loss\(gain) on asset disposal	(61,461)
Total capital outlay net of depreciation and amortization for the current period	$ 15,927,024

*Outlay for capital does not include 6,634,972 in prior year operating leases that were converted to right-to-use assets in 2022

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 $24,947,157 difference is as follows:

Debt issued	$ (80,795,000)
Lease right-to-use asset addition	$ (121,016)
Payment to escrow agent	$ 76,050,000
Debt principal repaid	29,813,173
Net adjustment for issuance and payment of long-term debt	$ 24,947,157

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 $226,178 difference are as follows:

Claims and judgments	201,046
Early retirement benefits	48,068
Compensated absences	11,676
Amortization of OPEB obligation - RHIA	269,236
Amortization of OPEB obligation - implicit subsidy	(303,848)
Net adjustment to decreases in net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	$ 226,178

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 $11,632,466 difference are as follows:

Amortization of deferred outflow in debt refunding	6,648,038
Amortization of premiums	5,015,915
Premiums on long-term debt issued in the current year	(31,487)
Total components of debt issuance costs and adjustments	$ 11,632,466

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 $35,907.

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 $1,415,597 are as follows:

Accreted interest on PERS UAL bonds	1,253,852
Accrued interest on general obligation bonds	161,745
Total components of interest adjustments on long term debt	$ 1,415,597

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 $6,319,948 are as follows:

Net pension liability	$ 97,413,879
Deferred outflows - actual experience	978,381
Deferred outflows - changes in assumptions	15,653,150
Deferred outflows - actual earnings	(23,939,600)
Deferred outflows - actual change in proportionate share	(260,585)
Deferred outflows - change in employer contribution and proportionate share	2,464,764
Deferred outflows - contribution difference	(1,981,033)
Deferred outflows - contribution after measurement date	(1,250,000)
Deferred inflow - earnings difference	1,469,337
Deferred inflow - actual change in proportionate share	(5,729,997)
Deferred inflow - actual earnings	(78,601,742)
Deferred inflow - changes in assumptions	103,394
Total components of pension liability adjustments at measurement date	$ 6,319,948

3. Stewardship, compliance and accountability

   A. Violations of legal or contractual provisions

   The District submitted a reimbursement claim to the Emergency Connectivity Grant Fund (ECF) of approximately $210,000 dollars for ipads that were received prior to the grant eligibility date of July 1, 2021. These ipads were received by the department managing the grant at the Districts main Education Center office after July 1, 2021, and were reported and recorded as July 2021 eligible transactions. It was subsequently determined this shipment was actually received on June 28, 2021 at the Districts distribution center, therefore making this specific shipment ineligible for grant reimbursement. Please see Corrective Action Plan on page 156 for more information and to view the District's corrective action plan.

   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, 2022, the district's bank balances were $25,317,803, and $24,564,803 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, 2022, the District's investments were comprised entirely of interest bearing cash accounts such as money markets and the Local Government Investment Pool.

a. 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, 2022. The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. As of June 30, 2022, the fair value of the position in the LGIP is 98.98 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.

b. Concentration of credit risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. The District is not invested in any such securities as of June 30, 2022.

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, 2022:

	General Fund	Special Revenue Fund	Total
Accounts and other receivables	$ 389,464	$ 2,048,929	$ 2,438,393
Intergovernmental receivables	1,061,256	7,730,539	8,791,795
Total	$ 1,450,720	$ 9,779,468	$ 11,230,188

D. Capital assets

Capital asset activity for the year-ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated				
Land	$ 33,104,836	$ 2,899,689	$ 57,236	$ 35,947,289
Construction in progress	191,522,671	27,610,109	174,989,064	44,143,716
Total non-depreciable assets	224,627,507	30,509,798	175,046,300	80,091,005
Capital assets being depreciated and amortized:				
Buildings and improvements	454,838,736	170,318,427		625,157,163
Right-of-use leased buildings		6,513,956		6,513,956
Site improvements	22,684,448	2,004,293		24,688,741
Vehicles and equipment	33,498,394	5,330,263	1,139,080	37,689,577
Right-of-use leased equipment	-	121,016	-	121,016
Total depreciable assets at cost	511,021,578	184,287,955	1,139,080	694,170,453
Less accumulated depreciation and amortization for:				
Buildings and improvements	(154,450,829)	(13,366,745)	-	(167,817,574)
Right-of-use leased buildings	-	(624,186)	-	(624,186)
Site improvements	(9,798,986)	(854,439)	-	(10,653,425)
Vehicles and equipment	(24,004,787)	(2,454,825)	(1,134,855)	(25,324,757)
Right-of-use leased equipment	-	(6,051)	-	(6,051)
Total accumulated depreciation and amortization	(188,254,602)	(17,306,246)	(1,134,855)	(204,425,993)
Total depreciable assets, net	322,766,976	166,981,709	4,225	489,744,460
Total capital assets, net	$547,394,483	$197,491,507	$175,050,525	$569,835,465

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

Program	Buildings	Equipment	Improvements	Total
Business, transportation and maintenance	$ 1,095,548	$1,590,735	$ 59,603	$ 2,745,886
Central activities	2,635,145	524,108	100,870	3,260,123
Food services	7,287	45,051	-	52,338
Students	10,252,952	300,981	693,966	11,247,899
Total depreciation and amortization expense	$13,990,932	$2,460,875	$ 854,439	$17,306,246

Net investment in capital assets is calculated as follows:

All capital assets net of depreciation	$ 569,835,465
Short and long term debt	(348,815,000)
Loan for buses	(1,973,000)
Retainage payable	(655,923)
Accounts payable (capital construction)	(1,175,455)
Bond premium/discounts	(19,376,799)
Advanced refunding outflow	10,385,699
Unspent bond proceeds	15,291,296
Investment in capital assets, net of related debt	$ 223,516,283

E. Leases: Lessee

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. Under this statement, the District now 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 implementation date for this accounting change was July 1, 2021 and did not include any prior period restatements.

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% 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% based on our estimated borrowing rate.

c. Copier Lease
On February 28, 2022 the District entered into a noncancelable lease for printer and copier equipment. The lease terminates on February 27, 2027 and the interest rate of 7.62% is implicit to the lease.

Lease liabilities are as follows:

	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022	Due within One Year
Brinson Lease	$ -	$ 5,057,466	$ 377,711	$ 4,679,755	$ 399,240
Twin Knolls Lease	-	1,456,490	72,061	1,384,429	92,205
Copier Lease	-	121,016	7,438	113,578	21,067
Total	$ -	$ 6,634,972	$ 457,210	$ 6,177,762	$ 512,512

Debt service requirements on leases are as follows:

	Brinson Lease		Twin Knolls Lease		Copier Lease	
As of June 30	Principal	Interest	Principal	Interest	Principal	Interest
2023	399,240	146,216	92,205	42,873	21,067	7,933
2024	429,019	132,801	91,021	40,649	22,731	6,269
2025	460,279	118,396	95,805	37,620	24,525	4,475
2026	493,083	102,953	100,748	34,434	26,462	2,538
2027	527,497	86,419	105,853	31,084	18,793	541
2028-2030	1,806,138	148,342	349,905	71,439	-	-
2031-2035	564,499	8,443	548,893	37,478	-	-
Total	$ 4,679,755	$ 743,570	$ 1,384,429	$ 295,577	$ 113,578	$ 21,757

F. Leases: Lessor
For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. Under this statement, the District now recognizes a lease receivable and an 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 implementation date for this accounting change was July 1, 2021 and did not include any prior period restatements.

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% 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	2022 Rental Payments	2022 Interest Payments
Ed Center Lease	7/1/2015	6/30/2025	3.25%	53,545	5,540
Total				$ 53,545	$ 5,540

The long term lease receivable is as follows:

	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022	Due within One Year
Ed Center Lease	-	210,113	48,005	162,108	50,633
Total	$ -	$ 210,113	$ 48,005	$ 162,108	$ 50,633

The deferred inflow of resources is as follows:

	Balance at June 30, 2021	Increases	Decreases	Balance at June 30, 2022
Ed Center Lease	-	210,113	52,528	157,585
Total	$ -	$ 210,113	$ 52,528	$ 157,585

The schedule of lease payments are as follows:

	Ed Center Lease	
As of June 30	Principal	Interest
2023	50,633	4,519
2024	53,982	2,824
2025	57,493	1,017
Total	$ 162,108	$ 8,359

G. 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, 2022 was 18.1 percent of covered annual payroll. The rate for OPSRP for the year ended June 30, 2022 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, 2022, the District reported a net pension liability of $106,176,637 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was .89 percent, a decrease from June 30, 2021 when the District's proportion was .93 percent. For the year ended June 30, 2022, the District recognized a pension expense of $15,401,229.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 9,938,827	$ -
Changes of assumptions	26,579,209	279,432
Net difference between projected and actual earnings on investments	-	78,601,742
Changes in proportionate share	285,052	7,735,260
Differences between employer contributions and employer's proportionate share of the system contributions	2,464,764	3,237,294
Subtotal-amortized deferrals	39,267,852	$ 89,853,728
District contributions subsequent to the measurement date	19,190,209	
Total PERS deferred outflows	$ 58,458,061	

District contributions subsequent to the measurement date but before June 30, 2022 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

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, 2023	$ (9,312,363)
June 30, 2024	(10,123,621)
June 30, 2025	(13,035,258)
June 30, 2026	(20,152,911)
June 30, 2027	2,038,278
Total deferred outflow (inflow) of resources	$ (50,585,875)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 31, 2019. Oregon PERS produces an independently audited ACFR which can be found in the following location: https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf

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, 2019
Measurement date	June 30, 2021
Experience Study	2018, published July 24, 2019
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 2018 Experience Study, which reviewed experience for the four year period ended on December 31, 2018

e. Discount rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. 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. Fiduciary net position

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 market 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 68 will often require that the actuary perform complex projections of future benefit payments and asset values. 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/Documents/Financials/CAFR/2021-ACFR.pdf, 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. The table below shows Milliman's assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes. 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 net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	Discount rate	Proportionate share of net pension liability (asset)
1% decrease	5.90%	$ 208,505,517
Current discount rate	6.90%	106,176,637
1% increase	7.90%	20,564,506

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, 2021, 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, 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
Fiscal Year ended June 30, 2016 - 5.3 years
Fiscal Year ended June 30, 2015 - 5.4 years
Fiscal Year ended June 30, 2014 - 5.6 years

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

H. 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	72
Retirees not receiving benefits	57
Active employees receiving benefits	1,577
Active employees not receiving benefits	425
Total Employees	2,131

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 $8,763,022 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020.

iii. Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2020 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, 2020 Data was collected as of May 1, 2021, and benefits were valued as if the data was representative of data on July 1, 2020
Measurement Date	June 30, 2022
Fiscal Year Ends	June 30, 2022
Actuarial Cost Method	Entry Age Normal, level percent of salary
Interest Rate for Discounting Future Liabilities	3.50% per year, based on all years discounted at municipal bond rate
Inflation Rate	2.0 percent per year
Payroll Growth	3.0 percent per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows: Duration / Rate 0 / 3.72% 5 / 2.34% 10 / 1.14% 15 / 0.17% 20 / -0.53% 25 / -0.89% 30 + / -0.95%

<table>
<tr><td>Annual Premium Increase Rate</td><td>The initial rates are based in part on the 2019 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 2018.
<table>
<tr><th>Year</th><th>Rate</th><th>Year</th><th>Rate</th></tr>
<tr><td>2020-21</td><td>3.50%</td><td>2030-31</td><td>5.50%</td></tr>
<tr><td>2021-22</td><td>4.00%</td><td>2031-32</td><td>5.40%</td></tr>
<tr><td>2022-23</td><td>4.50%</td><td>2032-33</td><td>5.30%</td></tr>
<tr><td>2023-24</td><td>5.00%</td><td>2033-34</td><td>5.20%</td></tr>
<tr><td>2024-25</td><td>5.50%</td><td>2034-35</td><td>5.10%</td></tr>
<tr><td>2025-26</td><td>6.00%</td><td>2035-36</td><td>5.00%</td></tr>
<tr><td>2026-27</td><td>5.90%</td><td>2036-37</td><td>4.90%</td></tr>
<tr><td>2027-28</td><td>5.80%</td><td>2037-38</td><td>4.80%</td></tr>
<tr><td>2028-29</td><td>5.70%</td><td>2038-39</td><td>4.70%</td></tr>
<tr><td>2029-30</td><td>5.60%</td><td>2039-40</td><td>4.60%</td></tr>
<tr><td></td><td></td><td>2040+</td><td>4.50%</td></tr>
</table></td></tr>
<tr><td>Mortality Rates</td><td>Basic table: PUB-2010 Teachers table, separate Employee/Healthy Annuitant, sex-distinct, generational, no setback
Morality rates for active male participants are 120% of the above rates, and for active female participants are 100% of the above rates
Beneficiaries: Pub-2010 General Employees table, Healthy Annuitant, sex distinct, generational, set back 12 months for males, no set back for females.
Improvement scale: Unisex Social Security Data Scale (60 year average), with data through 2015</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>
</table>

<table>
<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>0.0197%</td></tr><tr><td>35</td><td>0.0302%</td></tr><tr><td>40</td><td>0.0487%</td></tr><tr><td>45</td><td>0.0798%</td></tr><tr><td>50</td><td>0.1380%</td></tr></table></td></tr>
<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. It is also assumed employees will retire by the time both employee and dependent have reached age 65, the age at which they can no longer receive subsidized health benefits.

<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>< 52</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>52</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>53</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>54</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>1.0%</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>1.0%</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>3.8%</td><td>20.0%</td></tr><tr><td>61</td><td>6.5%</td><td>12.5%</td><td>27.5%</td><td>3.0%</td><td>5.0%</td><td>20.0%</td></tr><tr><td>62</td><td>15.0%</td><td>23.5%</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>26.5%</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>31.5%</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>11.5%</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>42.0%</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>17.0%</td><td>20.0%</td></tr><tr><td>69</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>17.0%</td><td>20.0%</td></tr><tr><td>70</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>
</table>

Marital Status	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
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy
Health Care Claims Cost	2020-21 claims costs for an age 64 retiree or spouse are assumed range from 10,833 to 14,769 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	The interest rate for discounting future liabilities was changed to reflect current municipal bond rates. Premium increase rates were modified to better reflect the anticipated experience and current Oregon law. 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, 2021	$ 9,014,603
Changes for the year	
Service Cost	670,411
Interest	214,438
Changes in assumptions	(827,579)
Benefit payments	(308,851)
Net Changes	(251,581)
Total OPEB Liability at June 30, 2022	$ 8,763,022

As of June 30, 2022, the deferred inflows and outflows were as follows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 499,605	$ 1,510,492
Changes in assumptions or other input	119,785	1,034,494
Total	$ 619,390	$ 2,544,986

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
2023	$ (272,150)
2024	(272,150)
2025	(272,153)
2026	(335,232)
2027	(335,232)
Thereafter	(438,679)
Total deferred outflows recognized as expense	$ (1,925,596)

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 (2.50 percent) or one percentage point higher (4.50 percent) than the current rate:

	1% Decrease 2.50%	Current discount rate 3.50%	1% Increase 4.50%
Total OPEB liability	$ 9,420,588	$ 8,763,022	$ 8,143,704

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 5.30% graded down to 3.50%	Current trend rate 6.30% graded down to 4.50%	1% Increase 7.30% graded down to 5.50%
Total OPEB liability	$ 7,714,640	$ 8,763,022	$ 9,994,544

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, 2021 measurement date, there were 811 participating employers.

