Jefferson County School District 509J

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Jefferson School District No. 509J

Madras, Oregon

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

445 SE Buff Street
Madras, OR 9774
(541) 475 - 6856

DISTRICT OFFICIALS

KEVIN RICHARDS 3634 SE Baldwin Drive, Madras, OR 97741-8822	Chair
COURTNEY SNEAD 1940 NE Gentry Road, Madras, OR 97741-9400	Vice Chair
LAURIE DANZUKA PO BOX 333, Madras, OR 97761-0222	Director
JAMIE HURD 2055 SE Dry Gulch, Madras, OR 97741-9102	Director
JACOB STRUCK 1966 SE Dussault Road, Madras, OR 97741-1595	Director

ADMINISTRATION

STACIE HOLMSTROM 445 SE Buff Street, Madras, OR 97741	Chief Financial Officer
SHERRY SCRIBNER 445 SE Buff Street, Madras, OR 97741	Accountant
SEAN MCLANE 445 SE Buff Street, Madras, OR 97741	Accountant
CHELE PAYE 445 SE Buff Street, Madras, OR 97741	Business Support Specialist
DENISE HUERD 445 SE Buff Street, Madras, OR 97741	Accounts Payable
JAY MATHISEN 445 SE Buff Street, Madras, OR 97741	Superintendent

JEFFERSON SCHOOL DISTRICT NO. 509J
AUDIT REPORT

JUNE 30, 2023

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JEFFERSON SCHOOL DISTRICT NO. 509J
AUDIT REPORT

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson School District No. 509J,
445 SE Buff Street, Madras, OR 97741

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the Jefferson School District No. 509J as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Jefferson School District No. 509J's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of Jefferson School District No. 509J as of June 30, 2023, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jefferson School District No. 509J and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Change in Accounting Principle

As discussed in the note in the financial statements, in the fiscal year ended June 30, 2023, the District adopted new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified concerning this matter.

Responsibilities of Management for the 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 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 Jefferson School District No. 509J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson School District No. 509J's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jefferson School District No. 509J's ability to continue as a going concern for a reasonable period.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-9, schedules of revenues, expenditures, and changes in fund balances – budget and actuals on pages 60-61, and the pension and OPEB schedules on pages 62-66 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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 sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals described on pages 60-61 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson School District No. 509J's basic financial statements. The supplementary information on pages 68-69 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Jefferson School District No. 509J.

The supplementary information on pages 68-69 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 other 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 is fairly stated in all material respects concerning the financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, and additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of 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 basis financial statements, or whether 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.

The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by the Oregon Department of Education and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024, on our consideration of the Jefferson School District No. 509J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson School District No. 509J's internal control over financial reporting and compliance.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated March 29, 2023, on our consideration of the Jefferson School District No. 509J's 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 the District's compliance.

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

JEFFERSON SCHOOL DISTRICT NO. 509J

Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The discussion and analysis of Jefferson School District No. 509J's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023 are as follows:

- The District's net position increased by $11,553,720 to $18,263,798.

- Total liabilities as reported on the statement of net position decreased by $11,498,174 during the year primarily due to a decrease in Net Pension liability and Bonds Payable.

- Total assets as reported on the statement of net position increased by $3,678,946.

- General revenues accounted for $44,910,166 in revenue, or 66.4% of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for $22,692,122 or 33.6% of total revenues of $67,602,237.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position, changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Special Revenue Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was $18,263,798. This is a $11,553,720 increase from last year's net position and represents a 172% increase.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	Governmental Activities		
	June 30, 2023	June 30, 2022	Percentage Change
Assets			
Current and Other Assets	$ 51,058,277	$ 56,890,923	-10.3%
Capital Assets	53,905,056	44,393,464	21.4%
Total Assets	104,963,333	101,284,387	3.6%
Deferred Outflow of Resources	35,506,716	42,099,616	-15.7%
Liabilities			
Long-Term Liabilities	93,591,929	108,195,398	-13.5%
Other Liabilities	11,823,196	8,717,901	35.6%
Total Liabilities	105,415,125	116,913,299	-9.8%
Deferred Inflow of Resources	16,791,125	19,760,627	-15.0%
Net Position			
Net Investment in Capital Assets	12,073,373	15,921,636	-24.2%
Restricted	-	27,442,420	-100.0%
Unrestricted	6,190,425	(36,653,979)	-116.9%
Total Net Position	$ 18,263,798	$ 6,710,077	172.2%

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position

	Governmental Activities		
	2022-23	2021-22	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 1,129,384	$ 760,478	48.5%
Operating Grants and Contributions	20,937,973	14,234,960	47.1%
General Revenues			
Property Taxes	8,637,170	8,349,220	3.4%
State Basic School Support	30,652,790	28,887,524	6.1%
Federal Forest Fees	86,120	-	N/A
Other	5,534,036	3,446,709	60.6%
Total Revenues	67,602,237	56,440,228	19.8%
Program Expenses			
Instruction	26,418,022	26,119,714	1.1%
Support Services	24,019,146	19,760,476	21.6%
Community Services	3,491,315	3,027,136	15.3%
Facilities Acqusition an Construction	-	51,182	
Interest on Long-Term Debt	2,132,667	2,295,999	-7.1%
Total Program Expenses	56,061,150	51,254,507	9.4%
Special Item: Gain (Loss) on disposition of assets	12,633	4,227	
Change in Net Position	$ 11,553,720	$ 5,189,948	

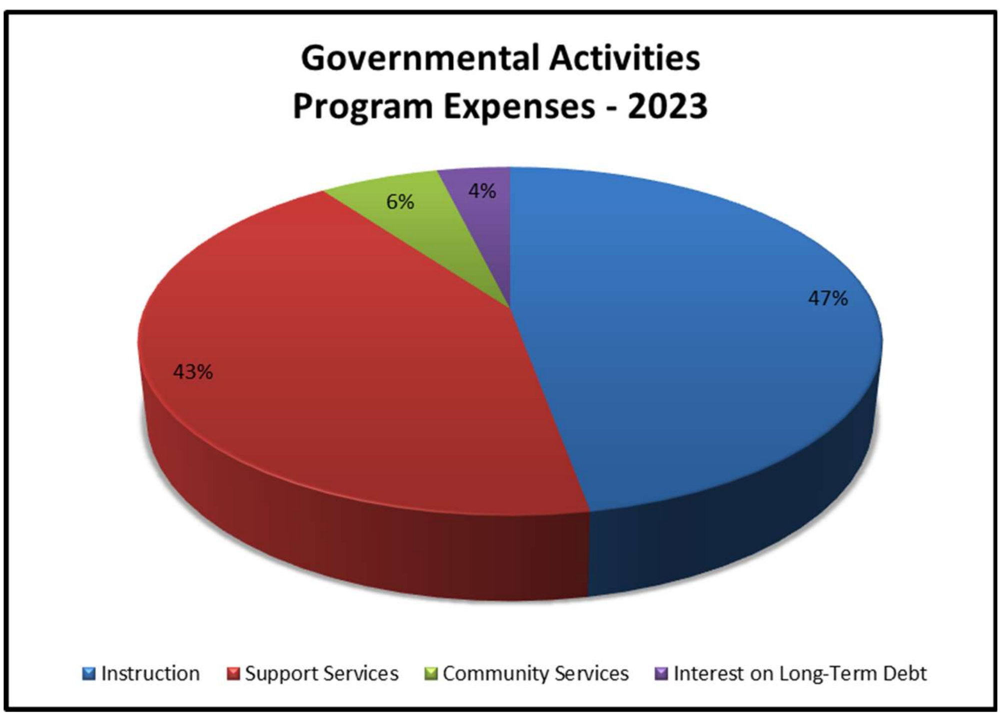
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

