

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



12700 SW 72nd Ave.
Tigard, OR 97223

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2025

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

BOARD OF DIRECTORS 2024-25

Debbie Ballweber, Chair	June 30, 2029
Rosie Burkoff, Vice Chair	June 30, 2027
Anabel Hernandez-Mejia	June 30, 2029
Michael Vasquez	June 30, 2027
Ryan Beyer	June 30, 2029

Board members receive mail at the District address listed below.

ADMINISTRATION

Juan Larios
Superintendent

Sarah Bishop
Director of Business (Registered Agent)

1390 Meridian Drive,
Woodburn, OR 97071

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April 24, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of Woodburn School District No. 103 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Woodburn School District No. 103, as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Each Major Fund and the Aggregate Remaining Fund Information

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of Woodburn School District No. 103 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has not implemented GASB 87, Leases. Accounting principles generally accepted in the United States of America require recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The amount by which this departure would affect net position, assets, liabilities and deferred inflows of resources of the governmental activities is not reasonably determinable.

Management has also not recorded a subscription liability or a corresponding right-to-use asset for subscription-based information technology arrangements in accordance with GASB 96, Subscriptions. Accounting principles generally accepted in the United States of America require that all subscription-based information technology arrangements in excess of one year in term be recorded on the Statement of Net Position as a subscription liability and corresponding right-to-use asset. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

Responsibilities of Management for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of 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.

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

The budgetary comparison information presented as required supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 the basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

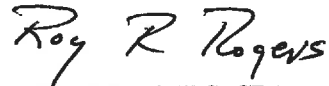
Other Information

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated April 24, 2026, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive style with a large, stylized "R" and "R".

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

GOVERNMENT WIDE BASIC FINANCIAL STATEMENTS

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 24,326,276
Receivables:	
Accounts and Grants	3,284,011
Property Taxes	646,880
OPEB RHIA Asset	1,272,413
Capital Assets Not Being Depreciated	2,923,745
Capital Assets Being Depreciated, Net of Depreciation	96,148,295
Total Assets	128,601,620
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	35,138,001
OPEB Related Deferrals - RHIA	118,751
OPEB Related Deferrals - Health Insurance	275,355
Total Deferred Outflows of Resources	35,532,107
TOTAL ASSETS AND PENSION RELATED DEFERRALS	164,133,727
LIABILITIES:	
Accounts Payable	2,634,376
Accrued Salaries and Benefits	5,988,544
Accrued Vacation Payable	
Due within one year	39,102
Due in more than one year	2,015,581
Debt Premium	
Due within one year	542,207
Due in more than one year	5,058,199
Interest Payable	68,216
Net Pension Liability -PERS	78,521,220
OPEB Liability - Health Insurance	3,734,311
Long-term Liabilities	
Due within one year	5,930,000
Due in more than one year	48,930,000
Total Liabilities	153,461,756
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	6,491,602
OPEB Related Deferrals - RHIA	66,228
OPEB Related Deferrals - Health Insurance	1,688,658
Total Deferred Inflows of Resources	8,246,488
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	161,708,244
NET POSITION:	
Net Investment in Capital Assets	38,611,634
Restricted for:	
Grants	112,577
Debt Service	810,654
Food Service	1,854,412
Capital Projects	570,441
OPEB RHIA Asset	1,272,413
Unrestricted	(40,806,648)
Total Net Position	\$ 2,425,483

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenditures	PROGRAM REVENUES		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 64,274,242	\$ -	\$ 9,835,666	\$ (54,438,576)
Support Services	43,515,908	28,153	4,321,053	(39,166,701)
Community Services	6,654,580	61,918	4,227,289	(2,365,373)
Interest on Long-Term Debt	900,307	-	-	(900,307)
Total Governmental Activities	\$ 115,345,036	\$ 90,071	\$ 18,384,008	(96,870,957)
GENERAL REVENUES:				
				12,025,177
				6,106,215
				79,658,500
				4,257,631
				704,648
				<u>102,752,171</u>
				5,881,214
				<u>(3,455,731)</u>
				<u>\$ 2,425,483</u>

See accompanying notes to the basic financial statements.

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>FACILITIES & CONSTRUCTION FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:						
Cash and Investments	\$ 19,752,350	\$ 84,060	\$ 753,127	\$ 2,055,723	\$ 1,681,016	\$ 24,326,276
Receivables:						
Accounts and Grants	124,630	2,415,166	44,785	-	699,430	3,284,011
Property Taxes	421,806	-	225,074	-	-	646,880
Interfund Receivable (Due From)	2,298,467	-	-	-	-	2,298,467
Total Assets	<u>\$ 22,597,253</u>	<u>\$ 2,499,226</u>	<u>\$ 1,022,986</u>	<u>\$ 2,055,723</u>	<u>\$ 2,380,446</u>	<u>\$ 30,555,634</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 539,000	\$ 84,060	\$ -	\$ 1,960,000	\$ 51,316	\$ 2,634,376
Interfund Payable (Due To)	-	2,298,467	-	-	-	2,298,467
Accrued Salaries and Benefits	5,984,422	4,122	-	-	-	5,988,544
Total Liabilities	<u>6,523,422</u>	<u>2,386,649</u>	<u>-</u>	<u>1,960,000</u>	<u>51,316</u>	<u>10,921,387</u>
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	398,162	-	212,332	-	-	610,494
Fund Balances:						
Restricted for:						
Grants	-	112,577	-	-	-	112,577
Debt Service	-	-	810,654	-	-	810,654
Food Service	-	-	-	-	1,854,412	1,854,412
Capital Projects	-	-	-	95,723	474,718	570,441
Unassigned	15,675,669	-	-	-	-	15,675,669
Total Fund Balances	<u>15,675,669</u>	<u>112,577</u>	<u>810,654</u>	<u>95,723</u>	<u>2,329,130</u>	<u>19,023,753</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,597,253</u>	<u>\$ 2,499,226</u>	<u>\$ 1,022,986</u>	<u>\$ 2,055,723</u>	<u>\$ 2,380,446</u>	<u>\$ 30,555,634</u>