At June 30, 2022, the District reported a net OPEB asset of $2,727,253 for its proportionate share of the net OPEB liability/asset. The measurement date was as of June 30, 2021 and the actuarial valuation date was as of December 31, 2019. As of the June 30, 2021 measurement date, the District's proportion was .79 percent, which is lower than 1.57 percent determined for the prior measurement period.

At June 30, 2022, the District also reported a net OPEB deferred inflow of $(84,788) calculated as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ -	$ 75,877
Changes of assumptions	53,662	40,571
Net difference between projected and actual earnings on investments	-	648,140
Changes in proportionate share	948,450	322,312
Subtotal-amortized deferrals	1,002,112	$ 1,086,900
District contributions subsequent to the measurement date	19,058	
Total deferred outflow and inflow	$ 1,021,170	

District contributions subsequent to the measurement date of June 30, 2021, but before June 30, 2022, will be recognized as an increase to the net OPEB asset in the fiscal year ending June 30, 2022.

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
2023	$ 8,121
2024	259,801
2025	(147,972)
2026	(204,739)
2027	-
Total	$ (84,789)

i. Actuarial methods and assumptions –

Actuarial Methods and Assumptions

	RHIA
Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience Study	2018, published July 24, 2019
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: 32% Disabled retirees: 20%
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, 2021 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

expected rate of return on OPEB plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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/Documents/Financials/CAFR/2021-ACFR.pdf

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 net OPEB liability/asset to the changes in the discount rate – The following presents the District's proportionate share of the Net 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 net pension liability (asset)
1% decrease	5.90%	$ (2,411,855)
Current discount rate	6.90%	(2,727,253)
1% increase	7.90%	(2,996,679)

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, 2021, 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, 2021 - 2.7 years
Fiscal Year ended June 30, 2020 - 2.9 years
Fiscal Year ended June 30, 2019 - 3.1 years
Fiscal Year ended June 30, 2018 - 3.3 years
Fiscal Year ended June 30, 2017 - 3.7 years

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

I. Commitments and contingencies

The District has contractual commitments for construction and improvement projects. As of June 30, 2022, those commitments are:

Project	Commitment Remaining
Bear Creek HVAC	209,299
Bend Transportation Utility Upgrade and Shop Remodel	62,515
Brinson Phase 4	505,287
Buckingham ES HVAC	3,900
Cascade MS Remodel	225,396
Distribution Siding Repair	59,945
Ed Center Remodel	393,606
Ensworth ES HVAC	7,810
Highland at Kenwood HVAC	190,800
Highland at Kenwood Roofing	760,269
Juniper ES Remodel	182,637
La Pine Transportation Vehicle Lift	4,323
Lava Ridge ES Remodel	2,450
Maint Bldg #5 Addition	3,078
Ponderosa Drainage	140,000
RE Jewell ES Remodel	359,846
Total commitments remaining	$ 3,111,160

J. 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 an accrued payroll liability. The liability represents the district's estimate of its share of unemployment claims during FY2021-22 that were unpaid as of June 30, 2022. The estimate was calculated based on district experience and actual claims paid after June 30, 2022. A reconciliation of the claims liability at the end of the year are as follows:

	2022	2021
Beginning balance	$ 192,005	$ 205,654
Claims incurred	275,824	95,062
Claims paid	(160,421)	(108,711)
Ending balance	$ 307,408	$ 192,005

A liability for estimated general liability claims is presented in the government-wide statements. The liability represents the district's estimate of its share of various general liability claims during FY2021-22 that were unpaid as of June 30, 2022. The liability was calculated using actual claims settled and paid after June 30, 2022. A reconciliation of the claims liability at the end of the year are as follows:

	2022	2021
Beginning balance	$ 449,081	$ 319,110
Claims incurred	87,098	212,444
Claims paid	(96,139)	(82,473)
Ending balance	$ 440,040	$ 449,081

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.

K. 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 $347,720,000, $1,095,000, $43,475,479, and $1,973,000 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, 2022 are as follows:

	Balance at June 30, 2021	Increases/ Accretion	Decreases	Balance at June 30, 2022	Due within One Year
General obligation bonds	$ 366,995,000	$ 80,795,000	$ 100,070,000	$ 347,720,000	$ 27,520,000
Full faith and credit bonds	1,650,000	-	555,000	1,095,000	550,000
Limited tax pension obligation bonds	48,903,727	261,752	5,690,000	43,475,479	6,280,000
Notes from direct borrowings	2,579,566	-	606,566	1,973,000	264,000
Unamortized bond premium	24,361,227	-	4,984,427	19,376,800	-
Early retiree program	66,883	-	48,068	18,815	-
Lease liability	-	6,177,762	-	6,177,762	512,512
Total	$ 444,556,403	$ 87,234,514	$ 111,954,061	$ 419,836,856	$ 35,126,512

The balance of limited tax pension obligation bonds stated above as of June 30, 2022 is net of the remaining issue discount of $139,521. This issue discount is amortized through to the maturity date of these bonds in FY2023 as follows:

Year ending June 30	Amount
2023	139,521
Total remaining discount	$ 139,521

Debt service requirements on long-term debt at June 30, 2022, 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
2023	27,520,000	10,883,597	550,000	43,800	6,280,000	2,304,219	264,000	49,675
2024	18,840,000	9,607,367	545,000	21,800	6,915,000	2,087,191	264,000	42,986
2025	20,305,000	9,165,767	-	-	7,730,000	1,702,032	264,000	36,298
2026	21,740,000	8,789,867	-	-	8,610,000	1,269,533	264,000	29,608
2027	23,650,000	7,984,567	-	-	9,555,000	787,792	264,000	22,919
2028-2030	70,340,000	18,777,207	-	-	4,525,000	253,176	653,000	28,625
2031-2035	107,585,000	18,970,109	-	-	-	-	-	-
2036-2040	57,740,000	4,495,263	-	-	-	-	-	-
Total	$347,720,000	$88,673,740	$1,095,000	$65,600	$43,615,000	$8,403,943	$1,973,000	$210,111

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. 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, 2022, the District's net bonded debt is $2,841,448,682 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 March 2021, 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	2022 Principal Payments	2022 Interest Payments
2013 Refunding	3/7/2013	6/15/2024	4.25% - 5.00%	$ 12,335,000	$ 1,626,250
2013 GO Bond	8/14/2013	6/15/2033	4.00% - 5.00%	76,700,000	6,256,097
2017 GO Bond	8/31/2017	6/15/2037	2.82%	5,790,000	5,912,713
2019 GO Bond	7/24/2019	6/15/2039	3.00% - 5.00%	4,250,000	3,155,550
2021 Refunding	12/7/2021	6/15/2033	4.00% - 5.00%	995,000	666,365
Total General Obligation Bonds				$ 100,070,000	$ 17,616,975

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 new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, $76,050,000 of bonds outstanding were considered defeased.

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	2022 Principal Payments	2022 Interest Payments
PERS 10/02	10/31/2002	6/30/2028	5.55%	$ 3,095,000	$ 1,536,139
PERS 4/03	4/21/2003	6/30/2028	5.68%	2,185,000	2,275,840
PERS 4/04	2/19/2004	6/30/2028	3.25% - 5.528%	410,000	199,888
Total limited tax pension obligation bonds				$ 5,690,000	$ 4,011,868

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	2022 Principal Payments	2022 Interest Payments
Series 2011	3/22/2011	1/15/2024	2.00% - 4.00%	555,000	66,000
Total full faith and credit bonds				$ 555,000	$ 66,000

d. Notes from direct borrowings

On July 1, 2012, the District financed $3,200,000 to purchase 28 school buses. The loan matured in 2022 and the fixed interest rate was 1.99%. 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	2022 Principal Payments	2022 Interest Payments
2012 Bus Purchase	7/1/2012	2022	1.99%	342,566	-
2019 Bus Purchase	3/21/2019	2029	2.96%	139,000	973,000
2020 Bus Purchase	5/28/2020	2030	2.28%	125,000	1,000,000
Total notes from direct borrowings				$ 606,566	$ 1,973,000

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, 2021	Additions	Payments	Balance June 30, 2022	Due within one year
Other post-employment benefits	$ 9,014,603	$ -	$ 251,581	$ 8,763,022	$ -
Net pension liability	203,590,516	-	97,413,879	106,176,637	-
Claims and judgments	641,086	-	201,046	440,040	220,020
Accrued compensated absences	47,446	3,740	15,416	35,770	35,770
Early retirement	66,883	-	48,068	18,815	18,815
Total long-term liabilities	$213,360,534	$ 3,740	$97,929,990	$115,434,284	$274,605

L. 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, 2022	June 30, 2021
Nonspendable:						
Inventory	$ 190,142	$ 415,381	$ -	$ -	$ 605,523	$ 828,315
Prepaid items	1,327,414	40,000	-	-	1,367,414	1,809,027
Total Nonspendable	1,517,556	455,381	-	-	1,972,937	2,637,342
Restricted for:						
Capital projects	-	-	-	21,857,103	21,857,103	51,114,619
Debt service	-	-	4,662,158	-	4,662,158	4,693,630
Energy efficency program	-	1,419,468	-	-	1,419,468	1,647,760
Federal, state, and private grants	-	7,207,911	-	-	7,207,911	5,187,681
Transportation equipment	1,484,951	-	-	-	1,484,951	2,240,373
Total Restricted	1,484,951	8,627,379	4,662,158	21,857,103	36,631,591	64,884,063
Assigned to:						
Appropriated fund balance	10,078,018	-	-	-	10,078,018	7,505,084
Student athletics	397,391	-	-	-	397,391	567,157
Facility usage	957,576	-	-	-	957,576	1,007,926
Instructional materials	2,465,929	-	-	-	2,465,929	2,041,872
Maintenance equipment replacement	1,104,476	-	-	-	1,104,476	981,398
Technology replacement	2,453,667	-	-	-	2,453,667	2,526,018
Print shop equipment	276,093	-	-	-	276,093	155,420
Insurance and risk reserves	2,257,906	-	-	-	2,257,906	1,884,233
Student activities	-	2,682,277	-	-	2,682,277	2,283,365
Early retirement program	-	413,662	-	-	413,662	447,219
Student and staff safety	-	573,750	-	-	573,750	412,785
Other programs	-	610,882	-	-	610,882	583,424
Total Assigned	19,991,056	4,280,571	-	-	24,271,627	20,395,901
Unassigned	5,580,446	-	-	-	5,580,446	8,910,465
Total fund balances	$ 28,574,009	$ 13,363,331	$ 4,662,158	$ 21,857,103	$ 68,456,601	$ 96,827,771

Certain prior year amounts have been reclassified to conform with current year presentation

M. Interfund transfers

Transfers are comprised of the following:

	Transfers In	Transfers Out
Maintenance Replacement Fund	$ 1,496	$ -
Capital Projects Fund	538,742	-
Special Revenue	-	540,238
Total	$ 540,238	$ 540,238

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

N. 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, 2022, 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	$ 672,498
Housing for low income rental	26,167
Nonprofit low income rental housing	106,805
Solar projects	76,163
Total exempted/abated	$ 881,633

O. 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 $33,557 and covered 19 retirees.

A liability for termination benefits has been recorded in the government-wide statements. The liability was derived by calculating the future benefit for all current participants based on the monthly maximum amount available to each participant for the years that they are eligible for the plan. The total liability is then discounted using a 15-year average market yield rate on US Treasury securities to reflect the present value of future cash flows.

Future maturities of termination benefits payable are as follows:

Year ending June 30	Total
2023	18,815
Total	$ 18,815

P. Subsequent events to disclose

The District amended the lease agreement for our Twin Knolls facility to add another suite to the lease, which adds an additional 1,764 square feet in leased space. The additional space will be recorded as a new and separate lease under GASB 87 in FY2022-23, and the annual lease payments for the additional square footage are estimated to total $26,460 in the first year.

On November 8, 2022, voters approved a $249.7 million general obligation bond levy to complete 89 planned construction projects throughout the District. The first bond sale is expected to occur in the Spring of 2023.

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, 2022

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

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
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, 2022

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
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.

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 OPEB Liability - RHIA
June 30, 2022

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
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, 2022

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
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
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
Year Ended June 30, 2022

	General Fund					
	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	$ 93,190,100	$ 93,190,100	$ 498,822	$ 93,688,922	$ -	$ 93,688,922
Tuition	-	-	17,664	17,664	-	17,664
Investment earnings	312,000	312,000	44,189	356,189	-	356,189
Other local sources	7,254,432	7,254,432	(1,668,757)	5,585,675	-	5,585,675
Intermediate sources	2,390,000	2,390,000	(65,958)	2,324,042	-	2,324,042
State sources	92,913,036	92,913,036	(1,948,802)	90,964,234	-	90,964,234
Federal sources	160,000	160,000	291,237	451,237	-	451,237
Total revenues	196,219,568	196,219,568	(2,831,605)	193,387,963	-	193,387,963
Expenditures						
Current:						
Instruction	122,892,835	122,892,835 (1)	(5,392,505)	117,500,330	(161,782)	117,338,548
Support services	81,017,560	79,509,128 (1)	(4,045,948)	75,463,180	(2,438,156)	73,025,024
Community services	504,867	504,867 (1)	(143,094)	361,773	-	361,773
Debt service	866,890	2,375,322 (1)	(1,050,999)	1,324,323	(1,324,323)	-
Principal	-	-	-	-	1,063,776	1,063,776
Interest	-	-	-	-	260,547	260,547
Capital outlay	-	-	-	-	2,720,954	2,720,954
Contingency	500,000	500,000 (1)	(500,000)	-	-	-
Total expenditures	205,782,152	205,782,152	(11,132,546)	194,649,606	121,016	194,770,622
Revenues over (under) expenditure	(9,562,584)	(9,562,584)	8,300,941	(1,261,643)	(121,016)	(1,382,659)
Other financing sources (uses)						
Lease financing	-	-	-		121,016	121,016
Sale of capital assets	-	-	42,128	42,128	-	42,128
Restitution	-	-	1,583	1,583	-	1,583
Issuance of long-term debt	1,305,000	1,305,000	(1,305,000)	-	-	-
Transfer from special revenue fund	752,500	752,500	(751,005)	1,495	-	1,495
Total other financing sources (uses)	2,057,500	2,057,500	(2,012,294)	45,206	121,016	166,222
Net change in fund balances	(7,505,084)	(7,505,084)	6,288,647	(1,216,437)	-	(1,216,437)
Fund balance, beginning of year	20,026,481	20,026,481	9,763,965	29,790,446	-	29,790,446
Fund balance, end of year	$ 12,521,397	$ 12,521,397	$ 16,052,612	$ 28,574,009	$ -	$ 28,574,009

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
Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual
Special Revenue Fund
Year Ended June 30, 2022