Governmental Activities

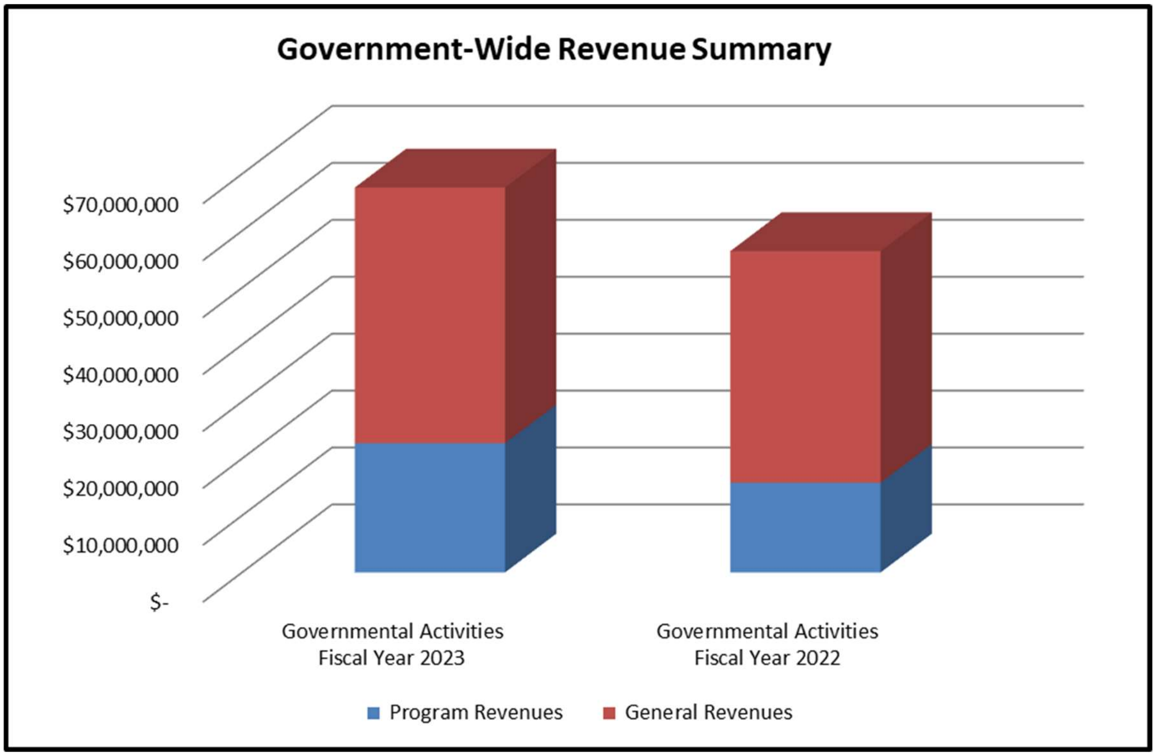
	2022-23		2021-22	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	$ 26,418,022	$ 15,651,496	$ 26,119,714	$ 19,089,079
Support Services	24,019,146	15,382,675	19,760,476	13,679,540
Community Services	3,491,315	202,191	3,027,136	381,932
Facilities Acqusition an Construction	-	-	51,182	51,182
Interest on Long-Term Debt	2,132,667	2,132,667	2,295,999	2,295,999
Total Program Expenses	$ 56,061,150	$ 33,369,029	$ 51,254,507	$ 35,497,732

The dependence on general revenues for general government activities is apparent. For the current year, 66.4% of general government activities are supported through general revenues.

This graph represents the cost of the District's Program expenses by governmental activities.



The following chart analyzes the revenue between governmental activities from prior to current year.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of $53,283,282. The fund balance consists of committed, assigned and unassigned amounts. Of the current fund balances, $381,357 is committed and $44,687,828 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The fund balance in the General Fund for the fiscal year end was $25,592,520.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues were budgeted and anticipated to be collected in the amount of $38,823,025 during the fiscal year. Actual revenues of $42,330,778 were more than budgeted revenues by $3,507,753. The General Fund expenditures budget was under-spent by $3,585,579. The actual ending fund balance was more than the budgeted ending fund balance by $9,602,980.

The Special Revenue Fund revenues were $2,285,431 less than budgeted. Expenditures were $2,476,979 less than budgeted. Ending fund balance was $438,085.

The Debt Service Fund #300 ending fund balance increased by $55,840. Actual revenues were more than budgeted revenues by $139,884, and actual expenditures were $44 more than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District had invested $93,174,389 in capital assets, including school buildings, facilities, land, vehicles, and other equipment and furnishings. This amount represents a net increase prior to depreciation of $11,559,372 from last year due to additions of $12,828,745 and deletions of $1,269,373.

Total depreciation expense for the year was $2,518,530. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2023, the District had $ 84,426,797 in long-term debt outstanding. District bonds also carried $2,437,921 of Bond Premium. The District paid $3,863,158 toward the principal balance and paid $2,723,590 in interest of the long-term debt. Bond Premium was reduced during the year by $372,075.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The adopted 2023-24 $114,050,964 Budget reflects the priorities set by the Board of Directors and our staff, students, families and communities. 509J is focused on the continuous improvement of student experiences and outcomes in our schools. This budget reflects our values highlighted in our Strategic Path Forward, which is a five-year path built upon three elements that define "Who We Are" in 509J: 1) Students Flourish Here, 2) We Care For Each Other, and 3) Better Every Day. Each of those "strands of our DNA" are supported by and aligned to this proposed budget.

Within the alignment to the Strategic Path Forward, this proposed budget will support continued improvement in graduation rates, rates of 9th graders finishing 9th grade "on track", student attendance and proficiency, collaboration and professional development for staff, best instructional practices in classrooms, and engagement with our communities.