Note: The Athletics Reserve Funds' Governmental Balance Sheet has been combined with the General Fund Governmental Balance Sheet in accordance with GASB 54

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2025

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		\$ 19,023,753
The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(78,521,220)
The Net RHIA Asset is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		1,272,413
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred Outflows - PERS		35,138,001
Deferred Inflows - PERS		(6,491,602)
Deferred Outflows - OPEB RHIA		118,751
Deferred Inflows - OPEB RHIA		(66,228)
Deferred Outflows - OPEB Health Insurance		275,355
Deferred Inflows - OPEB Health Insurance		(1,688,658)
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	\$ 144,703,971	
Accumulated Depreciation	<u>(45,631,931)</u>	99,072,040
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.		
Unavailable Revenue Related to Property Taxes.		610,494
Short and long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on short and long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Short-Term Loan Payable		
Long-Term Liabilities:		
Accrued Vacation Payable	(2,054,683)	
Bond Interest Payable	(68,216)	
Other Postemployment Benefit Obligation - Health Insurance	(3,734,311)	
Premium on Debt	(5,600,406)	
Bonds and Notes Payable	<u>(54,860,000)</u>	<u>(66,317,616)</u>
TOTAL NET POSITION		\$ <u>2,425,483</u>

See accompanying notes to the basic financial statements.

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	FACILITIES & CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Local Sources	\$ 14,307,269	\$ 596,577	\$ 6,286,807	\$ 5,445	\$ 1,267,976	\$ 22,464,074
Intermediate Sources	704,648	-	-	-	-	704,648
State Sources	70,097,890	8,691,750	-	-	868,860	79,658,500
Federal Sources	9,442	14,932,071	-	-	3,413,048	18,354,561
Total Revenues	85,119,249	24,220,398	6,286,807	5,445	5,549,884	121,181,783
EXPENDITURES:						
Instruction	48,993,647	12,186,949	-	-	-	61,180,596
Support Services	34,774,703	5,368,260	-	1,278,439	-	41,421,402
Community Services	130	1,012,490	-	-	5,321,662	6,334,282
Facilities Acquisition and Construction	-	-	-	-	2,089,689	2,089,689
Debt Service	-	-	7,035,837	-	-	7,035,837
Total Expenditures	83,768,480	18,567,699	7,035,837	1,278,439	7,411,351	118,061,806
Excess of Revenues Over (Under)						
Expenditures	1,350,769	5,652,699	(749,030)	(1,272,994)	(1,861,467)	3,119,977
OTHER FINANCING SOURCES, (USES):						
Transfer In	-	-	1,071,600	800,000	-	1,871,600
Transfer Out	(1,335,800)	(535,800)	-	-	-	(1,871,600)
Total Other Financing Sources, (Uses)	(1,335,800)	(535,800)	1,071,600	800,000	-	-
Net Change in Fund Balance	14,969	5,116,899	322,570	(472,994)	(1,861,467)	3,119,977
Beginning Fund Balance	15,660,700	(5,004,322)	488,084	568,717	4,190,597	15,903,776
Ending Fund Balance	\$ 15,675,669	\$ 112,577	\$ 810,654	\$ 95,723	\$ 2,329,130	\$ 19,023,753

Note: The Athletic Reserve Fund's activities have been combined with the General Fund activities in accordance with GASB 54.

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS **\$ 3,119,977**

The expense represents the changes in net asset (liability) from year to year due to changes in total liability and the fair value of plan net position available to pay benefits.

PERS	\$ (401,908)	
OPEB Health Insurance	<u>(129,936)</u>	(531,844)

OPEB - RHIA income represents the net change in total OPEB liability from year to year related to the medical benefit OPEB and is not included in the governmental funds 167,849

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period:

Expenditures for Capital Assets, net of adjustments	1,597,186	
Less Current Year Depreciation, net of adjustments	<u>(4,341,145)</u>	(2,743,959)

Short and long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing short and long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:

Debt Principal Repaid	5,585,000	
Amortization of Debt Premiums	<u>542,207</u>	6,127,207

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 8,323

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.

Unearned Revenue Related to Property Taxes - General Fund		37,483
Unearned Revenue Related to Property Taxes - Debt Service Fund		6,984

Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned. (310,806)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 5,881,214**

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
June 30, 2025

	<u>CUSTODIAL FUND</u>
ASSETS:	
Cash and Investments	\$ <u>2,564</u>
Total Assets	\$ <u>2,564</u>
NET POSITION	
Restricted	\$ <u>2,564</u>

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
For the Year Ended June 30, 2025

	<u>CUSTODIAL FUND</u>
REVENUES:	\$ 786
Expenditures:	414
Change in Net Position	<u>372</u>
Net Position - Beginning	<u>2,192</u>
Net Position - Ending	<u>\$ 2,564</u>

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

Woodburn School District No. 103 (the District) is a municipal corporation governed by an elected Board of Directors. Administrative officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. As required by generally accepted accounting principles, all activities have been included in these 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 services within the District boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements, in accordance with GASB 61.

B. Government-wide and Fund Financial Statements

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

The accounts are organized and operated on the basis of funds. A fund is an independent self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES

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

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

Financial operations are accounted for in the following major funds:

General Fund

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

Special Revenue Fund

The Special Revenue Fund accounts for revenues and expenditures restricted for specific educational projects or programs. Programs included are the federal and state and local grants funds, and the student activities fund. The grants funds account for revenue and expenses from federal, state and local grants. The student activities fund accounts for revenue and expenses from student activities.