	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	$ 24,442	$ 30,442	$ -	$ 30,442
Other local sources	7,788,840	7,788,840	(2,918,364)	4,870,476	-	4,870,476
Intermediate sources	400,000	400,000	(5,000)	395,000	-	395,000
State sources	23,051,516	23,051,516 (2)	(1,008,809)	22,042,707	-	22,042,707
Federal sources	29,601,720	29,601,720	(7,314,836)	22,286,884	-	22,286,884
Total revenues	60,848,076	60,848,076	(11,222,567)	49,625,509	-	49,625,509
Expenditures						
Current						
Instruction	32,481,362	32,481,362 (1)	(10,598,575)	21,882,787	(80,929)	21,801,858
Support services	18,251,476	18,251,476 (1)	(3,758,357)	14,493,119	(361,359)	14,131,760
Community services	11,064,718	11,064,718 (1)	(489,612)	10,575,106	(112,019)	10,463,087
Capital outlay	-	-	-	-	554,307	554,307
Total expenditures	61,797,556	61,797,556	(14,846,544)	46,951,012	-	46,951,012
Revenues over (under) expenditures	(949,480)	(949,480)	3,623,977	2,674,497	-	2,674,497
Other financing sources (uses)						
Transfer to general fund	(752,500)	(752,500)	751,004	(1,496)	-	(1,496)
Transfer to capital project fund	-	-	(538,742)	(538,742)	-	(538,742)
Total other financing sources (uses)	(752,500)	(752,500) (1)	212,262	(540,238)	-	(540,238)
Net change in fund balance	(1,701,980)	(1,701,980)	3,836,239	2,134,259	-	2,134,259
Fund balance, beginning of year	5,093,218	5,093,218	6,135,854	11,229,072	-	11,229,072
Fund balance, end of year	$ 3,391,238	$ 3,391,238	$ 9,972,093	$ 13,363,331	$ -	$ 13,363,331

Totals may not precisely add due to rounding

(1) Appropriation level

(2) Included in this State Revenue is the required match of $56,070 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 Schedules of General Fund Subfunds

Administrative School District No. 1
Deschutes County, Oregon
Combining Schedule of Assets, Liabilities and Fund Balance
General Fund - Subfunds
(GAAP Basis)
June 30, 2022

	General Operations	Athletics and Activities	Instructional Materials
Assets			
Cash and investments	$ 29,231,494	$ 397,292	$ 2,465,929
Receivables:			
Property taxes	1,856,732	-	-
Accounts and other receivables	191,946	100	-
Intergovernmental receivables	1,061,256	-	-
Prepaid items	1,327,414	-	-
Inventories	88,667	-	-
Total assets	$ 33,757,509	$ 397,392	$ 2,465,929
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts and interest payable	$ 2,687,700	$ -	$ -
Accrued payroll and related charges	12,691,040	-	-
Total liabilities	15,378,740	-	-
Deferred inflows of resources			
Leases deferred inflows	-	-	-
Unavailable revenue - property taxes	1,304,224	-	-
Total deferred inflows of resources	1,304,224	-	-
Fund balances			
Nonspendable	1,416,081	-	-
Restricted	-	-	-
Assigned	10,078,018	397,392	2,465,929
Unassigned	5,580,446	-	-
Total fund balances	17,074,545	397,392	2,465,929
Total liabilities, deferred inflows and fund balances	$ 33,757,509	$ 397,392	$ 2,465,929

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2022
$ 1,484,951	$ 286,202	$ 918,879	$ 2,453,669	$ 1,104,474	$ 2,257,905	$ 40,600,795
-	-	-	-	-	-	1,856,732
-	1,136	196,282	-	-	-	389,464
-	-	-	-	-	-	1,061,256
-	-	-	-	-	-	1,327,414
-	101,475	-	-	-	-	190,142
$ 1,484,951	$ 388,813	$ 1,115,161	$ 2,453,669	$ 1,104,474	$ 2,257,905	$ 45,425,803
$ -	$ 11,245	$ -	$ -	$ -	$ -	$ 2,698,945
-	-	-	-	-	-	12,691,040
-	11,245	-	-	-	-	15,389,985
-	-	157,585	-	-	-	157,585
-	-	-	-	-	-	1,304,224
-	-	157,585	-	-	-	1,461,809
-	101,475	-	-	-	-	1,517,556
1,484,951	-	-	-	-	-	1,484,951
-	276,093	957,576	2,453,669	1,104,474	2,257,905	19,991,056
-	-	-	-	-	-	5,580,446
1,484,951	377,568	957,576	2,453,669	1,104,474	2,257,905	28,574,009
$ 1,484,951	$ 388,813	$ 1,115,161	$ 2,453,669	$ 1,104,474	$ 2,257,905	$ 45,425,803

Administrative School District No. 1
Deschutes County, Oregon
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Subfunds
(GAAP Basis)
Year Ended June 30, 2022

	General Operations	Athletics and Activities	Instructional Materials
Revenues			
Property taxes	$ 93,688,922	$ -	$ -
Tuition	17,664	-	-
Investment earnings	328,449	-	-
Print shop	-	-	-
Indirect costs charged to grants	649,631	-	-
Charges for services	1,619,776	-	-
Other local sources	366,578	437,829	-
County school funds	241,097	-	-
ESD apportionment	2,005,000	-	-
Other Intermediate sources	77,945	-	-
State school fund	87,079,494	-	-
Common school fund	2,107,027	-	-
Other state sources	694,821	-	-
Federal grant sources	451,237	-	-
Total revenues	189,327,641	437,829	-
Expenditures			
Current:			
Instruction	111,162,608	3,383,293	1,990,042
Support services	71,242,024	581,158	-
Community services	153,064	-	-
Debt service:			
Principal	449,772	-	-
Interest	195,075	-	-
Capital outlay	158,632	161,782	-
Total expenditures	183,361,175	4,126,233	1,990,042
Revenues over (under) expenditures	5,966,466	(3,688,404)	(1,990,042)
Other financing sources (uses)			
Proceeds from insurance	-	-	-
Lease financing	-	-	-
Sale of capital assets	-	-	-
Restitution	1,583	-	-
Transfer from special revenue fund	-	-	-
Transfers	(7,131,945)	3,518,639	2,414,100
Total other financing sources (uses)	(7,130,362)	3,518,639	2,414,100
Net change in fund balances	(1,163,896)	(169,765)	424,058
Fund balances, beginning of year	18,238,441	567,157	2,041,871
Fund balances, end of year	$ 17,074,545	$ 397,392	$ 2,465,929

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2022
$ -	$ -	$ -	$ -	$ -	$ -	$ 93,688,922
-	-	-	-	-	-	17,664
8,855	-	5,540	-	-	13,345	356,189
-	824,735	-	-	-	-	824,735
-	-	-	-	-	-	649,631
-	-	-	-	-	-	1,619,776
22,564	-	260,652	690,152	88,924	624,834	2,491,533
-	-	-	-	-	-	241,097
-	-	-	-	-	-	2,005,000
-	-	-	-	-	-	77,945
814,814	-	-	-	-	-	87,894,308
-	-	-	-	-	-	2,107,027
268,078	-	-	-	-	-	962,899
-	-	-	-	-	-	451,237
1,114,311	824,735	266,192	690,152	88,924	638,179	193,387,963
-	-	59,733	742,872	-	-	117,338,548
-	740,531	83,698	19,630	107,926	250,057	73,025,024
-	-	208,709	-	-	-	361,773
606,566	7,438	-	-	-	-	1,063,776
63,243	2,229	-	-	-	-	260,547
1,584,359	121,016	14,401	-	666,315	14,449	2,720,954
2,254,168	871,214	366,541	762,502	774,241	264,506	194,770,622
(1,139,857)	(46,479)	(100,349)	(72,350)	(685,317)	373,673	(1,382,659)
-	-	-	-	-	-	-
-	121,016	-	-	-	-	121,016
35,229	-	-	-	6,899	-	42,128
-	-	-	-	-	-	1,583
-	-	-	-	1,495	-	1,495
349,206	-	50,000	-	800,000	-	-
384,435	121,016	50,000	-	808,394	-	166,222
(755,422)	74,537	(50,349)	(72,350)	123,077	373,673	(1,216,437)
2,240,373	303,031	1,007,925	2,526,019	981,397	1,884,232	29,790,446
$ 1,484,951	$ 377,568	$ 957,576	$ 2,453,669	$ 1,104,474	$ 2,257,905	$ 28,574,009

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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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	$ 93,190,100	$ 93,190,100	$ 498,822	$ 93,688,922	$ -	$ 93,688,922
Tuition	-	-	17,664	17,664	-	17,664
Investment earnings	300,000	300,000	28,449	328,449	-	328,449
Other local sources	1,584,600	1,584,600	1,051,385	2,635,985	-	2,635,985
Intermediate sources	2,390,000	2,390,000	(65,958)	2,324,042	-	2,324,042
State sources	92,052,500	92,052,500	(2,171,158)	89,881,342	-	89,881,342
Federal sources	160,000	160,000	291,237	451,237	-	451,237
Total revenues	189,677,200	189,677,200	(349,559)	189,327,641	-	189,327,641
Expenditures						
Current						
Instruction	116,259,431	116,259,431	(5,096,823)	111,162,608	-	111,162,608
Support services	71,510,887	70,142,455	1,258,201	71,400,656	(158,632)	71,242,024
Community services	149,924	149,924	3,140	153,064	-	153,064
Debt service	-	1,368,432	(723,585)	644,847	(644,847)	-
Principal	-	-	-	-	449,772	449,772
Interest	-	-	-	-	195,075	195,075
Capital outlay	-	-	-	-	158,632	158,632
Contingency	500,000	500,000	(500,000)	-	-	-
Total expenditures	188,420,242	188,420,242	(5,059,067)	183,361,175	-	183,361,175
Revenues over (under) expenditures	1,256,958	1,256,958	4,709,508	5,966,466	-	5,966,466
Other financing sources (uses)						
Restitution	-	-	1,583	1,583	-	1,583
Transfers to general subfunds	(5,201,540)	(5,201,540)	(1,930,405)	(7,131,945)	-	(7,131,945)
Total other financing sources (uses)	(5,201,540)	(5,201,540)	(1,928,822)	(7,130,362)	-	(7,130,362)
Net change in fund balance	(3,944,582)	(3,944,582)	2,780,686	(1,163,896)	-	(1,163,896)
Fund balance, beginning of yea	13,608,886	13,608,886	4,629,555	18,238,441	-	18,238,441
Fund balance, end of year	$ 9,664,304	$ 9,664,304	$ 7,410,241	$ 17,074,545	$ -	$ 17,074,545

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Other local sources	$ 480,000	$ 480,000	$ (42,171)	$ 437,829	$ -	$ 437,829
Total revenues	480,000	480,000	(42,171)	437,829	-	437,829
Expenditures						
Current						
Instruction	3,349,304	3,349,304	195,771	3,545,075	(161,782)	3,383,293
Support services	658,057	658,057	(76,899)	581,158	-	581,158
Capital outlay	-	-	-	-	161,782	161,782
Total expenditures	4,007,361	4,007,361	118,872	4,126,233	-	4,126,233
Revenues over (under) expenditures	(3,527,361)	(3,527,361)	(161,043)	(3,688,404)	-	(3,688,404)
Other financing sources						
Transfers from general fund operations	3,118,639	3,118,639	400,000	3,518,639	-	3,518,639
Net change in fund balance	(408,722)	(408,722)	238,957	(169,765)	-	(169,765)
Fund balance, beginning of year	448,722	448,722	118,435	567,157	-	567,157
Fund balance, end of year	$ 40,000	$ 40,000	$ 357,392	$ 397,392	$ -	$ 397,392

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Other local sources	$ -	$ -	$ -	$ -	$ -	$ -
Expenditures						
Current						
Instruction	2,624,100	2,624,100	(634,058)	1,990,042	-	1,990,042
Total expenditures	2,624,100	2,624,100	(634,058)	1,990,042	-	1,990,042
Revenues over (under) expenditures	(2,624,100)	(2,624,100)	634,058	(1,990,042)	-	(1,990,042)
Other financing sources						
Transfers from general fund operations	1,614,100	1,614,100	800,000	2,414,100	-	2,414,100
Net change in fund balance	(1,010,000)	(1,010,000)	1,434,058	424,058	-	424,058
Fund balance, beginning of year	1,010,000	1,010,000	1,031,871	2,041,871	-	2,041,871
Fund balance, end of year	$ -	$ -	$ 2,465,929	$ 2,465,929	$ -	$ 2,465,929

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 8,855	$ 8,855	$ -	$ 8,855
Other local sources	309,796	309,796	(287,232)	22,564	-	22,564
State sources	860,536	860,536	222,356	1,082,892	-	1,082,892
Total revenues	1,170,332	1,170,332	(56,021)	1,114,311	-	1,114,311
Expenditures						
Current						
Support services	3,120,000	3,120,000	(1,535,641)	1,584,359	(1,584,359)	-
Debt service	866,890	866,890	(197,081)	669,809	(669,809)	-
Principal	-	-	-	-	606,566	606,566
Interest	-	-	-	-	63,243	63,243
Capital outlay	-	-	-	-	1,584,359	1,584,359
Total expenditures	3,986,890	3,986,890	(1,732,722)	2,254,168	-	2,254,168
Revenues over (under) expenditures	(2,816,558)	(2,816,558)	1,676,701	(1,139,857)	-	(1,139,857)
Other financing sources (uses)						
Issuance of long-term debt	1,305,000	1,305,000	(1,305,000)	-	-	-
Sale of capital assets	-	-	35,229	35,229	-	35,229
Transfers from general fund operations	368,801	368,801	(19,595)	349,206	-	349,206
Total other financing sources	1,673,801	1,673,801	(1,289,366)	384,435	-	384,435
Net change in fund balance	(1,142,757)	(1,142,757)	387,335	(755,422)	-	(755,422)
Fund balance, beginning of year	1,290,380	1,290,380	949,993	2,240,373	-	2,240,373
Fund balance, end of year	$ 147,623	$ 147,623	$ 1,337,328	$ 1,484,951	$ -	$ 1,484,951

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Other local sources	$ 925,000	$ 925,000	$ (100,265)	$ 824,735	$ -	$ 824,735
Expenditures						
Current						
Support services	940,000	800,000	(59,469)	740,531	-	740,531
Debt service	-	140,000	(130,333)	9,667	(9,667)	-
Principal	-	-	-	-	7,438	7,438
Interest	-	-	-	-	2,229	2,229
Capital outlay	-	-	-	-	121,016	121,016
Total expenditures	940,000	940,000	(189,802)	750,198	121,016	871,214
Revenues over (under) expenditures	(15,000)	(15,000)	89,537	74,537	(121,016)	(46,479)
Other financing sources (uses)						
Lease financing	-	-	-	-	121,016	121,016
Sale of capital assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	121,016	121,016
Net change in fund balances	(15,000)	(15,000)	89,537	74,537	-	74,537
Fund balance, beginning of year	300,000	300,000	3,031	303,031	-	303,031
Fund balance, end of year	$ 285,000	$ 285,000	$ 92,568	$ 377,568	$ -	$ 377,568