Priorities in this budget include recruiting, developing and retaining the best teachers, administrators and supports staff to work with students in each of our schools. Also prioritized are responsible usage of one-time dollars and strategic reserves to increase safety in our schools, and maintain and improve existing facilities. This is done in service of nurturing each student as they flourish throughout their educational journey in 509J. A combination of general funds, general sub funds, grant funds and strategic initiative resources are aligned to support these priorities. This budget does not reflect significant additional investments due to enrollment that has not yet reached pre-pandemic levels and other challenges that will be noted in language that follows in this document.

Challenges that we are mindful of as we develop and deliver on this 2023-24 budget:

- Enrollment numbers below levels in recent years, highlighted by COVID disruptions
- Immediate and pending retirement of one-time funding resources
- Historical levels of inflation and impacts on costs of goods and service provision
- Facility needs that were not included in the recent successful $24 million GO bond
- Staff shortages and resulting increases in cost of personnel
- Supply chain and construction labor shortages impacting bond projects
- Uncertainty of statewide funding levels going forward

District board policy calls for an 8%-15% general fund reserve balance. The proposed budget exceeds the established board policy at 17.66%

The District will levy its maximum permanent property tax rate of $4.5871 per $1,000 of assessed property valuation. The District will levy a $0.00 per $1000 of assessed value for local option tax and an amount of $3,431,659 for debt service on general obligation bonds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Jefferson School District No. 509J at 445 SE Buff Street, Madras, OR 97741.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 43,200,152	
Property Taxes Receivable	484,209	
Accounts Receivable	6,290,187	
Prepaid Expenses	54,447	
Inventory-Food, Supplies & Commodities	56,729	
Total Current Assets		$ 50,085,724
Restricted Assets:		
Net OPEB Asset (RHIA)	467,993	
Total Restricted Assets		467,993
Capital Assets:		
Capital Assets, Non-Depreciable	14,709,392	
Capital Assets, Depreciable, Net	39,195,664	
Total Capital Assets		53,905,056
Other Assets:		
Subscription Based Information Technology Agreements - Net	307,764	
Right-to-Use Assets, Net	196,796	
Total Other Assets:		504,560
Total Assets		**104,963,333**
DEFERRED OUTFLOW OF RESOURCES		
Pension Related Deferrals	34,262,368	
OPEB Related Deferrals - RHIA	101,577	
OPEB Related Deferrals - OEBB	80,918	
Debt Refunding Proceeds	1,061,853	
Total Deferred Outflow of Resources		**35,506,716**
LIABILITIES:		
Accounts Payable	$ 1,164,647	
Construction Contracts Payable—Retained Percentage	$ 55,305	
Payroll Liabilities	2,373,899	
Advances from Grantors	804,107	
Refundable Deposits	7,250	
Leases Payable		
Due within one year	80,845	
Due in more than one year	48,427	
Bonds Payable		
Due within one year	4,455,000	
Due in more than one year	78,455,000	
Unamortized Bond Premium	2,437,921	
Subscription Liabilities		
Due within one year	58,887	
Due in more than one year	237,526	
Notes Payable		
Due within one year	60,534	
Due in more than one year	1,456,263	
Early Retirement Benefits Payable		
Due within one year	30,609	
Due in more than one year	56,666	
Net OPEB Obligation - OEBB	1,352,183	
Net Pension Liability	12,280,056	
Total Liabilities		**105,415,125**
DEFERRED INFLOW OF RESOURCES		
Leases	70,721	
Pension Related Deferrals	16,120,358	
OPEB Related Deferrals - RHIA	80,683	
OPEB Related Deferrals - OEBB	519,363	
Unearned Revenue		
Total Deferred Inflow of Resources		**16,791,125**
NET POSITION:		
Net Investment in Capital Assets	12,073,373	
Unrestricted	6,190,425	
Total Net Position		**$ 18,263,798**

The accompanying notes to the basic financial statements are an integral part of this statement.

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Instruction	$ 26,418,022	$ 1,119,783	$ 9,646,743	$ -	$ (15,651,496)
Support Services	24,019,146	-	8,011,707	624,764	(15,382,675)
Enterprise and Community Services	3,491,315	9,601	3,279,523	-	(202,191)
Interest on Long-Term Debt	2,132,667	-	-	-	(2,132,667)
Total Governmental Activities	**$ 56,061,150**	**$ 1,129,384**	**$ 20,937,973**	**$ 624,764**	**$ (33,369,029)**

GENERAL REVENUES:	
Local Sources:	
Property Taxes, Levied for General Purposes	$ 5,417,001
Property Taxes, Levied for Debt Service	3,220,169
Earnings on Investments	1,398,126
Unrestricted State and Local Revenue	3,570,608
Intermediate Sources	212,381
State School Fund for Education and Support Services	30,652,790
State Common School Fund	352,921
Federal Forest Fees for General Purposes	86,120
Subtotal - General Revenues	44,910,116
Special Items:	
Gain on Disposition of Assets	12,633
Change in Net Position	11,553,720
Net Position, July 1, 2022	6,710,077
Net Position, June 30, 2023	**$ 18,263,798**

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern-mental Funds
ASSETS:					
Cash and Cash Equivalents	$ 24,207,829	$ -	$ 126,426	$ 18,865,897	$ 43,200,152
Property Taxes Receivable	302,706	-	181,503	-	484,209
Accounts Receivable	246,931	5,531,478	-	511,778	6,290,187
Due From Other Funds	3,197,558	-	-	-	3,197,558
Prepaid Expenses	25,328	-	-	29,119	54,447
Inventory-Food, Supplies & Commodities	-	56,729	-	-	56,729
Total Assets	**$ 27,980,352**	**$ 5,588,207**	**$ 307,929**	**$ 19,406,794**	**$ 53,283,282**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
LIABILITIES:					
Accounts Payable	$ 418,677	$ 489,790	$ -	$ 256,180	$ 1,164,647
Construction Contracts Payable—Retained Percentage	$ -	$ -	$ -	$ 55,305	$ 55,305
Payroll Liabilities	1,702,362	671,537	-	-	2,373,899
Due to Other Funds	-	3,197,558	-	-	3,197,558
Advances from Grantors	12,870	791,237	-	-	804,107
Refundable Deposits	7,250	-	-	-	7,250
Total Liabilities	**2,141,159**	**5,150,122**	**-**	**311,485**	**7,602,766**
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	246,673	-	148,809	-	395,482
Total Deferred Inflows of Resources	**246,673**	**-**	**148,809**	**-**	**395,482**
FUND BALANCES:					
Unspendable	-	56,729	-	-	56,729
Restricted for:					
Debt Service	-	-	159,120	-	159,120
Committed for:					
Special Programs	-	381,356	-	-	381,356
Unassigned	25,592,520	-	-	19,095,309	44,687,829
Total Fund Balances	**25,592,520**	**438,085**	**159,120**	**19,095,309**	**45,285,034**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 27,980,352**	**$ 5,588,207**	**$ 307,929**	**$ 19,406,794**	**$ 53,283,282**

The accompanying notes to the basic financial statements are an integral part of this statement.