Debt Service Fund

The Debt Service Fund accounts for the payment of principal and interest of the general obligation bonds. The principal resource is property taxes.

Facilities Acquisition & Construction Fund

This fund accounts for the proceeds of bonds and capital improvements that are funded by the bonds.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

D. Assets, Liabilities, and Net Position or Balance

Cash and Investments

Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

Cash and Cash Equivalents

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

Property Taxes

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

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

Supply Inventories

Inventory is accounted for based on the purchase method for the budgetary statements, and on the consumption method and charged to expense when used, for the government-wide financial statements. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes. There are no material inventories reported at year end by management.

Prepaid Expenses

Prepaid expenses are reported for purchases of goods or services paid for during the year but not used until next year. They will be recognized as expenditures when their benefits are realized.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. No allowance for uncollectible accounts has been recorded because management believes all receivables are collectible.

Grant Accounting

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

Capital Assets

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

Buildings and Improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualifies for liability recognition for compensated absences – vacation leave and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation Leave

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Long Term Obligations

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

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

Retirement Plans

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

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expenditure) until then. At June 30, 2025 there were deferred outflows representing PERS and RHIA pension related deferrals and OPEB related deferrals for health insurance reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first, unavailable revenue for property taxes is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At June 30, 2025 there were also deferred inflows representing PERS pension related deferrals and deferred inflows representing OPEB related deferrals for RHIA and health insurance reported in the Statement of Net Position.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

There were no nonspendable, committed, or assigned fund balances as of June 30, 2025.

There is a fund balance policy that directs the Superintendent to manage the currently adopted budget in such a way to ensure an ending fund cash balance of between 5 and 10 percent of the total adopted general fund revenues.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

E. Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

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

The investments, as of June 30, 2025, were all classified as Level 1. For more information, see Note 4.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

LEVEL OF CONTROL

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Debt Service
- Operating Contingency
- Other Uses of Funds: Interfund Transactions

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

Budget amounts shown in the budgetary financial statements reflect the final budget.

Expenditures of the various funds were within authorized appropriations, except for Special Revenue Fund – Instruction and Support Services, which were overexpended by \$97,555 and \$250,024, respectively.

3. BUDGETARY BASIS OF ACCOUNTING

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

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS

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

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

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

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:			
Demand Deposits	\$ 6,051,885	Governmental	\$ 24,326,276
Investments	<u>18,276,955</u>	Fiduciary	<u>2,564</u>
	<u>\$ 24,328,840</u>		<u>\$ 24,328,840</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2025 was \$9,466,280 of which \$500,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Deposits

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

Investments

Since the LGIP is not a private investment pool, it is not subject to U.S. Securities and Exchange Commission Rule 2a-7, and instead is valued under the simplified method below:

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, 2025. 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.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund’s audited financial report. As of June 30, 2025, the fair value of the position in the LGIP is 100.49% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized.

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

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

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

The Board has established investment policies to approve only certain depositories and investment instruments and has limited investments to those with maturities of no more than 36 months. The District holds investments in Corporate Securities, US Government Securities and US Cash Equivalents through an investment account with a depository approved by the Board. The fair value of these securities is determined based on a level 1 classification due to their availability on open markets. At June 30, 2025, the District appeared to be in compliance with all policies regarding depositories, instruments and maturities.

At year-end, investment balances were as follows:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 18,276,955	\$ 18,276,955	\$ -	\$ -
Total	\$ 18,276,955	\$ 18,276,955	\$ -	\$ -

Investments in the State Treasurer’s Local Government Investment Pool cannot be classified as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

Amounts in the State Treasurer’s Local Government Investment Pool are not required by law to be collateralized.

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond 36 months, within the time frame of the anticipated use of funds.

Concentration of Credit Risk - Investments

At June 30, 2025, 100 percent of total investments were in the State Treasurer’s Investment Pool. State statutes do not limit the percentage of investments in this instrument.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Adjustments	Additions	Deletions	Balance June 30, 2025
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2,923,745	\$ -	\$ -	\$ -	\$ 2,923,745
Construction In Process	2,317,395	(3,813,681)	1,496,286	-	-
Total Capital Assets Not Being Depreciated	<u>5,241,140</u>	<u>(3,813,681)</u>	<u>1,496,286</u>	<u>-</u>	<u>2,923,745</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	133,998,473	3,813,681	10,175	-	137,822,329
Vehicles and Equipment	3,867,172	-	90,725	-	3,957,897
Total Capital Assets Being Depreciated	<u>137,865,645</u>	<u>3,813,681</u>	<u>100,900</u>	<u>-</u>	<u>141,780,226</u>
Accumulated Depreciation:					
Buildings and Improvements	(38,713,004)	-	(4,084,456)	-	(42,797,460)
Vehicles and Equipment	(2,577,782)	-	(256,689)	-	(2,834,471)
Total Accumulated Depreciation	<u>(41,290,786)</u>	<u>-</u>	<u>(4,341,145)</u>	<u>-</u>	<u>(45,631,931)</u>
Total Capital Assets Being Depreciated, Net	<u>96,574,859</u>				<u>96,148,295</u>
Capital Assets, Net	<u>\$ 101,815,999</u>				<u>\$ 99,072,040</u>

Adjustments are made up of finished projects that were put into service under buildings and improvements.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 2,438,066
Support Services	1,650,656
Community Services	<u>252,423</u>
Total Depreciation Expense-	
Governmental Activities	<u>\$ 4,341,145</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS

Total long-term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
2015 GO Bond	\$ 50,615,000	\$ -	\$ 4,925,000	\$ 45,690,000	\$ 5,240,000
Direct Borrowing					
Full Faith & Credit Obligation	9,830,000	-	660,000	9,170,000	690,000
Total Debt	60,445,000	-	5,585,000	54,860,000	5,930,000
Premiums Related to Bonds:					
Bond Premium	5,310,376	-	482,762	4,827,614	482,762
FF&C Premium	832,237	-	59,445	772,792	59,445
Total Premiums	6,142,613	-	542,207	5,600,406	542,207
Compensated Absences*	1,743,877	310,806	-	2,054,683	39,102
Total Long-term Liabilities	\$ 68,331,490	\$ 310,806	\$ 6,127,207	\$ 62,515,089	\$ 6,511,309

* - The change in compensated absences above is a net change for the year.