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ -	$ -	$ 5,540	$ 5,540	$ -	$ 5,540
Other local sources	$ 411,000	$ 411,000	$ (150,348)	$ 260,652	$ -	$ 260,652
Total revenues	411,000	411,000	(144,808)	266,192	-	266,192
Expenditures						
Current						
Instruction	310,000	310,000	(250,267)	59,733	-	59,733
Support services	420,000	420,000	(321,901)	98,099	(14,401)	83,698
Community services	354,943	354,943	(146,234)	208,709	-	208,709
Capital outlay	-	-	-	-	14,401	14,401
Total expenditures	1,084,943	1,084,943	(718,402)	366,541	-	366,541
Revenues over (under) expenditures	(673,943)	(673,943)	573,594	(100,349)	-	(100,349)
Other financing sources (uses)						
Transfers from General Fund Operations	100,000	100,000	(50,000)	50,000	-	50,000
Net change in fund balance	(573,943)	(573,943)	523,594	(50,349)	-	(50,349)
Fund balance, beginning of year	865,820	865,820	142,105	1,007,925	-	1,007,925
Fund balance, end of year	$ 291,877	$ 291,877	$ 665,699	$ 957,576	$ -	$ 957,576

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Other local sources	$ 2,820,036	$ 2,820,036	$ (2,129,884)	$ 690,152	$ -	$ 690,152
Total revenues	2,820,036	2,820,036	(2,129,884)	690,152	-	690,152
Expenditures						
Current						
Instruction	-	-	742,872	742,872	-	742,872
Support services	2,888,191	2,888,191	(2,868,561)	19,630	-	19,630
Total expenditures	2,888,191	2,888,191	(2,125,689)	762,502	-	762,502
Revenues over (under) expenditures	(68,155)	(68,155)	(4,195)	(72,350)	-	(72,350)
Net change in fund balance	(68,155)	(68,155)	(4,195)	(72,350)	-	(72,350)
Fund balance, beginning of year	321,467	321,467	2,204,552	2,526,019	-	2,526,019
Fund balance, end of year	$ 253,312	$ 253,312	$ 2,200,357	$ 2,453,669	$ -	$ 2,453,669

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Other local sources	$ 94,000	$ 94,000	$ (5,076)	$ 88,924	$ -	$ 88,924
Total revenues	94,000	94,000	(5,076)	88,924	-	88,924
Expenditures						
Current						
Support services	790,500	790,500	(16,259)	774,241	(666,315)	107,926
Capital outlay	-	-	-	-	666,315	666,315
Total expenditures	790,500	790,500	(16,259)	774,241	-	774,241
Revenues over (under) expenditures	(696,500)	(696,500)	11,183	(685,317)	-	(685,317)
Other financing sources (uses)						
Sale of capital assets	-	-	6,899	6,899	-	6,899
Transfer from special revenue fund	500,000	500,000	(498,505)	1,495	-	1,495
Transfers from General Fund Operations	-	-	800,000	800,000	-	800,000
Total other financing sources (uses)	500,000	500,000	308,394	808,394	-	808,394
Net change in fund balance	(196,500)	(196,500)	319,577	123,077	-	123,077
Fund balance, beginning of year	981,206	981,206	191	981,397	-	981,397
Fund balance, end of year	$ 784,706	$ 784,706	$ 319,768	$ 1,104,474	$ -	$ 1,104,474

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, 2022

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	$ 12,000	$ 12,000	$ 1,345	$ 13,345	$ -	$ 13,345
Other local sources	630,000	630,000	(5,166)	624,834	-	624,834
Total revenues	642,000	642,000	(3,821)	638,179	-	638,179
Expenditures						
Current						
Instruction	350,000	350,000	(350,000)	-	-	-
Support services	689,925	689,925	(425,419)	264,506	(14,449)	250,057
Capital outlay	-	-	-	-	14,449	14,449
Total expenditures	1,039,925	1,039,925	(775,419)	264,506	-	264,506
Revenues over (under) expenditures	(397,925)	(397,925)	771,598	373,673	-	373,673
Net change in fund balance	(397,925)	(397,925)	771,598	373,673	-	373,673
Fund balance, beginning of year	1,200,000	1,200,000	684,232	1,884,232	-	1,884,232
Fund balance, end of year	$ 802,075	$ 802,075	$ 1,455,830	$ 2,257,905	$ -	$ 2,257,905

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, 2022

	Budgeted Amounts			Variance with Final Budget	Actuals		
	Adopted	Final		Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues							
Property taxes	$ 36,913,143	$ 36,913,143		$ 746,155	$ 37,659,298	$ -	$ 37,659,298
Investment earnings	45,000	45,000		22,346	67,346	-	67,346
State sources	8,186,264	8,186,264		(33,215)	8,153,049	-	8,153,049
Total revenues	45,144,407	45,144,407		735,286	45,879,693	-	45,879,693
Expenditures							
Current:							
Support services	3,000	3,000	(1)	240,413	243,413	-	243,413
Debt service	45,911,090	45,911,090	(1)	(1,661,948)	44,249,142	(44,249,142)	-
Principal	-	-		-	-	28,749,397	28,749,397
Interest	-	-		-	-	15,499,745	15,499,745
Total expenditures	45,914,090	45,914,090		(1,421,535)	44,492,555	-	44,492,555
Revenues over (under) expenditures	(769,683)	(769,683)		2,156,821	1,387,138	-	1,387,138
				-			
Other financing sources (uses)							
General obligation bonds refunding issued	-	-		80,795,000	80,795,000	-	80,795,000
General obligation bonds refunding issued - premium	-	-		31,487	31,487	-	31,487
Payment to refunded bond escrow agent	-	-		(82,245,097)	(82,245,097)	-	(82,245,097)
Total other financing sources (uses)	-	-		(1,418,610)	(1,418,610)	-	(1,418,610)
Net change in fund balance	(769,683)	(769,683)		738,211	(31,472)	-	(31,472)
Fund balance, beginning of year	4,156,509	4,156,509		537,121	4,693,630	-	4,693,630
Fund balance, end of year	$ 3,386,826	$ 3,386,826		$ 1,275,332	$ 4,662,158	$ -	$ 4,662,158

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, 2022

	Budgeted Amounts			Variance with Final Budget	Actuals		
	Adopted	Final		Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues							
Investment earnings	$ 1,000	$ 1,000		$ 94,198	$ 95,198	$ -	$ 95,198
Other local sources	-	-		71,597	71,597	-	71,597
Total revenues	1,000	1,000		165,795	166,795	-	166,795
Expenditures							
Current							
Facilities acquisition and construction	43,387,309	43,387,309	(1)	(13,367,018)	30,020,291	(28,510,032)	1,510,259
Capital outlay	-	-		-	-	28,510,032	28,510,032
Total expenditures	43,387,309	43,387,309		(13,367,018)	30,020,291	-	30,020,291
Revenues over (under) expenditures	(43,386,309)	(43,386,309)		13,532,813	(29,853,496)	-	(29,853,496)
Other financing sources							
Sale of capital assets	-	-		57,237	57,237	-	57,237
Transfer from special revenue fund	-	-		538,742	538,742	-	538,742
Total other financing sources	-	-		595,979	595,979	-	595,979
Net change in fund balance	(43,386,309)	(43,386,309)		14,128,792	(29,257,517)	-	(29,257,517)
Fund balance, beginning of year	43,386,309	43,386,309		7,728,311	51,114,620	-	51,114,620
Fund balance, end of year	$ -	$ -		$ 21,857,103	$ 21,857,103	$ -	$ 21,857,103

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, 2022

	Budgeted Amounts			Variance with Final Budget	Actuals		
	Adopted	Final		Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues							
Investment earnings	$ -	$ -		$ 561	$ 561	$ -	$ 561
Donations	20,000	20,000		(2,245)	17,755	-	17,755
Total revenues	20,000	20,000		(1,684)	18,316	-	18,316
Expenditures							
Current							
Community services	25,000	25,000	(1)	(8,600)	16,400	-	16,400
Total expenditures	25,000	25,000		(8,600)	16,400	-	16,400
Revenues over (under) expenditures	(5,000)	(5,000)		6,916	1,916	-	1,916
Net change in fund balances	(5,000)	(5,000)		6,916	1,916	-	1,916
Fund balance, beginning of year	92,237	92,237		2,037	94,274	-	94,274
Fund balance, end of year	$ 87,237	$ 87,237		$ 8,953	$ 96,190	$ -	$ 96,190

(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, 2022

	100 - General Funds
Revenue from Local Sources	
1110 - Ad Valorem Taxes	$ 93,688,922
1311 - Tuition from Individuals	13,989
1330 - Tuition Summer School	3,675
1500 - Earnings on Investments	356,189
1600 - Food Service	-
1700 - Extracurricular Activities	440,479
1910 - Rentals	259,589
1920 - Private Source Donatn Contrib	-
1970 - Services Provided Other Funds	1,619,776
1980 - Fees Charged to Grants	649,631
1990 - Miscellaneous	2,616,200
Revenue from Local Sources Total	99,648,450
Revenue from Intermediate Sources	
2101 - County School Funds	241,097
2199 - Other Intermediate Sources	77,945
2102 - Education Svc Dist Apportnment	2,005,000
Revenue from Intermediate Sources Total	2,324,042
Revenue from State Sources	
3101 - State School Fund Gen Support	87,079,494
3102 - State School Fund Lunch Match	-
3103 - Common School Fund	2,107,027
3222 - St School Fund Transp Equip	814,814
3299 - Other Restricted Grants in Aid	962,899
Revenue from State Sources Total	90,964,234
Revenue from Federal Sources	
4200 - Unrestr Fed Rev Thru State	108,200
4202 - Fed Rev Thru State Medicaid	149,892
4300 - Restricted Fed Revenue Direct	-
4500 - Restr Federal Rev Thru State	9,444
4801 - Federal Forest Fees	183,701
Revenue from Federal Sources Total	451,237
Revenue from Other Sources	
5100 - Long term Debt Financing	-
5200 - Interfund Transfers	1,495
5300 - Sale of Fixed Assets	43,711
5400 - Fund Balance	29,790,446
Revenue from Other Sources Total	29,835,652
Total Revenues	$ 223,223,615

200 - Special Revenue Funds	300 - Debt Service Funds	400 - Capital Projects Funds	700 - Trust and Agency Funds	Totals
$ -	$ 37,659,298	$ -	$ -	$ 131,348,220
-	-	-	-	13,989
-	-	-	-	3,675
30,442	67,346	95,198	561	549,736
224,090	-	-	-	224,090
2,394,521	-	-	-	2,835,000
3,090	-	-	-	262,679
251,720	-	-	17,755	269,475
-	-	-	-	1,619,776
-	-	-	-	649,631
1,997,055	-	71,597	-	4,684,852
4,900,918	37,726,644	166,795	18,316	142,461,123
-	-	-	-	241,097
-	-	-	-	77,945
395,000	-	-	-	2,400,000
395,000	-	-	-	2,719,042
-	8,153,049	-	-	95,232,543
56,070	-	-	-	56,070
-	-	-	-	2,107,027
-	-	-	-	814,814
21,986,637	-	-	-	22,949,536
22,042,707	8,153,049	-	-	121,159,990
-	-	-	-	108,200
-	-	-	-	149,892
1,677,118	-	-	-	1,677,118
20,609,766	-	-	-	20,619,210
-	-	-	-	183,701
22,286,884	-	-	-	22,738,121
-	80,826,487	-	-	80,826,487
-	-	538,742	-	540,237
-	-	57,237	-	100,948
11,229,072	4,693,630	51,114,620	94,274	96,922,042
11,229,072	85,520,117	51,710,599	94,274	178,389,714
$ 60,854,581	$ 131,399,810	$ 51,877,394	$ 112,590	$ 467,467,990

Administrative School District No. 1
Deschutes County, Oregon
General Fund Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2022

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	$ 26,054,038	$ 13,796,339
1113 - Elementary Extracurricular	-	-
1121 - Middle School Programs	10,931,410	5,690,077
1122 - Middle School Extracurricular	461,975	117,966
1131 - High School Programs	14,917,925	7,581,589
1132 - High School Extracurricular	2,009,099	551,457
1210 - Talented and Gifted Programs	236,933	125,030
1220 - Restrictive Prog Fr Disability	5,508,001	3,226,532
1250 - Less Restrictive Prog Disabled	3,339,607	1,887,009
1280 - Alternative Education	782,998	431,488
1291 - English Second Language	1,407,529	700,121
1292 - Teen Parent Programs	112,540	61,024
1400 - Summer School Programs	721	209
Instruction Total	65,762,776	34,168,841
Support Services		
2110 - Attendance and Social Work	292,743	206,461
2120 - Guidance Services	4,003,750	2,082,178
2130 - Health Services	1,167,124	532,438
2140 - Psychological Services	983,173	483,187
2150 - Speech Pathology and Audiology	1,758,863	935,975
2190 - Service Dir, Stu Support Svcs	853,305	442,755
2210 - Improvement of Instruction Svc	1,344,248	572,777
2220 - Educational Media Services	1,226,514	823,833
2230 - Assessment and Testing	179,143	86,118
2240 - Instructional Staff Developmnt	122,535	34,883
2310 - Board of Education Services	62,597	28,885
2320 - Executive Administration Svcs	307,338	133,193
2410 - Office of the Principal Svcs	9,687,556	4,707,049
2490 - Other Support Services	22,400	10,679
2510 - Business Support Services	113,949	56,420
2520 - Fiscal Services	921,781	423,602
2540 - Oper/Maint of Plant Services	6,521,420	3,605,232
2550 - Student Transportation Svcs	4,576,780	2,440,651
2570 - Internal Services	516,859	247,624
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	67,987	35,285
2630 - Information Services	222,957	97,028
2640 - Staff Services	1,167,080	989,000
2660 - Technology Services	2,146,417	1,027,147
2680 - Interp and Translation	86,397	73,170
Support Services Total	38,352,916	20,075,570
Enterprise and Community Services		
3100 - Food Services	-	953
3300 - Community Services	196,261	132,895
Enterprise and Community Services Total	196,261	133,848
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
Other Uses/Expenditures Total	-	-
Total General Fund	$ 104,311,953	$ 54,378,259

Object 300	Object 400	Object 500	Object 600	Totals
1,589,446	$ 1,861,692	$ -	$ 450	$ 43,301,965
-	310	-	-	310
823,732	1,010,773	-	14,752	18,470,744
19,927	93,654	12,875	6,818	713,215
884,852	1,903,637	-	15,045	25,303,048
558,289	380,993	148,907	35,989	3,684,734
26,981	-	-	-	388,944
251,037	59,400	-	106	9,045,076
155,374	20,815	-	65	5,402,870
7,558,074	50,608	-	-	8,823,168
65,539	10,033	-	88	2,183,310
3,503	2,428	-	-	179,495
2,521	-	-	-	3,451
11,939,275	5,394,343	161,782	73,313	117,500,330
439,045	7,495	-	-	945,744
21,032	40,259	-	-	6,147,219
7,342	15,405	-	3,214	1,725,523
12,367	15,889	-	4,295	1,498,911
30,505	14,975	-	1,697	2,742,015
115,975	20,286	-	785	1,433,106
103,512	85,960	-	420	2,106,917
41,544	274,154	-	1,455	2,367,500
145,281	1,722	-	-	412,264
172,219	62,770	-	55	392,462
229,599	39,922	-	16,521	377,524
67,332	60,487	-	7,030	575,380
152,219	236,886	-	5,271	14,788,981
-	-	-	-	33,079
3,764	4,206	-	1,948	180,287
53,352	234,211	14,449	1,116,712	2,764,107
4,454,851	1,217,950	839,348	8,767	16,647,568
714,987	1,219,770	1,584,359	259,549	10,796,096
126,586	180,790	-	260	1,072,119
-	-	-	-	103,272
73,945	8,527	-	925	403,382
287,418	80,887	-	60,388	2,584,773
823,438	1,208,282	-	100	5,205,384
-	-	-	-	159,567
8,076,313	5,030,833	2,438,156	1,489,392	75,463,180
-	-	-	-	953
29,042	2,622	-	-	360,820
29,042	2,622	-	-	361,773
-	-	-	1,324,323	1,324,323
-	-	-	1,324,323	1,324,323
$ 20,044,630	$ 10,427,798	$ 2,599,938	$ 2,887,028	$ 194,649,605