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2023

Total Fund Balances - Governmental Funds		$ 45,285,034
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets, net of depreciation	$53,905,056	
Right-to-Use Asset, net of amortization	$ 196,796	
Net Value of Capital Assets		54,101,852
Subscription Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	307,764	
Accumulated amortization		
Net Value of Subscription Assets		307,764
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		395,482
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	34,444,863	
Deferred Earnings on Pension/OPEB Assets	(16,791,125)	
Net Value of Deferrals		17,653,738
Deferred outflows related to bond refunding proceeds are not reported in the governmental funds.		1,061,852
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. These liabilities consist of :		
Bonds Payable	82,910,000	
Unamortized Bond Premium	2,437,921	
Notes Payable	1,516,797	
Leases Payable	129,272	
SBITA Payable	296,413	
Early Retirement Benefits Payable	87,275	
Net Pension Liability	12,280,056	
Net OPEB Obligations	884,190	
Total		(100,541,924)
Net Position of Governmental Activities		**$ 18,263,798**

The accompanying notes to the basic financial statements are an integral part of this statement.

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern-mental Funds
REVENUES:					
Taxes	$ 5,304,361	$ -	$3,230,755	$ -	$ 8,535,116
Tuition Charges	105,008	-	-	-	105,008
Earnings on Investments	846,240	-	70,239	962,331	1,878,810
Fees and Charges	26,763	335,081	-	-	361,844
Miscellaneous Revenue	896,798	483,256	3,248,728	15,661	4,644,443
Intermediate Government Aid	294,103	-	2,707	-	296,810
State Aid	31,276,786	6,815,598	-	624,764	38,717,148
Federal Aid	3,580,719	9,664,090	-	-	13,244,809
Total Revenues	**42,330,778**	**17,298,025**	**6,552,429**	**1,602,756**	**67,783,988**
EXPENDITURES:					
Current:					
Instruction	21,055,670	6,315,412	-	-	27,371,082
Support Services	16,711,301	7,306,607	-	-	24,017,908
Enterprise and Community Services	159,527	3,384,331	-	-	3,543,858
Capital Outlay:					
Facilities Acquisition and Construction	951,377	948,038	-	9,763,198	11,662,613
Debt Service	-	-	6,586,889	-	6,586,889
Total Expenditures	**38,877,875**	**17,954,388**	**6,586,889**	**9,763,198**	**73,182,350**
Excess (Deficiency) of Revenues Over Expenditures	3,452,903	(656,363)	(34,460)	(8,160,442)	(5,398,362)
OTHER FINANCING SOURCES (USES):					
Interfund Transfers In	934,480	635,507	90,300	-	1,660,287
Interfund Transfers Out	(1,660,287)	-	-	-	(1,660,287)
Sale of or Compensation for Loss of Fixed As	12,633	-	-	-	12,633
Total Other Financing Sources (Uses)	**(713,174)**	**635,507**	**90,300**	**-**	**12,633**
Net Change in Fund Balance	2,739,729	(20,856)	55,840	(8,160,442)	(5,385,729)
Beginning Fund Balance	22,852,791	458,941	103,280	27,255,751	50,670,763
Ending Fund Balance	**$25,592,520**	**$ 438,085**	**$ 159,120**	**$ 19,095,309**	**$45,285,034**

The accompanying notes to the basic financial statements are an integral part of this statement.

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

Net Changes in Fund Balances - Total Governmental Funds		$	(5,385,729)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.			
Expenditures for capitalized assets	$ 12,030,125		
Less current year depreciation	(2,518,530)		
			9,511,595
Governmental funds report lease income as revenues. However, in the Statement of Activities the lease activity is reported as changes in the value of the lease receivable and deferred inflows.			
Net change in leases receivables and deferred inflows			(1,323)
Governmental funds report subscription payments as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives as amortization expense.			
Net change in subscription assets and subscription liabilites			11,351
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.			
Deferred revenues increased by this amount this year.			102,054
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.			12,633
Proceeds from Sales of Assets is not reported as income in the Statement of Activities			(12,633)
Grant revenues 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 grant revenues are recognized as revenue when earned.			
The change in revenues deferred during the year			(209,158)
The amortization amount of prepaid expenses not reported in the governmental fund is reported as an expense in the Statement of Activities			(29,543)
Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			
Retirement of principal is as follows:			
Bonds	3,830,000		
Notes	33,158		
			3,863,158
Amortization of Bond Premium is not a governmental fund reduction of interest expense, but is a reduction in interest expense for the Statement of Activities			372,075
Amortization of debt refunding proceeds is not a governmental fund increase of interest expense, but is an increase in interest expense for the Statement of Activities			(106,185)
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liablity) are recorded based upon an actuarial valuation of such activity.			
This is the net change in pension related items.			3,049,304
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
The activities consist of:			
Net increase/(decrease) in accrued interest expense	325,174		
Increase/(decrease) in accrued OPEB	(48,618)		
Increase/(decrease) in accrued vacation benefits	99,567		
			376,123
Change in Net Position of Governmental Activities		**$**	**11,553,721**

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements are an integral part of this statement.

Jefferson School District No. 509J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected five-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of Jefferson School District No. 509J have been prepared in conformity with accounting principles generally accepted in the United States of America 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 government's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, Jefferson School District No. 509J complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, Jefferson School District No. 509J has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund and accounts for all revenues and expenditures, except those required to be accounted for in another fund. Expenditure categories include salaries, associated payroll costs, purchased services, supplies and materials, capital outlay and other general expenses.

Special Revenue Fund – The Special Revenue Funds account for the uses of specific revenue sources that are legally restricted to specified purposes. Some examples of special revenue funds include restricted state or federal grants-in-aid and food service sales

Debt Service Fund – Oregon Budget Law requires the establishment of a Debt Service Fund when a bond levy is passed. These funds account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

Capital Projects Fund – The Capital Maintenance Funds accounts for activities related to the acquisition, construction, repairing and equipping of facilities

Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.):

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Receivables (Cont.)

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

Prepaid Expenses

The District has elected to report the amount paid to Oregon Public Employee Retirement System (PERS) to reduce the calculated unfunded pension liability obligation as a prepaid expense, as reported on the government-wide Statement of Net Position. The prepaid asset is to be amortized in the amounts and over the estimated length of time the unfunded portion of the pension obligation is expected be paid out to its current and former employees.

Inventory

Food & supplies inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is $5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Asset Class	Estimated Years of Useful Lives
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Compensated Absences and Accrued Liabilities

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

Advances from Grantors

Amounts received for reimbursement-type grants in excess of District expenditures related to that grant are reported in the liability section of the government-wide statements as advances from grantors and are consequently not reported as revenues.