There are no significant default remedy clauses noted in the agreements for any of the obligations listed above for the District.

General Obligation Bonds

In August 2015 the District issued a general obligation bond for construction, repairs, renovations and improvements at various school and District facilities in the amount of \$62,605,000. The interest varies between 2 percent and 5 percent, and payments continue through June 16, 2035.

Changes in bonds outstanding are as follows:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2024	Additions	Matured And Redeemed	Outstanding June 30, 2025
2015 GO Bond	2-5%	\$ 62,605,000	\$ 50,615,000	\$ -	\$ 4,925,000	\$ 45,690,000
Total Bonds Payable			\$ 50,615,000	\$ -	\$ 4,925,000	\$ 45,690,000

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

Future maturities of bonds are payable as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2026	\$ 5,240,000	\$ 889,533
2027	5,480,000	814,182
2028	5,745,000	724,365
2029	6,025,000	623,311
2030	3,400,000	513,294
2031-2035	<u>19,800,000</u>	<u>1,434,275</u>
Total	<u>\$ 45,690,000</u>	<u>\$ 4,998,960</u>

Full Faith and Credit Obligations

In February 2019, the District issued a Full Faith and Credit Bond in the amount of \$12,965,000 that paid off a 2006 Full Faith and Credit Obligations issued for maintenance projects. The 2019 bond has variable interest rate between 3 percent and 4 percent, and payments continue through June 2039.

Future maturities of full faith and credit obligations are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2026	\$ 690,000	\$ 385,200
2027	495,000	357,600
2028	515,000	337,800
2029	540,000	318,050
2030	570,000	285,050
2031-2035	3,260,000	1,005,000
2036-2039	<u>3,100,000</u>	<u>316,000</u>
Total	<u>\$ 9,170,000</u>	<u>\$3,004,700</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$12,939,762, excluding amounts to fund employer specific liabilities. In addition, approximately \$2,969,179 in employee contributions were paid or picked up by the District in 2024-2025.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2025, the District reported a net pension liability of \$78,521,220 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2024 and 2023, the District’s proportion was 0.353 percent and 0.374 percent, respectively. Pension expense for the year ended June 30, 2025 was \$401,908.

The rates in effect for the year ended June 30, 2025 were:

- (1) Tier 1/Tier 2 – 27.87%
- (2) OPSRP general services – 25.03%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience.	\$ 4,651,656	\$ 187,404
Changes in assumptions	7,894,549	10,114
Net difference between projected and actual earnings on pension plan investments	4,988,293	-
Net changes in proportionate share	82,661	3,983,123
Differences between District contributions and proportionate share of contributions	4,581,080	2,310,961
Subtotal - Amortized Deferrals (below)	22,198,239	6,491,602
District contributions subsequent to measuring date	12,939,762	-
Deferred outflow (inflow) of resources	\$ 35,138,001	\$ 6,491,602

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Subtotal amounts related to pension as deferred outflows of resources \$22,198,239, and deferred inflows of resources, (\$6,491,602), net to \$15,706,637 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2026	\$ 152,192
2027	8,503,802
2028	4,212,222
2029	2,348,417
2030	490,004
Thereafter	-
Total	\$ 15,706,637

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022. Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2024 PERS ACFR; p. 116)

Long-Term Expected Rate of Return:

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

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

(Source: June 30, 2024 PERS ACFR; p. 88)

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2024 and 2023 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$123,864,035	\$ 78,521,220	\$ 40,544,397

Changes Subsequent to the Measurement Date

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

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

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

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2025.

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

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

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - RHIA

Plan Description:

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers.

At June 30, 2025, the District reported a net OPEB asset of \$1,272,413 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2024 and 2023, the District's proportion was .315 percent and .360 percent, respectively. OPEB income for the year ended June 30, 2025, was \$167,849

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Components of OPEB Expense/(Income):

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (151,277)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(17,524)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's TOTAL OPEB Expense/(Income)	\$ (168,801)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 24,886
Changes in assumptions	-	16,095
Net difference between projected and actual earnings on investments	35,927	-
Net changes in proportionate share	82,761	25,247
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	118,688	66,228
District contributions subsequent to measuring date	63	-
Deferred outflow (inflow) of resources	\$ 118,751	\$ 66,228

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2026.

Subtotal amounts related to OPEB as deferred outflows of resources, \$118,688, and deferred inflows of resources, (\$66,228), net to \$52,460 and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2026	\$ (22,135)
2027	51,011
2028	19,437
2029	4,147
2030	-
Thereafter	-
Total	\$ 52,460

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	<p><u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2024 and 2023, was 6.90 percent, for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Long-Term Expected Rate of Return:

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

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

(Source: June 30, 2024 PERS ACFR; p. 88)

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

	1% Decrease <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District's proportionate share of the net OPEB asset	\$ 1,177,868	\$ 1,272,413	\$ 1,353,819

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description – A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. The District provides retiree benefits through the Oregon Educator Benefit Board (OEBB). Retirees may choose health plans through MODA or Kaiser, and dental plans through ODS. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

An irrevocable trust (or equivalent arrangement) was not established to account for the plan.