Administrative School District No. 1
Deschutes County, Oregon
Special Revenue Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2022

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	$ 1,226,484	$ 742,916
1113 - Elementary Extracurricular	-	-
1121 - Middle School Programs	775,319	409,058
1122 - Middle School Extracurricular	3,627	1,351
1131 - High School Programs	2,083,306	1,224,166
1132 - High School Extracurricular	26,242	5,756
1220 - Restrictive Prog Fr Disability	195,884	104,865
1250 - Less Restrictive Prog Disabled	2,321,023	1,385,151
1271 - Remediation	70,524	25,865
1272 - Title I	894,570	507,128
1280 - Alternative Education	904,195	522,789
1291 - English Second Language	621,598	367,085
1292 - Teen Parent Programs	35,847	16,803
1299 - Other Special Ed Programs	-	-
1400 - Summer School Programs	836,057	303,576
Instruction Total	9,994,676	5,616,509
Support Services		
2110 - Attendance and Social Work	325,777	194,169
2120 - Guidance Services	2,928,645	1,663,115
2130 - Health Services	755,377	418,196
2140 - Psychological Services	83,337	35,633
2150 - Speech Pathology and Audiology	51,482	24,374
2210 - Improvement of Instruction Svc	1,383,737	769,294
2220 - Educational Media Services	-	-
2230 - Assessment and Testing	86,600	49,808
2240 - Instructional Staff Developmnt	847,086	453,571
2410 - Office of the Principal Svcs	349,086	194,247
2490 - Other Support Services	81,076	38,090
2510 - Business Support Services	-	-
2520 - Fiscal Services	85,344	51,703
2540 - Oper/Maint of Plant Services	117,695	67,479
2550 - Student Transportation Svcs	69,037	27,803
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-
2630 - Information Services	-	-
2640 - Staff Services	121,190	58,314
2660 - Technology Services	-	-
2680 - Interp and Translation	20,936	16,272
2700 - Supplemental Retirement Progrm	32,837	719
Support Services Total	7,339,242	4,062,787
Enterprise and Community Services		
3100 - Food Services	3,078,594	1,695,214
3300 - Community Services	374,614	253,517
3500 - Custody and Care of Children	426	168
Enterprise and Community Services Total	3,453,634	1,948,899
Other Uses/Expenditures Total		
5200 - Transfers of Funds	-	-
Other Uses/Expenditures Total	-	-
Total Special Revenue Funds	$ 20,787,552	$ 11,628,195

Object 300	Object 400	Object 500	Object 600	Object 700	Totals
$ 462,448	$ 756,713	$ -	$ -	$ -	$ 3,188,561
30,618	106,949	-	600	-	138,167
66,539	345,109	-	525	-	1,596,550
15,145	34,290	-	120	-	54,533
201,208	952,743	22,467	15,373	-	4,499,263
412,560	719,968	44,749	3,398	-	1,212,673
6,088	31,035	-	-	-	337,872
76,955	4,207	-	-	-	3,787,336
-	66	-	-	-	96,455
84,345	108,022	-	-	-	1,594,065
612,324	23,947	-	-	-	2,063,255
6,362	3,363	-	-	-	998,408
29,438	18,632	-	-	-	100,720
190	4,177	-	250	-	4,617
5,354	1,051,612	13,713	-	-	2,210,312
2,009,574	4,160,833	80,929	20,266	-	21,882,787
12,576	96,487	-	225	-	629,234
423,826	147,795	-	-	-	5,163,381
4,994	5,278	-	-	-	1,183,845
12,500	-	-	-	-	131,470
-	237	-	-	-	76,093
46,815	23,241	-	-	-	2,223,087
619	41,040	-	712	-	42,371
50,812	-	-	-	-	187,220
199,329	39,226	-	818	-	1,540,030
-	41,690	-	-	-	585,023
6,139	-	-	-	-	125,305
-	-	-	524,631	-	524,631
352	-	-	-	-	137,399
183,930	83,237	248,108	15,342	-	715,791
48,960	109	113,251	-	-	259,160
40,500	-	-	-	-	40,500
108,903	531	-	-	-	109,434
8,637	2,974	-	-	-	191,115
-	557,266	-	-	-	557,266
-	-	-	-	-	37,208
-	-	-	-	-	33,556
1,148,892	1,039,111	361,359	541,728	-	14,493,119
106,984	3,907,932	112,019	143,153	-	9,043,896
831,728	39,222	-	1	-	1,499,082
31,534	-	-	-	-	32,128
970,246	3,947,154	112,019	143,154	-	10,575,106
-	-	-	-	540,238	540,238
-	-	-	-	540,238	540,238
$ 4,128,712	$ 9,147,098	$ 554,307	$ 705,148	$ 540,238	$ 47,491,250

Administrative School District No. 1
Deschutes County, Oregon
Debt Service Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2022

	Object 300	Object 600	Totals
Support Services			
2520 - Fiscal Services	$ 243,413	$ -	$ 243,413
Support Services Total	243,413	-	243,413
Other Uses/Expenditures Total			
5100 - Debt Service	-	126,494,239	126,494,239
Other Uses/Expenditures Total	-	126,494,239	126,494,239
Total Debt Service Funds	$ 243,413	$ 126,494,239	$ 126,737,652

Administrative School District No. 1
Deschutes County, Oregon
Capital Project Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2022

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Totals
Facilities Acquisition and Contstruction							
4110 - Constr Service Area Direction	$ 894,991	$ 477,775	$ 40,763	$ 13,638	$ 2,218	$ -	$ 1,429,385
4120 - Site Acquisition and Development Services	-	-	-	-	3,025,288	-	3,025,288
4150 - Building Acquisition, Construction, and Improvement Services	54,637	27,634	-	-	25,482,526	-	25,564,797
4190 - Other Facilities and Construction Services	-	-	-	-	-	821	821
Facilities Acquisition and Contstruction Total	949,628	505,409	40,763	13,638	28,510,032	821	30,020,291
Total Captial Project Funds	$ 949,628	$ 505,409	$ 40,763	$ 13,638	$ 28,510,032	$ 821	$ 30,020,291

Administrative School District No. 1
Deschutes County, Oregon
Trust and Agency Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2022

	Object 300	Totals
Enterprise and Community Services		
3300 - Community Services	16,400	16,400
Enterprise and Community Services Total	16,400	16,400
Total Trust and Agency Funds	$ 16,400	$ 16,400

Administrative School District No. 1
Deschutes County, Oregon
Supplemental Information as Required by the Oregon Department of Education
for the Year Ended June 30, 2022

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	$ 2,581,354
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

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BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Statistical



"The whole purpose of education is to turn mirrors into windows."

-Sydney Harris

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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 115-121

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 122-127

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

Debt Capacity 128-131

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 132-133

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 134-141

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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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
2022	$ 223,516,000	$ 21,341,000	$ (160,747,000)	$ 84,110,000
2021	191,764,000	19,052,000	(158,840,000)	51,976,000
2020	165,268,000	23,694,000	(142,240,000)	46,722,000
2019	155,762,000	17,840,000	(131,977,000)	41,625,000
2018	146,069,000	14,959,000	(130,757,000)	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
2013, as restated	99,681,000	7,685,000	10,497,000	117,863,000

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

	2013, as restated	2014, as restated	2015, as restated
Expenses			
Governmental activities			
Regular instruction	$ 65,480	$ 72,461	$ 74,280
Special programs including summer school	24,177	25,089	23,932
Students	10,256	10,541	10,070
Instructional staff	5,004	5,800	6,066
General administration	655	661	740
School administration	9,002	9,765	9,478
Business, transportation and maintenance	21,944	22,667	3,232
Central activities	4,634	4,941	3,968
Supplemental retirement program	2,527	2,493	676
Food services	5,560	5,764	5,804
Other enterprise and community services	1,252	1,525	1,606
Interest on long-term liabilities	23,007	14,275	12,965
Total governmental activities expenses	173,498	175,982	152,817
Program revenues			
Governmental activities			
Charges for services			
Regular instruction	3,447	3,588	3,634
Business, transportation and maintenance	819	977	932
Food services	1,369	1,401	1,443
Other enterprise and community services	316	353	350
Operating grants and contributions	17,267	17,538	19,425
Capital grants and contributions	707	670	636
Total governmental activities program revenues	23,925	24,527	26,420
Total governmental net expense	(149,573)	(151,455)	(126,397)
General revenues and other changes in net position			
Governmental activities			
Property taxes levied for:			
General purposes	55,777	59,048	63,524
Debt service	18,498	18,791	20,383
Federal aid not restricted to specific purposes	286	284	190
State aid not restricted to specific purposes	59,337	69,610	75,139
Intermediate aid not restricted to specific purposes	1,411	1,828	2,003
Earnings on investments	208	1,138	470
Other local revenue	2,882	2,373	2,349
Gain/loss on sale of capital assets	-	-	-
Restitution	-	-	-
Insurance proceeds	-	-	-
Total governmental activities general revenues and other	138,399	153,072	164,058
Change in net position governmental activities	$ (11,174)	$ 1,617	$ 37,661

2016	2017, as restated	2018	2019	2020	2021	2022
$ 81,791	$ 81,756	$ 99,305	$ 104,943	$ 111,703	$ 121,073	$ 110,116
23,739	25,782	31,563	31,741	33,961	37,374	36,281
10,740	11,461	14,906	15,651	17,402	18,753	20,705
6,012	6,244	7,600	7,786	8,468	9,413	9,032
737	746	859	915	916	914	909
10,640	10,450	12,930	13,366	15,348	15,951	13,989
75,610	50,235	29,153	31,022	31,698	31,370	31,821
6,261	7,015	6,460	6,635	7,404	7,996	12,349
507	394	276	189	125	70	34
6,344	6,217	7,536	7,497	7,363	7,434	8,836
1,713	1,767	2,041	2,115	2,363	2,282	1,859
12,304	12,416	15,757	15,787	17,648	16,681	8,876
236,398	214,484	228,386	237,647	254,399	269,311	254,807
3,985	834	809	784	630	113	588
965	927	921	925	800	605	842
1,633	1,869	2,063	2,321	1,857	23	224
340	315	343	618	311	104	264
18,203	18,776	20,958	22,117	22,602	40,577	49,933
662	713	873	746	654	792	815
25,788	23,433	25,967	27,511	26,854	42,214	52,666
(210,610)	(191,051)	(202,420)	(210,136)	(227,544)	(227,097)	(202,141)
67,577	71,211	75,808	80,353	86,058	88,715	93,725
21,312	22,118	30,655	32,546	34,796	36,019	37,659
242	-	1,292	215	169	167	442
82,316	84,340	92,740	94,700	100,478	103,024	97,396
2,198	2,497	2,718	2,795	2,765	2,529	2,324
390	610	1,850	5,557	6,335	400	549
2,639	4,618	3,374	1,721	1,984	1,521	2,137
-	-	19	1	56	(24)	41
-	-	-	-	-	-	2
-	-	5,441	3,602	1	-	-
176,674	185,394	213,895	221,490	232,642	232,351	234,275
$ (33,936)	$ (5,657)	$ 11,475	$ 11,353	$ 5,097	$ 5,254	$ 32,134

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

	2013	2014	2015	2016
General fund				
Nonspendable	$ 167,000	$ 857,000	$ 1,397,000	$ 1,010,000
Restricted	312,000	311,000	815,000	905,000
Assigned	4,954,000	3,629,000	5,664,000	6,160,000
Unassigned	5,949,000	5,332,000	3,926,000	5,454,000
Total general fund	$ 11,382,000	$ 10,129,001	$ 11,802,001	$ 13,529,001
All other governmental funds				
Nonspendable, reported in				
Special revenue fund	$ 406,000	$ 366,000	$ 331,000	$ 376,000
Restricted, reported in				
Special revenue fund	2,356,000	2,657,000	3,076,000	3,360,000
Debt service fund	3,701,000	2,784,000	2,272,000	2,511,000
Capital project fund	955,000	84,114,000	34,888,000	18,895,000
Assigned, reported in				
Special revenue fund	1,698,000	1,888,000	2,212,000	2,710,000
Total all other governmental funds	$ 9,116,000	$ 91,809,000	$ 42,779,000	$ 27,852,000

2017	2018	2019	2020	2021	2022
$ 1,740,000	$ 1,040,000	$ 1,400,000	$ 1,171,000	$ 1,971,000	$ 1,518,000
117,000	530,000	1,623,000	2,356,000	2,240,000	1,485,000
6,003,000	9,625,000	12,380,000	13,367,000	16,669,000	19,991,000
3,758,000	5,877,000	4,480,000	6,993,000	8,910,000	5,580,000
$ 11,618,000	$ 17,072,000	$ 19,883,000	$ 23,887,000	$ 29,790,000	$ 28,574,000
$ 415,000	$ 475,000	$ 373,000	$ 576,000	$ 667,000	$ 455,000
4,221,000	4,513,000	4,980,000	3,232,000	4,659,000	8,627,000
1,937,000	2,385,000	3,585,000	4,032,000	4,694,000	4,662,000
8,764,000	175,098,000	123,285,000	145,228,000	51,115,000	21,857,000
2,890,000	3,175,000	3,087,000	4,619,000	5,903,000	4,281,000
$ 18,227,000	$ 185,646,000	$ 135,310,000	$ 157,687,000	$ 67,038,000	$ 39,882,000

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)

	2013	2014	2015
Revenues			
Property taxes	$ 75,662	$ 78,346	$ 84,294
Tuition	731	842	931
Investment earnings	208	421	376
Other local sources	11,321	12,269	12,263
Intermediate sources	1,525	1,929	2,303
State sources	60,668	71,169	77,342
Federal sources	14,749	13,706	14,579
Total revenues	164,864	178,682	192,088
Expenditures			
Current			
Instruction	82,921	90,667	97,324
Support services	51,678	54,895	55,626
Community services	6,987	7,472	7,969
Facilities acquisition and construction	-	-	-
Debt service:			
Principal	13,588	13,143	14,339
Interest	24,360	13,269	13,644
Capital outlay	4,611	14,352	50,817
Total expenditures	184,145	193,798	239,719
Revenues over (under) expenditures	(19,281)	(15,116)	(47,631)
Other financing sources (uses)			
Refunding bonds issued	-	91,825	-
Payment to refunded bond escrow agent	-	-	-
Premium on bonds issued	14,404	4,732	-
General obligation bonds issued	-	-	-
PERS UAL Payment	-	-	-
Insurance proceeds	-	-	-
Lease financing	-	-	-
Sale of capital assets	-	-	272
Restitution	-	-	-
Lease purchase / long term loan proceeds	3,200	-	-
Total other financing sources (uses)	17,604	96,557	272
Net change in fund balances	$ (1,677)	$ 81,441	$ (47,359)
Ratio of total debt service to noncapital expenditures	21%	15%	15%