Long-Term Obligations

All bonds payable and capital leases payable are recognized in the government-wide financial statements as a liability of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on bonded debt and capital lease payments are recorded as a debt service in the expenditure section of the statement and schedules.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has restricted funds for various projects that are to be used for educational purposes.

- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the Board of Directors, and does not lapse at year-end.

- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivables are due from property owners within the District.

Inter-Fund Transactions

In the fund financial statements, quasi-external transactions are accounted for as revenues or expenditures, while reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Use of Estimates

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP'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.

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

CASH AND INVESTMENTS (Cont.):

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of $250,000 applies to the deposits in each depository. Where balances continually exceed $250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2023, the reported amount of the District's deposits was $778,032, the bank balance was $2,929,703. Of the bank balance, the entire amount was covered by federal depository insurance or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. Petty cash held by the district was $1060.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2023, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2023, the District's deposits in financial institutions were as follows:

Type of Investment	Fair Value	Credit Rating
Oregon State Treasurer's Local Government Investment Pool (LGIP)	$ 42,422,119	N/A
Total Investments	$ 42,422,119	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100 percent of the District's total investments.

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	$ 2,604,701	$ -	$ -	$ 2,604,701
Construction in Progress	1,300,287	11,603,024	798,620	12,104,691
Total assets not being depreciated	3,904,988	11,603,024	798,620	14,709,392
Assets being depreciated:				
Land Improvement	631,575	381,410	-	1,012,985
Building and Building Improvement	69,140,985	123,667	-	69,264,653
Machinery and Equipment	7,937,469	720,643	470,753	8,187,359
Total Depreciable Assets	77,710,029	1,225,721	470,753	78,464,997
Less: Accumulated Depreciation				
Land Improvement	119,068	50,273	-	169,341
Building and Building Improvement	31,712,149	1,950,518	-	33,662,667
Machinery and Equipment	5,390,338	517,740	470,753	5,437,325
Total Accumulated Depreciation	37,221,555	2,518,530	470,753	39,269,333
Net Value of Capital Assets Being Depreciated	40,488,474	(1,292,809)	-	39,195,664
Total Governmental Activities -- Net Value of Capital Assets	$44,393,461	$ 10,310,215	$ 798,620	$53,905,056

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 799,292
Support Services	1,658,521
Enterprise and Community Services	60,718
Total Depreciation Expense	$ 2,518,530

LEASES RECEIVABLE AND RELATED DEFERRED INFLOWS:

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Jefferson County School District 509J, OR entered into a 60 month lease as Lessee for the use of Pitney Bowes - Postage Meter - JCMS. An initial lease liability was recorded in the amount of $8,379. As of 06/30/2023, the value of the lease liability is $5,190. Jefferson County School District 509J, OR is required to make monthly fixed payments of $152. The lease has an interest rate of 3.2500%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $8,379 with accumulated amortization of $3,352 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Jefferson County School District 509J, OR entered into a 60 month lease as Lessee for the use of Pitney Bowes - Postage Meter - SSB. An initial lease liability was recorded in the amount of $15,228. As of 06/30/2023, the value of the lease liability is $9,432. Jefferson County School District 509J, OR is required to make monthly fixed payments of $275. The lease has an interest rate of 3.2500%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $15,228 with accumulated amortization of $6,091 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Jefferson County School District 509J, OR entered into a 24 month lease as Lessee for the use of TIAA /Solutions YES 20339724. An initial lease liability was recorded in the amount of $144,731. As of 06/30/2023, the value of the lease liability is $0. Jefferson County School District 509J, OR is required to make monthly fixed payments of $6,237. The lease has an interest rate of 3.2500%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $0 with accumulated amortization of $0 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Jefferson County School District 509J, OR entered into a 167 month lease as Lessee for the use of Warm Springs Land Lease. An initial lease liability was recorded in the amount of $36,607. As of 06/30/2023, the value of the lease liability is $31,781. Jefferson County School District 509J, OR is required to make annual fixed payments of $3,375. The lease has an interest rate of 2.7200%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $36,607 with accumulated amortization of $5,261 is included with Land on the Lease Class activities table found below.

On 07/01/2021, Jefferson County School District 509J, OR entered into a 24 month lease as Lessee for the use of TIAA - Solutions YES 20393375 - Copier Lease - MHS . An initial lease liability was recorded in the amount of $520. As of 06/30/2023, the value of the lease liability is $0. Jefferson County School District 509J, OR is required to make monthly fixed payments of $22. The lease has an interest rate of 3.2500%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $0 with accumulated amortization of $0 is included with Equipment on the Lease Class activities table found below.

LEASES RECEIVABLE AND RELATED DEFERRED INFLOWS (continued):

On 07/01/2021, Jefferson County School District 509J, OR entered into a 24 month lease as Lessee for the use of TIAA - Solutions YES41777825 Copier Lease - BHS Tech. An initial lease liability was recorded in the amount of $1,966. As of 06/30/2023, the value of the lease liability is $0. Jefferson County School District 509J, OR is required to make monthly fixed payments of $85. The lease has an interest rate of 3.2500%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $0 with accumulated amortization of $0 is included with Equipment on the Lease Class activities table found below.

On 10/14/2022, Jefferson County School District 509J, OR entered into a 66 month lease as Lessee for the use of TASKalfa 5054ci / Lease Number - 900-0339301-000. An initial lease liability was recorded in the amount of $7,316. As of 06/30/2023, the value of the lease liability is $6,714. Jefferson County School District 509J, OR is required to make monthly fixed payments of $128. The lease has an interest rate of 3.4450%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $7,316 with accumulated amortization of $950 is included with Equipment on the Lease Class activities table found below.

On 08/09/2022, Jefferson County School District 509J, OR entered into a 66 month lease as Lessee for the use of CIT - Dual Language . An initial lease liability was recorded in the amount of $9,657. As of 06/30/2023, the value of the lease liability is $8,269. Jefferson County School District 509J, OR is required to make monthly fixed payments of $156. The lease has an interest rate of 2.3660%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $9,657 with accumulated amortization of $1,571 is included with Equipment on the Lease Class activities table found below.