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

Annual OPEB Cost and Total OPEB Liability - The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 41.

WOODBURN SCHOOL DISTRICT NO.103
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NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the July 1, 2024 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) an interest discount rate of 5.25% per year; (b) an inflation rate of 2.5% per year; (c) a payroll increase of 3.5% per year, (d) demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

The following tables show sensitivity of the Total OPEB Liability to changes in discount and trend rates, as determined by the July 1, 2024 actuarial valuation and rolled forward to June 30, 2025:

Discount Rate Sensitivity

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.25%</u>	<u>5.25%</u>	<u>6.25%</u>
Total OPEB Liability	\$ 4,046,073	\$ 3,734,311	\$ 3,445,303

Trend Rate Sensitivity

	1% Decrease	Current Trend Rate	1% Increase
	3-5% Graded <u>Down to 3.50%</u>	4-6% Graded <u>Down to 4.50%</u>	5-7% Graded <u>Down to 5.50%</u>
Total OPEB Liability	\$ 3,284,851	\$ 3,734,311	\$ 4,272,251

For the year ended June 30, 2025, the District recognized OPEB expense for Health Insurance of \$129,936. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>
Differences between expected and actual experienced	\$ 261,464	\$ (382,588)
Change of assumptions	<u>13,891</u>	<u>(1,306,070)</u>
<i>Subtotal- Amortized Deferrals (Below)</i>	275,355	(1,688,658)
Benefit Payments	<u>-</u>	<u>-</u>
Total as of June 30, 2025	<u>\$ 275,355</u>	<u>\$(1,688,658)</u>

Subtotal amounts related to OPEB as deferred outflows of resources, \$275,355 and deferred inflows of resources, (\$1,688,658), net to (\$1,413,303) and will be recognized in OPEB expense as follows:

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Year ended June 30: Annual Recognition

2026	\$	(240,958)
2027		(240,956)
2028		(220,799)
2029		(220,805)
2030		(148,883)
Thereafter		<u>(340,902)</u>
Total	\$	<u>(1,413,303)</u>

Funding Status and Funding Progress – As of July 1, 2024, the plan was 0% funded. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 41.

Program membership consisted of the following as of the July 1, 2024 actuarial valuation date:

Participant Counts:

Active	690
Inactive	<u>16</u>
Total	<u>706</u>

10. PROPERTY TAX LIMITATION

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. School operations include community colleges, local school districts, and education service districts.

The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The voters of the State of Oregon passed ballot measure 50 in May 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit. Measure 50 reduced the amount of operating property tax revenues available for the 1998-99 fiscal year, and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts. The ultimate impact to the District as a result of the measure has been greater reliance on state funding and less reliance on local funding.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. TAX ABATEMENTS

As of June 30, 2025, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2025 is deemed immaterial.

12. RISK MANAGEMENT

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

13. INTERFUND RECEIVABLE/PAYABLE AND INTERFUND TRANSFERS

Amounts were comprised of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ -	\$ 1,335,800	\$ 2,298,467	\$ -
Special Revenue Fund	-	535,800	-	2,298,467
Debt Service Fund	1,071,600	-	-	-
Facilities & Construction Fund	800,000	-	-	-
	<u>\$ 1,871,600</u>	<u>\$ 1,871,600</u>	<u>\$ 2,298,467</u>	<u>\$ 2,298,467</u>

Transfers were made to fund operations, and the internal receivables/payables are used as a pooling of cash between various funds.

14. COMMITMENTS AND CONTINGENCIES

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

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

The District in the course of normal operations is subject to litigation. As of the financial statement issuance date there is no material pending or threatened litigation that would have an adverse effect on the financial condition of the District.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. RESTATEMENT OF NET POSITION

During the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the table below.

	6/30/2024 Net Position As Previously Reported	Restatement - GASB 101 Implementation	6/30/2024 Net Position Restated
	<u> </u>	<u> </u>	<u> </u>
Government-Wide			
Governmental Activities	\$ (1,889,664)	\$ (1,566,067)	\$ (3,455,731)
	<u> </u>	<u> </u>	<u> </u>

REQUIRED SUPPLEMENTARY INFORMATION

WOODBURN SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.35 %	\$ 78,521,220	\$ 46,786,264	167.8 %	79.3 %
2024	0.37	70,016,264	46,172,103	151.6	81.7
2023	0.38	58,856,382	43,621,310	134.9	84.5
2022	0.39	46,263,798	37,754,576	122.5	87.6
2021	0.38	83,966,618	35,556,808	236.1	75.8
2020	0.40	70,000,722	34,831,684	201.0	80.2
2019	0.41	61,969,858	32,336,003	191.6	82.1
2018	0.44	59,730,323	30,908,102	193.3	83.1
2017	0.49	74,095,772	29,616,200	250.2	80.5
2016	0.54	31,071,357	28,514,135	109.0	91.9

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 12,939,762	\$ 12,939,762	\$ -	\$ 50,518,771	25.6 %
2024	12,527,431	12,527,431	-	46,786,264	26.8
2023	10,739,325	10,739,325	-	46,172,103	23.3
2022	10,298,654	10,298,654	-	43,621,310	23.6
2021	10,759,793	10,759,793	-	37,754,576	28.5
2020	10,163,329	10,163,329	-	35,556,808	28.6
2019	8,173,520	8,173,520	-	34,831,684	23.5
2018	7,613,081	7,613,081	-	32,336,003	23.5
2017	6,635,246	6,635,246	-	30,908,102	21.5
2016	6,461,853	6,461,853	-	29,616,200	21.8