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

2016	2017	2018	2019	2020	2021	2022
$ 88,977	$ 93,175	$ 106,499	$ 112,924	$ 120,726	$ 125,177	$ 131,348
8	3	6	19	26	24	18
390	610	1,850	5,557	6,335	400	549
13,021	15,446	13,753	12,574	11,326	7,602	10,528
2,642	2,866	3,395	3,590	3,160	2,924	2,719
85,964	86,094	97,036	101,165	107,666	115,966	121,160
12,613	11,419	12,519	10,869	11,158	24,350	22,738
203,615	209,612	235,058	246,698	260,397	276,443	289,060
101,799	103,774	112,662	117,178	121,838	131,611	139,140
59,016	63,011	65,657	69,673	72,652	75,299	87,401
8,545	8,492	9,278	9,251	9,037	9,041	10,824
-	727	2,416	1,569	2,156	1,832	1,510
15,617	17,465	21,030	22,135	21,871	25,913	29,813
13,315	12,979	17,668	18,558	21,167	19,108	15,760
22,696	14,699	26,746	60,853	87,822	97,721	31,785
220,988	221,146	255,458	299,217	336,543	360,524	316,233
					0	
(17,373)	(11,534)	(20,400)	(52,519)	(76,146)	(84,081)	(27,175)
-	-	-	-	-	-	80,795
-	-	-	-	-	-	(82,245)
-	-	12,809	-	7,920	-	31
4,175	-	175,000	-	93,300	-	-
-	-	-	-	-	(1,000)	-
-	-	5,441	3,602	1	-	-
-	-	-	-	-	-	121
-	-	21	1	56	334	99
-	-	-	-	-	-	2
-	-	-	1,390	1,250	-	-
4,175	-	193,271	4,993	102,527	(665)	(1,197)
$ (13,198)	$ (11,534)	$ 172,871	$ (47,526)	$ 26,381	$ (84,746)	$ (28,372)
15%	15%	17%	17%	17%	17%	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	
Fiscal Year Ended June 30	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2022	27,365,201	54,432,055	627,551	627,551	90,106	173,790
2021	25,896,554	46,294,856	586,141	586,165	84,899	147,202
2020	24,642,529	43,452,590	524,739	524,739	81,184	131,478
2019	23,380,813	39,872,595	508,792	508,792	78,182	112,683
2018	22,107,667	35,571,219	482,975	482,975	74,665	103,958
2017	20,943,309	31,302,357	451,004	451,007	65,759	79,422
2016	19,847,234	27,721,055	415,663	415,679	60,520	70,526
2015	18,803,090	24,717,972	393,213	393,227	53,660	58,261
2014	17,812,786	21,290,547	372,149	372,148	47,241	50,377
2013	17,006,004	20,134,879	376,567	376,567	42,964	45,308

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

Public Utilities		Exemptions	Total			Assessed Value as a Percentage of Estimated
Assessed Value	Estimated Actual Value	Assessed Value	Taxable Assessed Value	Estimated Actual Value	Total Direct Rate	
834,257	910,502	58,719	28,858,395	56,085,178	6.65	51.559%
803,586	887,767	57,288	27,313,792	47,858,703	6.66	57.191%
710,117	784,443	54,658	25,903,911	44,838,592	6.67	57.893%
668,084	736,374	51,211	24,584,663	41,179,234	6.67	59.826%
600,475	628,510	47,457	23,218,324	36,739,204	6.67	63.327%
560,616	582,833	45,078	21,975,610	32,370,540	6.22	68.027%
652,906	677,075	43,032	20,933,290	28,841,302	6.23	72.730%
475,914	492,477	39,804	19,686,343	25,322,403	6.26	77.900%
411,711	455,805	36,566	18,637,322	22,132,314	6.20	84.374%
429,361	445,442	34,370	17,820,526	21,002,196	6.23	85.014%

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

	2013	2014	2015	2016
Administrative School District No. 1	$ 6.23	$ 6.20	$ 6.26	$ 6.23
High Desert ESD	0.10	0.10	0.10	0.10
Central Oregon Community College	0.75	0.75	0.75	0.74
Deschutes County	4.86	4.74	4.70	4.76
City of Bend	3.07	3.03	3.22	3.20
Bend Parks & Recreation	1.46	1.67	1.66	1.63
City of La Pine	1.90	1.93	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	2.37	2.41	2.47
Sunriver Library CSD	0.05	0.05	0.05	0.04
Total	$ 24.40	$ 24.45	$ 24.74	$ 24.76

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.

2017	2018	2019	2020	2021	2022
$ 6.22	$ 6.67	$ 6.67	$ 6.67	$ 6.66	$ 6.65
0.10	0.10	0.10	0.10	0.10	0.10
0.74	0.74	0.73	0.73	0.72	0.72
4.75	4.80	4.19	4.19	4.19	4.16
3.19	3.18	3.17	3.16	3.16	3.15
1.63	1.62	1.62	1.61	1.61	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	3.31
2.41	2.41	2.41	2.41	2.41	2.41
-	-	-	-	-	-
$ 24.63	$ 25.11	$ 24.48	$ 24.46	$ 24.44	$ 24.37

Administrative School District No. 1
Deschutes County, Oregon
Major Property Taxpayers
June 30, 2022

Bend-La Pine Schools

Taxpayer	Type of Business	2021-2022 Tax	2021-2022 Assessed Value	2021-2022 Percent of Value	2021-2022 Rank	2012-2013 Tax	2012-2013 Assessed Value	2012-2013 Percent of Value
TDS Baja Bendbroadband LLC	Telecommunications	$ 1,725,681	$ 112,593,000	0.55%		$ -	$ -	-
Pacificorp (P P&I)	Electrical utility	1,382,327	92,301,000	0.45%	1	827,168	58,207,000	0.46%
Gas Transmission NW Corp.	Natural gas utility	1,061,590	86,229,000	0.42%	2	677,511	57,258,100	0.45%
Cascade Natural Gas Corp	Natural gas utility	1,012,310	66,645,000	0.33%	3	567,097	39,569,000	0.31%
Touchmark at Mount Bachelor Village	Retirement community	841,422	53,094,930	0.26%	6	512,556	34,656,120	0.27%
Deschutes Brewery Inc.	Brewery and restaurant	775,858	50,007,190	0.24%	4	539,005	36,391,130	0.29%
CVSC LLC	Retail stores	746,958	47,136,270	0.23%	7	473,414	32,140,290	0.25%
Suterria LLC	Pest control products	745,715	46,507,010	0.23%	8	451,735	33,736,566	0.27%
Lumen Technologies Inc	Technology	676,506	45,070,000	0.22%	-	-	-	-
Forum Westside LLC	Property Management	646,442	40,791,430	0.20%	-	-	-	-
Sunriver Resort Limited	Vacation resort	-	-	-	9	447,473	33,117,930	0.26%
SFI Cascade Highlands LLC	Homeowner Association	-	-	-	10	376,548	28,628,340	0.23%
Bend Cable Communications	Cable company	-	-	-	5	512,596	34,960,000	0.28%
Subtotal top ten of District's major taxpayers			640,374,830	3.13%		5,385,102	388,664,476	3.08%
All other District's taxpayers			19,849,845,210	96.87%			12,236,194,813	96.92%
Total District			$ 20,490,220,040	100.00%			$ 12,624,859,289	100.00%

Deschutes County

Taxpayer	Type of Business	2021-2022 Tax	2021-2022 Assessed Value	2021-2022 Percent of Value	2021-2022 Rank	2012-2013 Tax	2012-2013 Assessed Value	2012-2013 Percent of Value
Pacificorp (P P&I)	Electrical utility	$ 2,044,132	$ 133,368,000	0.46%	1	$ 1,251,342	$ 85,135,000	0.48%
TDS Baja Bendbroadband LLC	Telecommunications	2,014,386	129,989,000	0.45%		-	-	-
Gas Transmission NW Corp.	Natural gas utility	1,352,895	106,081,000	0.37%	2	869,527	70,223,300	0.39%
Cascade Natural Gas Corp.	Natural gas utility	1,335,245	85,420,000	0.30%	3	746,888	49,908,000	0.28%
PCC Structurals Inc	Manufacturing	1,001,055	42,658,630	0.15%		-	-	-
Lumen Technologies Inc	Technology	950,501	63,617,000	0.22%		-	-	-
Touchmark at Mount Bachelor Village, LLC	Retirement community	841,422	53,094,930	0.18%	6	512,556	34,656,120	0.19%
Deschutes Brewery Inc.	Brewery and restaurant	775,858	50,007,190	0.17%	5	539,005	36,391,130	0.20%
CVSC LLC	Retail stores	746,958	47,136,270	0.16%	7	473,414	32,140,290	0.18%
Suterria LLC	Pest control products	745,715	48,251,070	0.17%	9	451,735	33,736,566	0.19%
CentryLink	Telecommunications	-	-	-	8	455,965	31,111,300	0.17%
Sunriver Resort Limited	Vacation resort	-	-	-	10	447,473	33,117,930	0.19%
Bend Cable Communications	Cable company	-	-	-	4	617,299	4,112,200	0.02%
Subtotal-top ten County major taxpayers			759,623,090	2.63%		6,365,204	410,531,836	2.30%
All other County's taxpayers			28,098,771,473	97.37%			17,409,994,643	97.70%
Total Deschutes County			$ 28,858,394,563	100.00%			$ 17,820,526,479	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
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%
2013	76,044,654	72,106,750	94.8%	947,513	73,054,263	96.1%

Source:
Levy information was obtained from Deschutes County

Administrative District No. 1
Deschutes County, Oregon
Computation of Direct and Overlapping Debt
June 30, 2022

Jurisdiction	Gross Bonded Debt Outstanding	Percentage Applicable to ASD No. 1	Amount Applicable to ASD No. 1
Alfalfa RFPD	$ 245,000	3.83%	$ 9,375
Bend Metro Park & Rec District	21,772,013	99.93%	21,757,839
Central Oregon Community College	48,590,656	60.92%	29,600,213
Central Oregon Regional Housing Authority	1,650,200	72.08%	1,189,408
City of Bend	143,850,729	100.00%	143,850,729
City of La Pine	300,000	100.00%	300,000
Deschutes County	37,396,600	72.08%	26,954,198
Deschutes Cty RFPD 2 (Bend)	8,575,000	75.16%	6,445,021
Deschutes Public Library District	192,640,000	72.08%	138,848,362
High Desert ESD	8,676,937	65.79%	5,708,669
La Pine Parks & Recreation District	300,000	100.00%	300,000
Lazy River Special Road District	28,000	100.00%	28,000
Sunriver Service	7,000,000	100.00%	7,000,000
Subtotal, overlapping debt			381,991,814
Administrative School District No. 1 direct debt			413,814,284
Total direct and overlapping debt			$ 795,806,098

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
2022	$ 347,720,000	$ 44,570,479	$ 1,973,000	$ 19,550,805	$ 413,814,284	N/A	$ 2,035
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
2013	128,755,000	78,846,876	4,731,544	15,022,927	227,356,347	3.43%	1,420

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)

			Computation of Debt Margin				
	Real Market Value	Debt Limit = Real Market Value X .0795	Total General Obligation Bonds	Less Assets Available in Debt Service Fund	Total Amount of Debt Subject to Debt Limit	Legal Debt Margin	Ratio of Legal Debt Margin to the Debt Limit
2022	40,675,964	3,233,739	347,720	(4,662)	343,058	2,890,681	89%
2021	34,535,389	2,745,563	387,870	(4,694)	383,176	2,362,387	86%
2020	32,827,950	2,609,822	387,870	(4,031)	383,839	2,225,983	85%
2019	30,243,766	2,404,379	313,540	(3,585)	309,955	2,094,425	87%
2018	26,993,818	2,146,009	332,610	(2,377)	330,233	1,815,780	85%
2017	23,788,200	1,891,162	175,635	(1,937)	173,698	1,717,465	91%
2016	21,279,466	1,691,718	190,155	(2,510)	187,645	1,504,073	89%
2015	18,608,982	1,479,414	198,705	(2,272)	196,433	1,282,981	87%
2014	16,076,707	1,278,098	210,210	(2,783)	207,427	1,070,671	84%
2013	15,123,058	1,202,283	128,755	(3,701)	125,054	1,077,229	90%

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

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
2022	367,270,805	4,662,158	362,608,647	0.65%	1,783
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
2013	143,777,927	3,701,248	140,076,679	0.53%	875

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
2022	203,390	3.4%	N/A	N/A	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
2013	160,140	10.8%	40,223	6,636,813,000	80,505	15,763	10,973	18,467

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

	2022			2013		
Employer	Employees	Rank	Percentage of Total County Employees	Employees	Rank	Percentage of Total County Employees
St Charles Medical Center	4,097	1	4.55%	2,627	1	4.08%
Administrative School District No. 1	2,160	2	2.40%	1,686	2	2.62%
Deschutes County	1,043	3	1.16%	1,057	3	1.64%
Sunriver Resort	1,000	4	1.11%	900	4	1.40%
Redmond School District	987	5	1.10%	742	7	1.15%
Mt Bachelor	894	6	0.99%	743	6	1.15%
City of Bend	702	7	0.78%	-	-	-
COCC	678	8	0.75%	628	9	0.98%
Summit Medical Group	607	9	0.67%	-	-	-
OSU-Cascades	442	10	0.49%	-	-	-
IBEX	-	-	-	650	8	1.01%
Wal Mart	-	-	-	787	5	1.22%
Bend Memorial Clinic	-	-	-	582	10	0.90%
Total	12,610		14.00%	10,402		16.15%

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

	2013	2014	2015	2016
Function:				
Regular instruction	623	662	685	736
Special programs including summer school	285	286	288	290
Student services	122	120	124	128
Instructional staff	42	48	51	53
General administration	2	2	2	2
School administration	106	111	115	127
Business, transportation and maintenance	207	211	210	218
Central activities	31	31	33	38
Food services	64	64	69	70
Other enterprise and community services	13	14	14	14
Facilities acquisition and construction	3	4	6	5
Total	1,498	1,553	1,597	1,681

Source:
Information was obtained from District's payroll records

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

2017	2018	2019	2020	2021	2022
754	767	786	781	831	820
301	313	297	297	294	308
134	148	146	157	171	207
55	57	57	57	54	64
2	2	2	2	3	3
119	124	134	132	136	145
230	229	231	243	230	242
40	41	42	44	45	52
71	72	72	74	60	70
12	14	14	15	14	13
5	10	10	11	12	10
1,723	1,777	1,791	1,813	1,850	1,934

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

	2013	2014	2015
Function:			
Instruction			
Enrollment	16,600	16,863	17,163
Transportation			
Number of buses	133	133	130
Miles driven per year	1,636,654	1,679,498	1,580,045
Cost per mile	$ 4.06	$ 4.31	$ 4.54
Students transported to school daily	5,232	5,361	4,705
Food services			
Free lunch participants	6,427	6,404	4,701
Reduced lunch participants	1,021	992	953
Percent free/reduced of total enrollment	45%	44%	33%

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
* Due to Covid-19, all students were eligible for free lunches in 2022 - separate counts were not taken