On 04/21/2023, Jefferson County School District 509J, OR entered into a 60 month lease as Lessee for the use of Copier - Kyocera ECOSYS. An initial lease liability was recorded in the amount of $9,818. As of 06/30/2023, the value of the lease liability is $9,336. Jefferson County School District 509J, OR is required to make monthly fixed payments of $174. The lease has an interest rate of 2.4500%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of $9,818 with accumulated amortization of $382 is included with Equipment on the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

	As of Fiscal Year-end	
Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	50,399	12,345
Land	36,607	5,261
Total Leases	87,006	17,606

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	12,123	1,865	13,989
2025	12,480	1,508	13,989
2026	12,848	1,140	13,989
2027	8,029	838	8,867
2028	6,714	623	7,338
2029 - 2033	15,240	1,709	16,949
2034 - 2035	3,286	89	3,375
Total Principal Payments	70,721		
Cumulative Variance as of Fiscal Year-End	-		
Total Remaining Liability	70,721		

LEASES RECEIVABLE AND RELATED DEFERRED INFLOWS (continued):

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Lease Liability				
Equipment				
CIT - Dual Language	-	9,657	1,388	8,269
Copier - Kyocera ECOSYS	-	9,818	482	9,336
Pitney Bowes - Postage Meter - JCMS	6,811	-	1,621	5,190
Pitney Bowes - Postage Meter - SSB	12,377	-	2,945	9,432
TASKalfa 5054ci / Lease Number - 900-0339301-000	-	7,316	603	6,714
TIAA - Solutions YES 20393375 - Copier Lease - MHS	264	-	264	-
TIAA - Solutions YES41777825 Copier Lease - BHS Tech	999	-	999	-
TIAA /Solutions YES 20339724	73,540	-	73,540	-
Total Equipment Lease Liability	93,991	26,791	81,842	38,941
Land				
Warm Springs Land Lease	34,225	-	2,444	31,781
Total Land Lease Liability	34,225	-	2,444	31,781
Total Lease Liability	128,216	26,791	84,286	70,722

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Lease Assets				
Equipment				
CIT - Dual Language	-	9,657	-	9,657
Copier - Kyocera ECOSYS	-	9,818	-	9,818
Pitney Bowes - Postage Meter - JCMS	8,379	-	-	8,379
Pitney Bowes - Postage Meter - SSB	15,228	-	-	15,228
TASKalfa 5054ci / Lease Number - 900-0339301-000	-	7,316	-	7,316
TIAA - Solutions YES 20393375 - Copier Lease - MHS	520	-	520	-
TIAA - Solutions YES41777825 Copier Lease - BHS Tech	1,967	-	1,967	-
TIAA /Solutions YES 20339724	144,731	-	144,731	-
Total Equipment Lease Assets	170,825	26,791	147,218	50,398
Land				
Warm Springs Land Lease	36,607	-	-	36,607
Total Land Lease Assets	36,607	-	-	36,607
Total Lease Assets	207,432	26,791	147,218	87,005
Lease Accumulated Amortization				
Equipment				
CIT - Dual Language	-	1,571	-	1,571
Copier - Kyocera ECOSYS	-	382	-	382
Pitney Bowes - Postage Meter - JCMS	1,676	1,676	-	3,352
Pitney Bowes - Postage Meter - SSB	3,046	3,046	-	6,091
TASKalfa 5054ci / Lease Number - 900-0339301-000	-	950	-	950
TIAA - Solutions YES 20393375 - Copier Lease - MHS	260	260	520	-
TIAA - Solutions YES41777825 Copier Lease - BHS Tech	983	983	1,967	-
TIAA /Solutions YES 20339724	72,366	72,366	144,731	-
Total Equipment Lease Accumulated Amortization	78,331	81,234	147,218	12,346
Land				
Warm Springs Land Lease	2,630	2,630	-	5,261
Total Land Lease Accumulated Amortization	2,630	2,630	-	5,261
Total Lease Accumulated Amortization	80,961	83,864	147,218	17,607
Total Governmental Lease Assets, Net	126,471	(57,073)	-	69,398

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:

On June 30, 2022, the District borrowed $1,549,955 from Ameresco/US Bank. Payments are semi-annual, in December and June, and vary from $90,265 to $135,627, through December 17, 2037. Proceeds were used for various capital improvements to District buildings.

On May 23, 2013, the District issued $24,835,000 in general obligation and refunding bonds (General Obligation and Refunding Bonds, Series 2013). Of this issue, $15,960,000 was issued to finance the improvements to school facilities in Madras and Metolius. The remaining funds were used to refund the March 15, 2002 general obligation bonds.

On July 23, 2013, the District issued the remaining $10,740,000 in general obligations bonds approved by voters in May 2012. The proceeds were used to fund half of the cost of constructing a new Warm Springs K-8 school, in a joint project with the Confederated Tribes of Warm Springs.

On March 10, 2021 the District issued federally taxable general obligation refunding bonds of $24,680,000 to partially refund outstanding bonds of the Series 2013 General Obligation with a $24,680,000 to partially refund outstanding bonds of the Series 2013 General Obligation with a true interest cost of 2.09% and an average coupon rate of 1.97%. The net proceeds after payment of underwriting fees and other issuance costs were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments of the May 23, 2013 and July 23, 2013 general obligation bonds. The refunding reduced total debt service by $2,176,396 and obtained an economic gain defined as the difference between the present values of the debt service payments on the old and new debt of 8.82%

On February 16, 2022 the District issued $24,000,000 in general obligation bonds approved by voters in November 2021 to fund various capital improvements in the District. The bonds were issued at a premium of $2,671,500 and are payable over 20 years including interest at 3% and 4% through June 15, 2042.

October 31,2002 , the District issued Oregon School Boards Association Limited Tax Pension Obligation Bonds, Series 2002 to finance the District's estimated PERS unfunded liability. The original balance was $12,506,637 and has a variable interest rate on the bonds varying from 2.06% to 6.01%. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

On July 22, 2021 the District participated with other Oregon school district to issue Full Faith and Credit Pension Obligation Bonds, Series 2021A to finance the District's estimated PERS unfunded liability. The District issued $31,905,000 in debt as part of the pooled issuance. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

	Outstanding Balance July 1, 2022	Principal Paid	Interest Paid	Outstanding Balance June 30, 2023	Due Within One Year
Bonds Payable:					
Series 2013 GO Bonds	$ 815,000	$ 815,000	$ 32,600	$ -	$ -
Series 2013B GO Bonds	630,000	630,000	25,200	-	-
Series 2020 GO Bonds Refunding	22,665,000	285,000	432,451	22,380,000	1,830,000
Series 2022 GO Bonds	24,000,000	-	1,102,099	24,000,000	345,000
PERS Pension Obligation Bonds 2002	7,520,000	1,065,000	416,721	6,455,000	1,195,000
Full Faith and Credit Pension Obligation Bonds	31,110,000	1,035,000	657,412	30,075,000	1,085,000
Total Bonds Payable	86,740,000	3,830,000	2,666,483	82,910,000	4,455,000
Bond Premium	2,809,996	372,075	-	2,437,921	
Total Bonds Payable, net of Premium	89,549,996	4,202,075	2,666,483	85,347,921	4,455,000
Notes Payable:					
Ameresco/US Bank Loan	$ 1,549,955	$ 33,158	$ 57,107	$ 1,516,797	$ 60,534
Total Notes Payable	$ 1,549,955	$ 33,158	$ 57,107	$ 1,516,797	$ 60,534
Total Long-Term Debt	$88,289,955	$3,863,158	$2,723,590	$84,426,797	$4,515,534

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS (Cont.):

The debt service requirements on the above debt are as follows:

Bonds Payable:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 4,455,000	$ 2,269,095	$ 6,724,095
2025	4,900,000	2,155,263	7,055,263
2026	5,280,000	2,020,574	7,300,574
2027	5,690,000	1,867,775	7,557,775
2028	5,070,000	1,694,762	6,764,762
2029 - 2033	26,000,000	6,660,314	32,660,314
Total	$ 82,910,000	$ 21,049,831	$ 103,959,831

Notes from Direct Borrowings:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 60,534	$ 36,943	$ 97,477
2025	64,959	35,427	100,386
2026	83,665	33,715	117,380
2027	85,388	31,646	117,034
2028	94,059	29,493	123,552
2029 - 2033	558,480	110,136	668,616
2034 - 2038	569,712	34,716	604,428
Total	$ 1,516,797	$ 312,076	$ 1,828,873

The District has no unused lines of credit.