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

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

WOODBURN SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

OPEB - RHIA

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.315 %	\$ 1,272,413	\$ 46,786,264	2.7 %	220.6 %
2024	0.360	1,316,914	46,172,103	2.9	201.6
2023	0.297	1,055,763	43,621,310	2.4	194.6
2022	0.280	962,125	37,754,576	2.5	183.9
2021	0.552	1,125,373	35,556,808	3.2	150.1
2020	0.308	595,893	34,831,684	1.7	144.4
2019	0.301	335,764	32,336,003	1.0	124.0
2018	0.300	125,266	30,908,102	0.4	108.9
2017	0.317	(86,080)	29,616,200	(0.3)	90.0

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

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

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

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 63	\$ 63	\$ -	\$ 50,518,771	0.00 %
2024	1,707	1,707	-	46,786,264	0.00
2023	7,087	7,087	-	46,172,103	0.02
2022	N/A	N/A	N/A	43,621,310	N/A
2021	N/A	N/A	N/A	37,754,576	N/A
2020	N/A	N/A	N/A	35,556,808	N/A
2019	N/A	N/A	N/A	34,831,684	N/A
2018	N/A	N/A	N/A	32,336,003	N/A
2017	N/A	N/A	N/A	30,908,102	N/A

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

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

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2025**

**OPEB (HEALTH INSURANCE)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2025	\$ 4,332,481	\$ 303,554	\$ 171,891	\$ -	\$ (969,064)	\$ (104,551)	\$ 3,734,311	\$ 42,145,515	8.86%
2024	3,999,502	293,289	158,747	-	-	(119,057)	4,332,481	39,660,628	10.92%
2023	3,666,253	274,531	136,106	-	26,682	(104,070)	3,999,502	38,319,447	10.44%
2022 - Restated *	3,765,460	332,082	91,141	-	(428,800)	(93,630)	3,666,253	36,516,814	10.04%
2021	4,038,783	298,565	150,493	-	(647,286)	(75,095)	3,765,460	35,350,572	10.65%
2020	3,706,880	288,469	138,179	-	-	(94,745)	4,038,783	38,474,482	10.50%
2019	3,615,884	222,266	142,205	-	(181,429)	(92,046)	3,706,880	37,173,413	9.97%
2018	3,384,344	216,845	128,839	-	-	(114,144)	3,615,884	33,602,647	10.76%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b) - (a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2025	\$ 104,551	\$ 104,551	\$ -	\$ 42,145,515	0.25%
2024	119,057	119,057	-	39,660,628	0.30%
2023	104,070	104,070	-	38,319,447	0.27%
2022	93,630	93,630	-	36,516,814	0.26%
2021	75,095	75,095	-	35,350,572	0.21%
2020	94,745	94,745	-	38,474,482	0.25%
2019	92,046	92,046	-	37,173,413	0.25%
2018	114,144	114,144	-	33,602,647	0.34%
2017	N/A	N/A	N/A	32,623,929	0.00%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit for health insurance and it provides information that approximates the funding progress of the plan.

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

* The District received an updated Actuarial Evaluation for the fiscal year ended June 30, 2023 that included changed assumptions restating the beginning OPEB liability.

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2025**

GENERAL FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 11,641,745	\$ 11,641,745	\$ 14,307,269	\$ 2,665,524
Intermediate Sources	585,000	585,000	704,648	119,648
State Sources	66,632,199	66,632,199	70,097,890	3,465,691
Federal Sources	-	-	9,442	9,442
Total Revenues	<u>78,858,944</u>	<u>78,858,944</u>	<u>85,119,249</u>	<u>6,260,305</u>
EXPENDITURES:				
Instruction	49,061,054	49,061,054 (1)	48,993,647	67,407
Support Services	35,835,865	35,835,865 (1)	34,774,703	1,061,162
Enterprise and Community Services	8,000	8,000 (1)	130	7,870
Contingency	250,000	250,000 (1)	-	250,000
Total Expenditures	<u>85,154,919</u>	<u>85,154,919</u>	<u>83,768,480</u>	<u>1,386,439</u>
Excess of Revenues Over Expenditures	(6,295,975)	(6,295,975)	1,350,769	7,646,744
OTHER FINANCING SOURCES, (USES):				
Transfer Out	(1,335,800)	(1,335,800) (1)	(1,335,800)	-
Total Other Financing Sources, (Uses)	<u>(1,335,800)</u>	<u>(1,335,800)</u>	<u>(1,335,800)</u>	<u>-</u>
Net Change in Fund Balance	(7,631,775)	(7,631,775)	14,969	7,646,744
Beginning Fund Balance	<u>12,062,421</u>	<u>12,062,421</u>	<u>15,095,650</u>	<u>3,033,229</u>
Ending Fund Balance	<u>\$ 4,430,646</u>	<u>\$ 4,430,646</u>	<u>\$ 15,110,619</u>	<u>\$ 10,679,973</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance:

Athletics Reserve Fund

565,050
\$ 15,675,669

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2025**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
	<u>SPECIAL REVENUE FUND</u>			
REVENUES:				
Local Sources	\$ 770,000	\$ 770,000	\$ 596,577	\$ (173,423)
Intermediate Sources	250,000	250,000	-	(250,000)
State Sources	10,307,341	10,307,341	8,691,750	(1,615,591)
Federal Sources	7,505,057	7,505,057	14,932,071	7,427,014
Total Revenues	18,832,398	18,832,398	24,220,398	5,388,000
EXPENDITURES:				
Instruction	12,089,394	12,089,394 (1)	12,186,949	(97,555)
Support Services	5,118,236	5,118,236 (1)	5,368,260	(250,024)
Enterprise and Community Services	1,088,968	1,088,968 (1)	1,012,490	76,478
Total Expenditures	18,296,598	18,296,598	18,567,699	(347,579)
Excess of Revenues Over Expenditures	535,800	535,800	5,652,699	5,116,899
OTHER FINANCING SOURCES (USES):				
Transfers Out	(535,800)	(535,800) (1)	(535,800)	-
Total Other Financing Sources (Uses)	(535,800)	(535,800)	(535,800)	-
Net Change in Fund Balance	-	-	5,116,899	5,116,899
Beginning Fund Balance	-	-	(5,004,322)	(5,004,322)
Ending Fund Balance	\$ -	\$ -	\$ 112,577	\$ 112,577