2016	2017	2018	2019	2020	2021	2022
17,534	18,034	18,375	18,428	18,672	17,612	17500
139	134	124	126	131	125	131
1,951,595	1,733,345	1,684,249	1,636,116	1,201,119	947,521	1,581,272
$ 3.64	$ 4.31	$ 5.56	$ 5.72	$ 7.79	$ 9.88	$ 5.92
4,595	4,945	5,216	5,395	6,100	2,021	3,138
4,371	4,034	3,949	4,159	4,317	3,113	N/A
1,007	1,002	1,081	1,218	1,037	316	N/A
31%	28%	27%	29%	29%	19%	N/A

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Instruction										
Number of elementary schools	17	17	17	18	18	18	18	19	19	19
Number of middle schools	5	5	5	7	7	7	7	7	7	7
Number of high schools	5	5	5	5	5	5	7	7	7	7
Elementary school enrollment	7,522	7,719	7,827	8,046	8,260	8,370	8,244	8,222	7,606	7,522
Middle school enrollment	3,713	3,785	3,862	3,962	4,125	4,268	4,403	4,523	4,187	3,982
High school enrollment	5,365	5,359	5,474	5,526	5,649	5,737	5,781	5,927	5,819	5,996
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

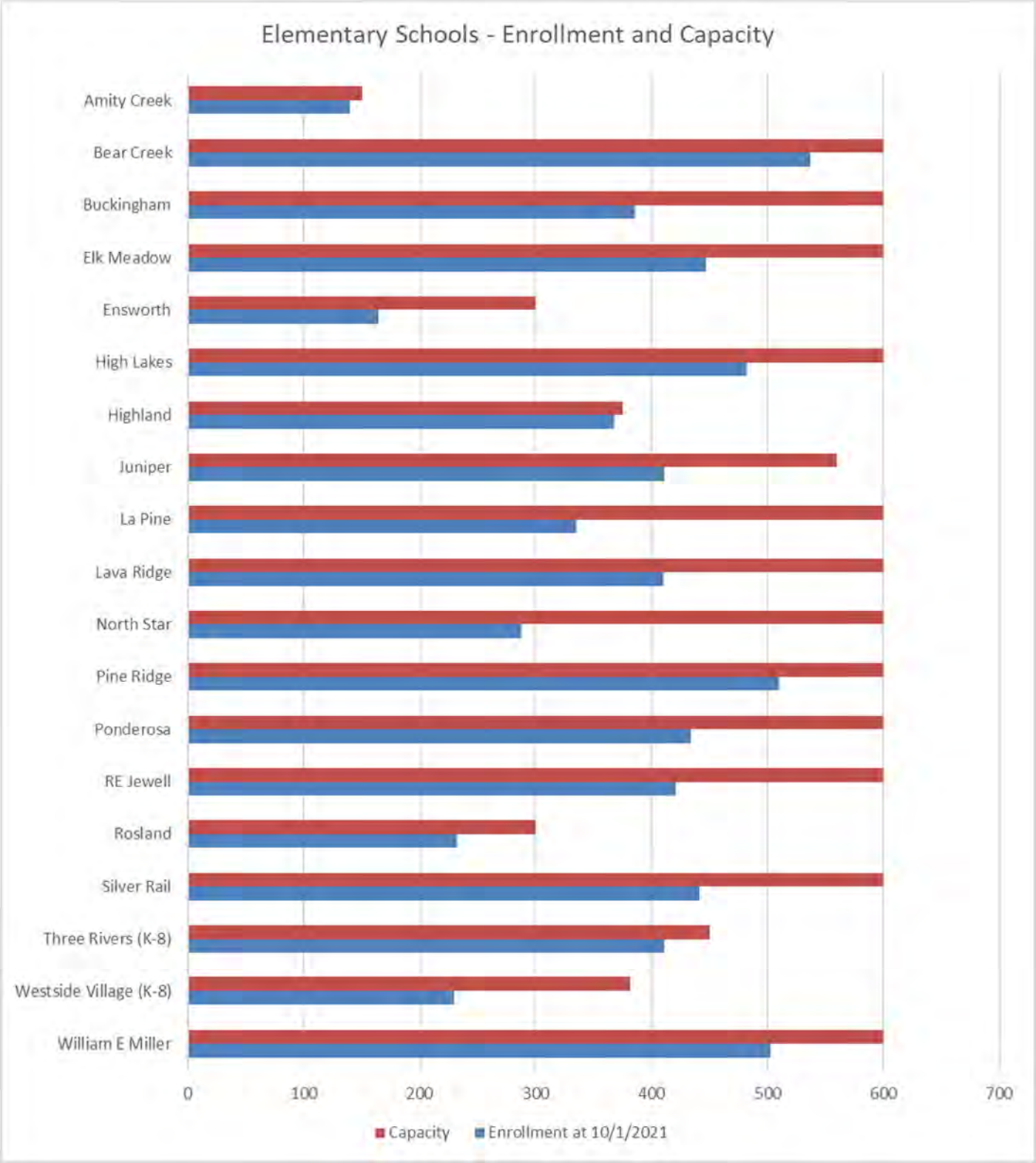
Source:
Information was obtained from the District's capital asset and student enrollment records.

Administrative School District No. 1
Deschutes County, Oregon
School Building Capacity and Enrollment
June 30, 2022

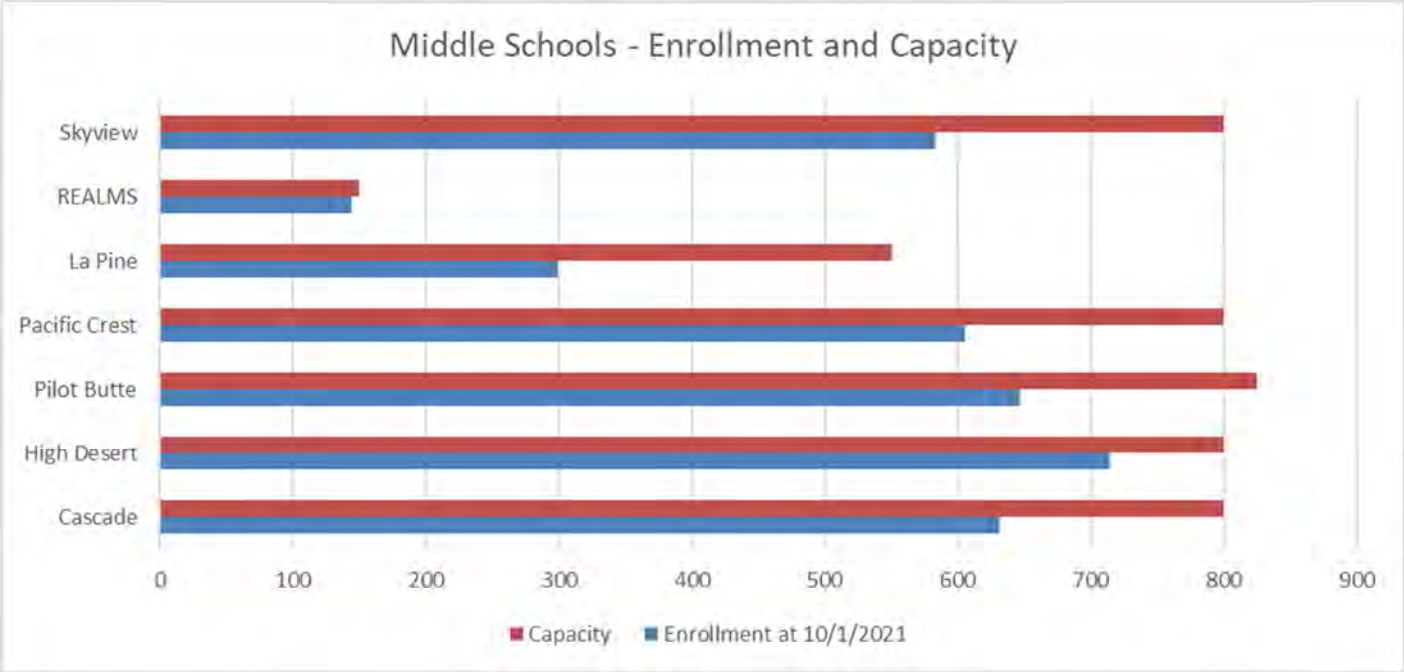
Building	Enrollment	Capacity Without Modular Classrooms	Percent of Capacity	Year of Building Construction
Elementary Schools				
Amity Creek	140	150	93%	1948
Bear Creek	537	600	90%	1963
Buckingham	386	600	64%	1980
Ensworth	164	300	55%	2005
Elk Meadow	447	600	75%	1993
Highland	368	375	98%	1918
High Lakes	482	600	80%	2000
RE Jewell	421	600	70%	1974
Juniper	411	560	73%	1965
La Pine	335	600	56%	1993
Lava Ridge	410	600	68%	1994
North Star	288	600	48%	2019
Pine Ridge	510	600	85%	2004
Ponderosa	434	600	72%	2008
Rosland	232	300	77%	2010
Silver Rail	441	600	74%	2015
Westside Village (K-8)	230	382	60%	1949
William E Miller	503	600	84%	2009
Three Rivers (K-8)	411	450	98%	1989
Total elementary schools	7,150	9,717	89%	
Middle Schools				
Cascade	631	800	79%	1978
High Desert	714	800	89%	1993
Pilot Butte	647	825	78%	1967
Pacific Crest	605	800	76%	2015
La Pine	299	550	54%	1978
REALMS	144	150	96%	1991
Skyview	583	800	85%	2000
Total middle schools	3,623	4,725	88%	
High Schools				
Bend	1,340	1,550	86%	1956
La Pine	418	550	76%	1961
Marshall	129	200	65%	1948
Mountain View	1,203	1,500	80%	1978
REALMS	194	100	194%	1993
Caldera	670	1,500	45%	2021
Summit	1,529	1,500	103%	2000
Total high schools	5,483	6,900	99%	

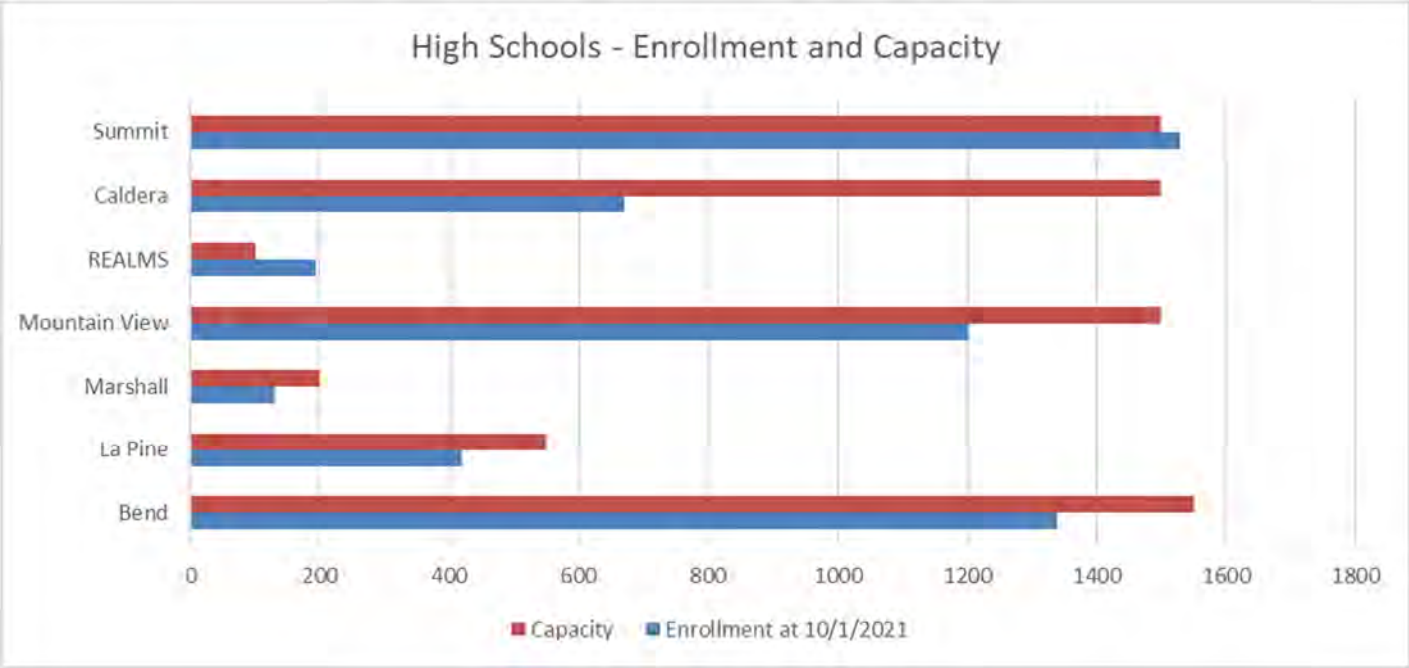
Note:
Enrollment is as of October 1, 2021
Many buildings have undergone remodels since original construction
Information obtained from District's student enrollment and capital asset records

Administrative School District No. 1
Deschutes County, Oregon
Elementary School Enrollment and Capacity
October 1, 2021



Administrative School District No. 1
Deschutes County, Oregon
Middle and High School Enrollment and Capacity
October 1, 2021





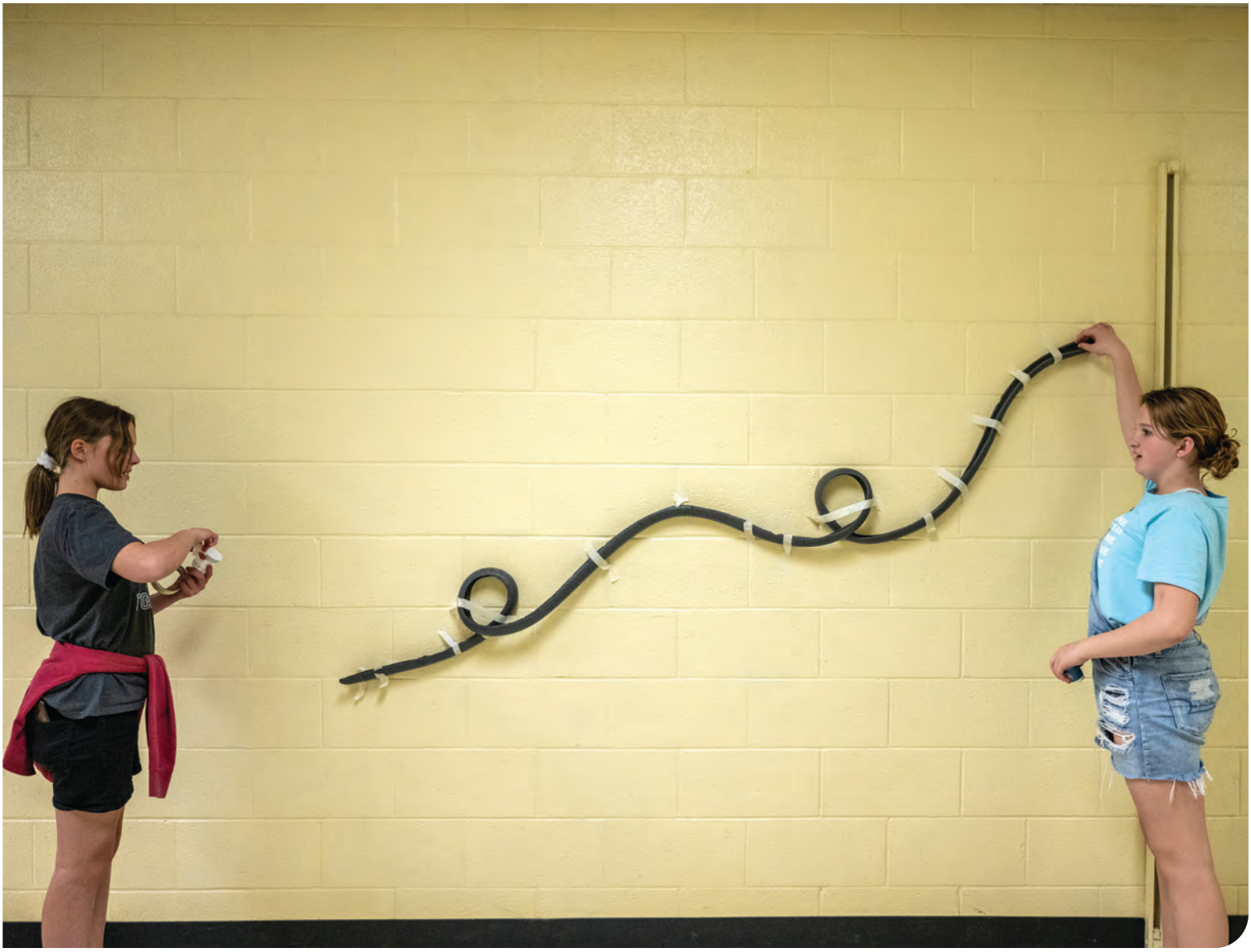
Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

Auditor's Comments



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

-Tibetan Proverb

Est. 1883

BEND LAPINE

Schools

EDUCATING THRIVING STUDENTS

SENSIBA SAN FILIPPO LLP

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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, 2022 and have issued our report thereon dated December 13, 2022. 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 (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State School Fund factors**

During our work related to federal programs, we noted one instance of noncompliance in the Emergency Connectivity Fund, further described in the Schedule of Findings and Questioned Costs contained within this Annual Comprehensive Financial Report.