The District has no assets that are specifically pledged as collateral for any of the debt.

For further details on debt service, see the ‘Schedule of Long-Term Debt Transactions’ in the Other Information section of this report.

SUBSCRIPTIONS PAYABLE (Subscription Based Information Technology Agreements):

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 10/05/2022, Jefferson County School District, OR entered into a 36 month subscription for the use of Second Step Grades K-8. An initial subscription liability was recorded in the amount of $22,378.08. As of 06/30/2023, the value of the subscription liability is $14,669.58. Jefferson County School District, OR is required to make annual fixed payments of $7,708.50. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of 06/30/2023 of $22,378.08 with accumulated amortization of $5,511.64 is included with Software on the Subscription Class activities table found below. The Vendor had a termination period of 1 month as of the subscription commencement.

On 12/02/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark Adelante - Software Application. An initial subscription liability was recorded in the amount of $13,706.14. As of 06/30/2023, the value of the subscription liability is $11,538.64. Jefferson County School District, OR is required to make annual fixed payments of $2,167.50. The subscription has an interest rate of 3.5290%. The value of the right to use asset as of 06/30/2023 of $13,706.14 with accumulated amortization of $1,136.74 is included with Software on the Subscription Class activities table found below. The Vendor had a termination period of 1 month as of the subscription commencement.

On 08/16/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark Advance 2022 Classroom Package. An initial subscription liability was recorded in the amount of $11,214.53. As of 06/30/2023, the value of the subscription liability is $9,474.53. Jefferson County School District, OR is required to make annual fixed payments of $1,740.00. The subscription has an interest rate of 2.8450%. The value of the right to use asset as of 06/30/2023 of $11,214.53 with accumulated amortization of $1,401.82 is included with Software on the Subscription Class activities table found below.

On 08/31/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark - Software Application. An initial subscription liability was recorded in the amount of $2,862.03. As of 06/30/2023, the value of the subscription liability is $2,417.97. Jefferson County School District, OR is required to make annual fixed payments of $444.06. The subscription has an interest rate of 2.8450%. The value of the right to use asset as of 06/30/2023 of $2,862.03 with accumulated amortization of $345.83 is included with Software on the Subscription Class activities table found below.

On 09/09/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark Advance 2022 - Gr.2 Classroom. An initial subscription liability was recorded in the amount of $4,447.14. As of 06/30/2023, the value of the subscription liability is $3,757.14. Jefferson County School District, OR is required to make annual fixed payments of $690.00. The subscription has an interest rate of 2.8450%. The value of the right to use asset as of 06/30/2023 of $4,447.14 with accumulated amortization of $515.30 is included with Software on the Subscription Class activities table found below.

SUBSCRIPTIONS PAYABLE (Subscription Based Information Technology Agreements) (Continued):

On 09/08/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark Advance 2.5. An initial subscription liability was recorded in the amount of $58,896.45. As of 06/30/2023, the value of the subscription liability is $49,758.32. Jefferson County School District, OR is required to make annual fixed payments of $9,138.13. The subscription has an interest rate of 2.8450%. The value of the right to use asset as of 06/30/2023 of $58,896.45 with accumulated amortization of $6,847.88 is included with Software on the Subscription Class activities table found below.

On 09/12/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark - Advance 2022. An initial subscription liability was recorded in the amount of $4,447.14. As of 06/30/2023, the value of the subscription liability is $3,757.14. Jefferson County School District, OR is required to make annual fixed payments of $690.00. The subscription has an interest rate of 2.8450%. The value of the right to use asset as of 06/30/2023 of $4,447.14 with accumulated amortization of $510.01 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Jefferson County School District, OR entered into a 72 month subscription for the use of Amplify Education - Software Application. An initial subscription liability was recorded in the amount of $12,650.11. As of 06/30/2023, the value of the subscription liability is $10,399.11. Jefferson County School District, OR is required to make annual fixed payments of $2,251.00. The subscription has an interest rate of 2.6957%. The value of the right to use asset as of 06/30/2023 of $12,650.11 with accumulated amortization of $2,108.35 is included with Software on the Subscription Class activities table found below.

On 08/31/2022, Jefferson County School District, OR entered into a 84 month subscription for the use of Benchmark Advance. An initial subscription liability was recorded in the amount of $75,061.62. As of 06/30/2023, the value of the subscription liability is $63,415.37. Jefferson County School District, OR is required to make annual fixed payments of $11,646.25. The subscription has an interest rate of 2.8450%. The value of the right to use asset as of 06/30/2023 of $75,061.62 with accumulated amortization of $9,070.07 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Jefferson County School District, OR entered into a 72 month subscription for the use of Amplify - Software Application. An initial subscription liability was recorded in the amount of $46,802.95. As of 06/30/2023, the value of the subscription liability is $38,474.69. Jefferson County School District, OR is required to make annual fixed payments of $8,328.26. The subscription has an interest rate of 2.6957%. The value of the right to use asset as of 06/30/2023 of $46,802.95 with accumulated amortization of $7,800.49 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Jefferson County School District, OR entered into a 72 month subscription for the use of Amplify - Student Blended Package. An initial subscription liability was recorded in the amount of $2,671.42. As of 06/30/2023, the value of the subscription liability is $2,196.06. Jefferson County School District, OR is required to make annual fixed payments of $475.36. The subscription has an interest rate of 2.6957%. The value of the right to use asset as of 06/30/2023 of $2,671.42 with accumulated amortization of $445.24 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Jefferson County School District, OR entered into a 36 month subscription for the use of Ellevation Platform. An initial subscription liability was recorded in the amount of $16,222.82. As of 06/30/2023, the value of the subscription liability is $10,688.90. Jefferson County School District, OR is required to make annual fixed payments of $5,533.92. The subscription has an interest rate of 2.3543%. The value of the right to use asset as of 06/30/2023 of $16,222.82 with accumulated amortization of $5,407.61 is included with Software on the Subscription Class activities table found below.