(1) Appropriation Level

SUPPLEMENTARY INFORMATION

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2025

	<u>DEBT SERVICE FUND</u>			VARIANCE TO FINAL BUDGET
	<u>BUDGET</u>		<u>ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 5,894,245	\$ 5,894,245	\$ 6,286,807	\$ 392,562
Total Revenue	<u>5,894,245</u>	<u>5,894,245</u>	<u>6,286,807</u>	<u>392,562</u>
EXPENDITURES:				
Debt Service	<u>7,035,845</u>	<u>7,035,845 (1)</u>	<u>7,035,837</u>	<u>8</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>1,071,600</u>	<u>1,071,600</u>	<u>1,071,600</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,071,600</u>	<u>1,071,600</u>	<u>1,071,600</u>	<u>-</u>
Net Change in Fund Balance	(70,000)	(70,000)	322,570	392,570
Beginning Fund Balance	<u>70,000</u>	<u>70,000</u>	<u>488,084</u>	<u>418,084</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810,654</u>	<u>\$ 810,654</u>

(1) Appropriation Level

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2025**

FACILITIES ACQUISITION & CONSTRUCTION FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 5,000	\$ 5,000	\$ 5,445	\$ 445
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,445</u>	<u>445</u>
EXPENDITURES:				
Support Services	1,344,000	1,344,000 (1)	1,278,439	65,561
Facilities Acquisition and Construction	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>1,444,000</u>	<u>1,444,000</u>	<u>1,278,439</u>	<u>165,561</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	800,000	800,000	800,000	-
Total Other Financing Sources	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net Change in Fund Balance	(639,000)	(639,000)	(472,994)	166,006
Beginning Fund Balance	<u>639,000</u>	<u>639,000</u>	<u>568,717</u>	<u>(70,283)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,723</u>	<u>\$ 95,723</u>

(1) Appropriation Level

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	<u>FOOD SERVICE</u>	<u>CONSTRUCTION EXCISE TAX</u>	<u>TOTAL OTHER GOVERNMENTAL</u>
ASSETS:			
Cash and Investments	\$ 1,235,586	\$ 445,430	\$ 1,681,016
Receivables:			
Accounts and Grants	-	29,288	29,288
Intergovernmental	670,142	-	670,142
Total Assets	<u>\$ 1,905,728</u>	<u>\$ 474,718</u>	<u>\$ 2,380,446</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 51,316	\$ -	\$ 51,316
Total Liabilities	<u>51,316</u>	<u>-</u>	<u>51,316</u>
Fund Balances:			
Restricted	<u>1,854,412</u>	<u>474,718</u>	<u>2,329,130</u>
Total Fund Balances	<u>1,854,412</u>	<u>474,718</u>	<u>2,329,130</u>
Total Liabilities and Fund Balances	<u>\$ 1,905,728</u>	<u>\$ 474,718</u>	<u>\$ 2,380,446</u>

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025**

	<u>FOOD SERVICE</u>	<u>CONSTRUCTION EXCISE TAX</u>	<u>TOTAL OTHER GOVERNMENTAL</u>
REVENUES:			
Local Sources	\$ 76,791	\$ 1,191,185	\$ 1,267,976
State Sources	868,860	-	868,860
Federal Sources	3,413,048	-	3,413,048
Total Revenues	<u>4,358,699</u>	<u>1,191,185</u>	<u>5,549,884</u>
EXPENDITURES:			
Enterprise and Community Services	5,321,662	-	5,321,662
Facilities Acquisition and Construction	-	2,089,689	2,089,689
Total Expenditures	<u>5,321,662</u>	<u>2,089,689</u>	<u>7,411,351</u>
Net Change in Fund Balance	(962,963)	(898,504)	(1,861,467)
Beginning Fund Balance	<u>2,817,375</u>	<u>1,373,222</u>	<u>4,190,597</u>
Ending Fund Balance	<u>\$ 1,854,412</u>	<u>\$ 474,718</u>	<u>\$ 2,329,130</u>

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2025

FOOD SERVICE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 20,200	\$ 20,200	\$ 76,791	\$ 56,591
State Sources	35,700	35,700	868,860 (2)	833,160
Federal Sources	3,762,000	3,762,000	3,413,048	(348,952)
Total Revenue	<u>3,817,900</u>	<u>3,817,900</u>	<u>4,358,699</u>	<u>540,799</u>
EXPENDITURES:				
Enterprise and Community Services	<u>5,617,900</u>	<u>5,617,900 (1)</u>	<u>5,321,662</u>	<u>296,238</u>
Total Expenditures	<u>5,617,900</u>	<u>5,617,900</u>	<u>5,321,662</u>	<u>296,238</u>
Net Change in Fund Balance	(1,800,000)	(1,800,000)	(962,963)	837,037
Beginning Fund Balance	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,817,375</u>	<u>(182,625)</u>
Ending Fund Balance	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,854,412</u>	<u>\$ 654,412</u>

(1) Appropriation Level

(2) This amount includes the state revenue match of \$29,725 for National School Lunch Program support.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2025