In connection with our testing, except for the noncompliance referred to in the preceding paragraph, 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.

We noted certain matters that we consider to be material weaknesses in internal control and have reported these findings to management and the Board of Directors in our *Report on Internal Control over Financial Reporting* contained within the District's Annual Comprehensive Financial Report.

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 San Filippo, LLP
Bend, Oregon

December 13, 2022

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, 2022, 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 13, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bend-La Pine Schools' 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-La Pine Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Bend-La Pine Schools' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 *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. 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be material weaknesses.

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

Bend-La Pine Schools' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Bend-La Pine Schools' response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. Bend-La Pine Schools' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 San Filippo, LLP
Bend, Oregon

December 13, 2022

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, 2022. 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, 2022.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on Bend La Pine Schools' response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Bend La Pine Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 *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. 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

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

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

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 San Filippo, LLP
Bend, Oregon

December 13, 2022

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

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	-	2,151,509	2,151,509	1
		National School Lunch Program	10.555	902001	-	6,822,793	6,822,793	1
		Food Distribution (Commodities)	10.555	902001	-	568,540	568,540	1
		Commodities from Private Schools	10.555	n/a	-	6,722	6,722	1
		Summer Food Service Program for Children	10.559	902001	-	286,643	286,643	1
		Fresh Fruit and Vegetable Program	10.582	902001	-	139,426	139,426	
		Subtotal Nutrition Cluster			-	9,975,634	9,975,634	
		Child Nutrition Discretionary Grants	10.579	902001	-	44,052	44,052	
		Child and Adult Care Food Program	10.558	902001	-	1,030,081	1,030,081	1
	Deschutes County	Schools and Roads - Grants to States	10.665	n/a	-	183,701	183,701	
		Subtotal Forest Service Cluster			-	183,701	183,701	
Total USDA					-	11,233,467	11,233,467	
Dept of Defense		National Junior ROTC	12.U01	n/a	116,355	-	116,355	
Dept of Homeland Secu	Oregon Military Dept	COVID-19 Disaster Grants - Public Assistance	97.036		-	106,764	106,764	
U.S. Dept of Education	Oregon Dept. of Education	Title I Grants to Local Education Agencies	84.010	66896	-	97,878	97,878	
		Title I Grants to Local Education Agencies	84.010	58215	-	322,476	322,476	
		Title I Grants to Local Education Agencies	84.010	65078	-	230,885	230,885	
		Title I Grants to Local Education Agencies	84.010	66925	-	2,235,612	2,235,612	
		Title I Grants to Local Education Agencies	84.010	58895	-	1,481	1,481	
		Title I Grants to Local Education Agencies	84.010	60356	-	133,303	133,303	
		Title I Grants to Local Education Agencies	84.010	67939	-	19,286	19,286	
		Subtotal Title I			-	3,040,922	3,040,922	
		Special Education - Grants to States	84.027	68574	-	2,994,702	2,994,702	
		Special Education - Grants to States	84.027	61414	-	65,939	65,939	
		Special Education - Grants to States	84.027	68325	-	16,372	16,372	
		Special Education - Grants to States	84.027	n/a	-	4,200	4,200	
		Subtotal Special Education Cluster			-	3,081,213	3,081,213	
		English Language Acquisition State Grants	84.365	58455	-	4,811	4,811	
		English Language Acquisition State Grants	84.365	67107	-	83,993	83,993	
		Subtotal English Language Acquisition State Grants			-	88,803	88,803	
		Supporting Effective Instruction	84.367	58713	-	62,676	62,676	
		Supporting Effective Instruction	84.367	67358	-	414,786	414,786	
		Supporting Effective Instruction	84.367A	n/a	-	21,308	21,308	
		Subtotal Supporting Effective Instruction			-	498,770	498,770	
		Student Support and Academic Enrichment	84.424	66714	-	106,871	106,871	
		Student Support and Academic Enrichment	84.424	58532	-	39,229	39,229	
		Subtotal Student Support and Academic Enrichment			-	146,100	146,100	
		COVID-19 Education Stabilization Fund	84.425D	64532	-	1,724,936	1,724,936	1
		COVID-19 Education Stabilization Fund	84.425	69320	-	1,628	1,628	1
		COVID-19 Education Stabilization Fund	84.425U	64837	-	734,314	734,314	1
		Subtotal Education Stabilization Fund			-	2,460,878	2,460,878	
		COVID-19 Child Care and Development Block Grant	93.575		-	59,510	59,510	
		Subtotal Administration for Children and Families Cluster			-	59,510	59,510	
		Total Passed Through Oregon Department of Education			-	9,376,197	9,376,197	
	Oregon University System	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	n/a	-	7,114	7,114	
	High Desert ESD	Career and Technical Education - Basic Grants to States	84.048	n/a	-	533	533	
		Education for Homeless Children and Youth	84.196	n/a	-	16,144	16,144	
		Total Passed Through High Desert ESD			-	16,677	16,677	
	Dept of Human Services	Special Education - State Vocational Rehabilitation	84.126A	n/a	-	73,670	73,670	
Total US Dept of Education					-	9,473,657	9,473,657	
Federal Communications Commision		COVID-19 Emergency Connectivity Fund	32.009		-	1,560,764	1,560,764	1
Institute of Museum and Library Services	Oregon Dept. of Education	COVID-19 Grants to States	45.310		-	6,000	6,000	
Total Federal Financial Assistance					116,355	22,380,652	22,497,007	

(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, 2022

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.

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, 2022

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?	Yes
• Significant deficiencies?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weaknesses identified?	Yes
• 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)?	Yes

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
32.009	Emergency Connectivity Fund
10.553, 10.555, 10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

Finding 2022-001:

Criteria: Financial statements presented in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) must include all obligations of the District as of the date of the financial statements.

Condition and context: For the year ended June 30, 2022, Bend-La Pine Schools failed to report $1,164,514 of construction related expenditures in the capital project fund and government-wide financial statements. The error impacted eight contractor draw requests submitted in July 2022 and one contractor draw request submitted in August 2022 for work performed during the fiscal year ended June 30, 2022.

Cause: At the end of the fiscal year, the long-time construction accountant retired and during the transition of that position, certain construction project invoices related to work performed during the year ended June 30, 2022 were recorded in the subsequent fiscal year in error.

Effect: The financial statements for the capital project fund and government-wide statements were materially misstated, absent the proposed audit adjustment.

Recommendation: Implementing additional cut off procedures as part of Bend-La Pine Schools' year end processes, such as assessing the reasonableness of accruals in each fund compared to (1) expenditures, and (2) the prior year would assist in identifying cut off errors. Additionally, reviewing and tracing July expenditures to the accounts payable aging schedule each year may assist in identifying potential errors.

Views of responsible officials: Management agrees with the recommendation. We have added additional yearend closing procedures designed to ensure expenditures are recorded in the proper fiscal year. District will provide additional training and cross-training at the beginning of the closing process each year.

Section III – Federal Award Findings and Questioned Costs

Finding 2022-002:

AL 32.009 Emergency Connectivity Grant Fund (ECF), Federal Communications Commission, Award ID: ECF202115047 , Award Year: July 1, 2022 – June 30, 2022.

Criteria: Program requirements state that devices may not be submitted for reimbursements if they were purchased prior to July 1, 2021.

Condition: Bend-La Pine Schools submitted reimbursement claims for iPads, which included one shipment of iPads that was received in June 2021. The amount claimed related to the June 2021 shipment was $210,504.

Cause: The iPad shipment was received at Bend-La Pine Schools' warehouse on June 28, 2021, based on carrier receiving documents, but were not received in the technology department until after July 1, 2022. The technology department employee recorded receipt of the iPads as July 2021, and believing them to be eligible under the terms of the grant, the Business Office submitted a claim for reimbursement.

Effect: The cost submitted for reimbursement was not allowable under the terms of the program.

Questioned costs: $210,504, the total value of the iPads charged to the grant from the shipment received in July 2021.

Context: The error was isolated to one particular shipment of iPads received in June 2021.

Recommendation: We recommend the Business Office require receiving documentation be submitted with invoices to substantiate actual date of receipt for proper cut off at year end.

Views of responsible officials: District agrees with this recommendation. We will provide staff with additional training specific to year-end expenditures and required documentation to ensure expenditures are recorded in the correct year.

Finding 2022-003:

AL 32.009 Emergency Connectivity Grant Fund (ECF), Federal Communications Commission, Award ID: ECF202115047 , Award Year: July 1, 2022 – June 30, 2022.

Criteria: Internal controls over compliance were not effective to prevent or detect in a timely manner unallowable amounts being charged to the federal program.

Condition and context: Bend-La Pine Schools submitted reimbursement claims for iPads, which included one shipment of iPads that was received in June 2021.

Cause: The iPad shipment was received at Bend-La Pine Schools' warehouse on June 28, 2021, based on delivery receiving documents, but were not received in the technology department until after July 1, 2022. The technology department employee recorded receipt of the iPads as July 2021 in error and reflected this with a handwritten note of the receipt date of "July 2021" on a copy of the purchase order. Receiving documents were not submitted to the Business Office.

Effect: Costs were charged to the program which were not allowable under the terms of the program. Additionally, the financial statements as of June 30, 2021 were misstated as the full amount of the invoice should have been included as an expenditure and accounts payable in the financial statements, however the misstatement was not overall material to the financial statements for either year.

Recommendation: We recommend the Business Office require receiving documentation be submitted with invoices to substantiate actual date of receipt for proper cut off at year end.

Views of responsible officials: District agrees with this recommendation. We will provide staff with additional training specific to year-end expenditures and required documentation to ensure expenditures are recorded in the correct year.

Section IV – State Award Findings and Questioned Costs

None reported.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
Dated December 13, 2022

Corrective Action Plan

Finding 2022-01 - Views of Responsible Officials and Planned Corrective Actions

The District recorded $1.1 million in construction related pay applications in July and August 2022 when submitted for payment by contractors for work actually performed during fiscal year ending June 30, 2022. The recording of these expenses in the subsequent year would have resulted in incorrect reporting of District liabilities for year ending June 30, 2022, however appropriate entries have been recorded and 2022 fiscal year financials are correctly stated. At the end of the fiscal year, the longtime construction accountant had retired, and backfilling for that role proved challenging to fill. During the transition and cross-training for that position the posting of these transactions, while processed and paid in a timely fashion, were recorded to the incorrect year. Additionally, the transactions were processed by an Accounts Payable team also dealing with staff turnover and the challenges associated with a post COVID environment

Management has proposed additional cutoff testing processes as part of our year end processing, including review and audit of material transactions to ensure recording in proper year. Management has also implemented a change to the construction pay application process to ensure the service period is clearly indicated in the request to support correct processing. District management also recognizes the importance of staff receiving adequate training to perform their duties, and has addressed this training deficiency while also adding an internal audit step to catch any similar issues in the future.

Finding 2022-02 - Views of Responsible Officials and Planned Corrective Actions

The District submitted, for reimbursement via the Emergency Connectivity Grant Fund (ECF), approximately $210,000 dollars for ipads, which had been received prior to the eligibility date of the grant, July 1, 2021. These ipads having been received by the IT department, at the Districts main Education Center office, after July 1, 2021, were reported and recorded as July 2021 eligible transactions. It was subsequently determined this shipment was actually received on June 28, 2021 at the Districts distribution center, therefore making this specific shipment ineligible for grant reimbursement. Upon identification of this error, the District immediately contacted the grant management organization, appraised them of the situation, and were allowed to provide other eligible ipad purchases, as reimbursement backup.

Management has proposed additional cutoff testing processes as part of our year end processing, including review and audit of material transactions to ensure recording in proper year. Management has also provided additional training to staff members, on correct cutoff processing and the requirement for original shipping documents and receiving support. The

District has also implemented a change in process, whereby all technology purchases will be delivered directly to the IT department at the main Education Center location to ensure appropriate receipt dates and documentation is provided.

Finding 2022-03 - Views of Responsible Officials and Planned Corrective Actions

The District submitted, for reimbursement via the Emergency Connectivity Grant Fund (ECF), approximately $210,000 dollars for ipads, which had been received prior to the eligibility date of the grant, July 1, 2021. These ipads having been received by the IT department, at the Districts main Education Center office, after July 1, 2021, were reported and recorded as July 2021 eligible transactions. It was subsequently determined this shipment was actually received on June 28, 2021 at the Districts distribution center, therefore making this specific shipment ineligible for grant reimbursement. Upon identification of this error, the District immediately contacted the grant management organization, appraised them of the situation, and were allowed to provide other eligible ipad purchases, as reimbursement backup.

Management has proposed additional cutoff testing processes as part of our year end processing, including review and audit of material transactions to ensure recording in proper year. Management has also provided additional training to staff members, on correct cutoff processing and the requirement for original shipping documents and receiving support. The District has also implemented a change in process, whereby all technology purchases will be delivered directly to the IT department at the main Education Center location to ensure appropriate receipt dates and documentation is provided.

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: Nick Shein, Accounting Services Manager; Linda O'Donnell, Business Office Operations Manager; Kristi Scheiderman, Lead Staff Accountant; Matt Gayman, Lead Staff Accountant; Brenda Spreier, Staff Accountant; Wendy Reeves, Staff Accountant; Amy Coronado, Procurement and Contract Manager; and Michael Asher, Graphic Designer.

We would also like to recognize the following Business Office staff for their indirect support of the financial reporting process: Amy Michalski, Hanh Dammer, Jason Schneider, Jenny Ostrom, Kate Pardo and Melinda Kruse.

The Finance Team

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Schools

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