CONSTRUCTION EXCISE TAX FUND

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 1,035,000	\$ 1,035,000	\$ 1,191,185	\$ 156,185
Total Revenue	1,035,000	1,035,000	1,191,185	156,185
EXPENDITURES:				
Facilities Acquisition and Construction	3,155,417	3,155,417 (1)	2,089,689	1,065,728
Total Expenditures	3,155,417	3,155,417	2,089,689	1,065,728
Net Change in Fund Balance	(2,120,417)	(2,120,417)	(898,504)	1,221,913
Beginning Fund Balance	2,120,417	2,120,417	1,373,222	(747,195)
Ending Fund Balance	\$ -	\$ -	\$ 474,718	\$ 474,718

(1) Appropriation Level

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2025

ATHLETICS RESERVE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXPENDITURES:				
Instruction	50,050	50,050 (1)	-	50,050
Facilities Acquisition and Construction	515,000	515,000 (1)	-	515,000
Total Expenditures	<u>565,050</u>	<u>565,050</u>	<u>-</u>	<u>565,050</u>
Net Change in Fund Balance	(565,050)	(565,050)	-	565,050
Beginning Fund Balance	<u>565,050</u>	<u>565,050</u>	<u>565,050</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,050</u>	<u>\$ 565,050</u>

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FUTURE BOND REDEMPTION AND INTEREST REQUIREMENTS
2015 GO Bond
June 30, 2025

YEAR	August 6, 2015 Issue	
	PRINCIPAL	INTEREST
	Due 6/15	Due 12/15 & 6/15
2025-26	\$ 5,240,000	\$ 889,533
2026-27	5,480,000	814,182
2027-28	5,745,000	724,365
2028-29	6,025,000	623,311
2029-30	3,400,000	513,294
2030-31	3,570,000	447,810
2031-32	3,755,000	375,482
2032-33	3,945,000	296,026
2033-34	4,155,000	206,632
2034-35	4,375,000	108,325
	\$ 45,690,000	\$ 4,998,960

OTHER INFORMATION

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As required by the Oregon Department of Education
For the Year Ended June 30, 2025

GRANTS

Program Title	Pass Through Organization	Federal AL Number	Pass Through Entity Number	Grant Fund	Expenditures
U.S. Department of Education					
Title I Grants to Local Educational Agencies	Oregon Department of Education	84.010	76609	201	\$ 1,826,729
ESSA Partnerships	Oregon Department of Education	84.010	79411	229	271,641
Total Title I Grants to Local Education Agencies					<u>2,098,370</u>
Title I-C Regular School Program	Oregon Department of Education	84.011	68118, 77047	249	1,216,198
Title I-C Summer	Oregon Department of Education	84.011	80396	257	16,439
Title I-C Preschool	Oregon Department of Education	84.011	82792	279	66,491
Total Title I-C					<u>1,299,128</u>
Title III - Language Instruction	Oregon Department of Education	84.365	79734	203	27,593
Title III - Language Instruction	Oregon Department of Education	84.365	77018	214	346,923
Total Title III - Language Instruction					<u>374,516</u>
Elementary and Secondary School Emergency Relief Fund (ESSEI Oregon Department of Education Total ESSER)		84.425U	65016	234	<u>819,277</u> <u>819,277</u>
IDEA	Oregon Department of Education	84.027	74151	231	834,658
Total Special Education Cluster					<u>834,658</u>
Kindergarten Readiness	Oregon Department of Education	93.708		253	79,024
Preschool Promise	Oregon Department of Education	93.708		200	1,083,910
Total Preschool Promise					<u>1,162,934</u>
21st Century Community Learning	Oregon Department of Education	84.287	83292	264	500,000
					<u>500,000</u>
Title IV-A Student Support	Oregon Department of Education	84.424	82752	216	155,976
					<u>155,976</u>
Title IIA - Teacher Quality	Oregon Department of Education	84.377	82555	215	230,977
					<u>230,977</u>
Total U.S. Department of Education					<u>7,475,836</u>
U.S. Department of Agriculture:					
Child Nutrition Cluster:					
NSLP Lunch	Oregon Department of Education	10.555		205	1,925,144
NSLP Breakfast	Oregon Department of Education	10.553		205	791,636
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	10.559		205	295,020
Summer Food	Oregon Department of Education	10.559		205	131,937
Supply Chain Assistance	Oregon Department of Education	10.555		273	123,571
Fresh Fruit and Vegetable Program	Oregon Department of Education	10.582		260,261,270,271	126,258
Total Child Nutrition Cluster					<u>3,393,566</u>
Local Food for Schools Cooperative	Oregon Department of Education	10.185		265	34,730
NSLP Child Care Food	Oregon Department of Education	10.558		207	321,058
Total U.S. Department of Agriculture					<u>355,788</u>
Chemeketa Community College					
Carl Perkins		84.048		272	11,955
Total Chemeketa Community College					<u>11,955</u>
Total Grants Expended or Passed Through to Sub Recipients					<u>11,237,145</u>

RECONCILIATION TO REVENUE:

Federal Expenditures Recognized	11,237,145
Accruals / Deferrals	<u>7,117,416</u>
Federal Revenue Recognized	<u>18,354,561</u>

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SUPPLEMENTAL INFORMATION
As Required by The Oregon Department of Education
For the Year Ended June 30, 2025**

A. Energy bills for heating - all funds:		Objects 325, 326, and 327
	Function 2540	\$ 1,184,271
	Function 2550	-

B. Replacement of equipment - General Fund: Include all General Fund expenditures in Object 0542, except for the following exclusions:		Object 0542
		\$ -

Exclude these functions:

1113, 1122 & 1132	Co-curricular activities	4150	Construction
1140	Pre-kindergarten	2550	Pupil transportation
1300	Continuing education	3100	Food service
1400	Summer school	3300	Community services

Independent Auditors' Report Required by Oregon State Regulations



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April 24, 2026

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Woodburn School District No. 103 as of and for the year ended June 30, 2025, and have issued our report thereon dated April 24, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive style with a large, prominent "R".

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