SUBSCRIPTIONS PAYABLE (Subscription Based Information Technology Agreements) (Continued):

On 07/15/2022, Jefferson County School District, OR entered into a 72 month subscription for the use of Student Online Resources - Software Application. An initial subscription liability was recorded in the amount of $92,288.19. As of 06/30/2023, the value of the subscription liability is $75,866.02. Jefferson County School District, OR is required to make annual fixed payments of $16,422.17. The subscription has an interest rate of 2.6960%. The value of the right to use asset as of 06/30/2023 of $92,288.19 with accumulated amortization of $14,783.20 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

	As of Fiscal Year-end	
Asset Class	Subscription Asset Value	Accumulated Amortization
Software	363,648.62	55,884.18
Total Subscriptions	363,648.62	55,884.18

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	58,886.82	8,348.33	67,235.15
2025	60,550.85	6,684.30	67,235.15
2026	49,019.95	4,972.78	53,992.73
2027	50,389.64	3,603.09	53,992.73
2028	51,797.70	2,195.03	53,992.73
2029 - 2030	25,768.51	747.43	26,515.94

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
Amplify - Software Application	46,802.95	-	8,328.26	38,474.69
Amplify - Student Blended Package	2,671.42	-	475.36	2,196.06
Amplify Education - Software Application	12,650.11	-	2,251.00	10,399.11
Benchmark - Advance 2022	-	4,447.14	690.00	3,757.14
Benchmark - Software Application	-	2,862.03	444.06	2,417.97
Benchmark Adelante - Software Application	-	13,706.14	2,167.50	11,538.64
Benchmark Advance	-	75,061.62	11,646.25	63,415.37
Benchmark Advance 2.5	-	58,896.45	9,138.13	49,758.32
Benchmark Advance 2022 - Gr.2 Classroom	-	4,447.14	690.00	3,757.14
Benchmark Advance 2022 Classroom Package	-	11,214.53	1,740.00	9,474.53
Ellevation Platform	16,222.82	-	5,533.92	10,688.90
Second Step Grades K-8	-	22,378.08	7,708.50	14,669.58
Student Online Resources - Software Application	-	92,288.19	16,422.17	75,866.02
Total Software Subscription Liability	78,347.30	285,301.32	67,235.15	296,413.47
Total Subscription Liability	78,347.30	285,301.32	67,235.15	296,413.47

SUBSCRIPTIONS PAYABLE (Subscription Based Information Technology Agreements) (Continued):

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Assets				
Software				
Amplify - Software Application	46,802.95	-	-	46,802.95
Amplify - Student Blended Package	2,671.42	-	-	2,671.42
Amplify Education - Software Application	12,650.11	-	-	12,650.11
Benchmark - Advance 2022	-	4,447.14	-	4,447.14
Benchmark - Software Application	-	2,862.03	-	2,862.03
Benchmark Adelante - Software Application	-	13,706.14	-	13,706.14
Benchmark Advance	-	75,061.62	-	75,061.62
Benchmark Advance 2.5	-	58,896.45	-	58,896.45
Benchmark Advance 2022 - Gr.2 Classroom	-	4,447.14	-	4,447.14
Benchmark Advance 2022 Classroom Package	-	11,214.53	-	11,214.53
Ellevation Platform	16,222.82	-	-	16,222.82
Second Step Grades K-8	-	22,378.08	-	22,378.08
Student Online Resources - Software Application	-	92,288.19	-	92,288.19
Total Software Subscription Assets	78,347.30	285,301.32	-	363,648.62
Total Subscription Assets	78,347.30	285,301.32	-	363,648.62
Subscription Accumulated Amortization				
Software				
Amplify - Software Application	-	7,800.49	-	7,800.49
Amplify - Student Blended Package	-	445.24	-	445.24
Amplify Education - Software Application	-	2,108.35	-	2,108.35
Benchmark - Advance 2022	-	510.01	-	510.01
Benchmark - Software Application	-	345.83	-	345.83
Benchmark Adelante - Software Application	-	1,136.74	-	1,136.74
Benchmark Advance	-	9,070.07	-	9,070.07
Benchmark Advance 2.5	-	6,847.88	-	6,847.88
Benchmark Advance 2022 - Gr.2 Classroom	-	515.30	-	515.30
Benchmark Advance 2022 Classroom Package	-	1,401.82	-	1,401.82
Ellevation Platform	-	5,407.61	-	5,407.61
Second Step Grades K-8	-	5,511.64	-	5,511.64
Student Online Resources - Software Application	-	14,783.20	-	14,783.20
Total Software Subscription Accumulated Amortization	-	55,884.18	-	55,884.18
Total Subscription Accumulated Amortization	-	55,884.18	-	55,884.18
Total Governmental Subscription Assets, Net	78,347.30	229,417.14	-	307,764.44

PENSION PLAN:

Jefferson School District No. 509J offers various retirement plans to qualified employees as described below.

Name of Pension Plan

Jefferson School District No. 509J participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS 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, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit 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 One 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 Two 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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.

2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added, ($210,582 as of January 1, 2022). This amount is indexed annually to the Consumer Price Index (CPI).

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning $2,500/month or more, (adjusted to $3,333/month in House Bill 2906 effective June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
   - Tier One/Tier Two members: 2.5 percent of each member's IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder will continue to go 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.

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

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 OPERS judge members) for disability benefits regardless of the length of OPERS-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.

Benefit Changes After Retirement

Members may choose to continue participation in a variable account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

PENSION PLAN (Cont.):

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

Pension Benefits

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

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the OPSRP 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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.

2. Salary Limit Project (effective January 1, 2020): A new $195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning $3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.

    - OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go 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.

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

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.

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.

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

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 Individual Account Program (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.

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.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to $60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 898 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

PENSION PLAN (Cont.):

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions to PERS for the year ended June 30, 2023 were $943,731 net of Side Account Amortization, and excluding amounts to fund employer specific liabilities.

The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS Side Account funded by retirement bonds (described in Long Term Debt). Amortization of the Side Account resulted in a PERS current year rate savings to the District of $5,605,853 for FY 2022-2023 from the required PERS contribution rate of $6,549,854, netting to a net contribution of $943,731. Because of the side account amortization, the adjusted PERS contribution rates in effect for the period July 1, 2021 to June 30, 2023 for the District were: Tier1/Tier2 – 18.12%, and OPSRP General Service – 15.01%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2022-2023, approximately $1,495,081 in employee IAP contributions were paid or picked up by the District.

Employer 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. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, School Districts 27.54%, and judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute 6.0% of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

PENSION PLAN (Cont.):

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 5.0% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
2022-Annual-Comprehensive-Financial-Report.pdf (oregon.gov)

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an 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 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution 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 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.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses
No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 24, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	**Healthy retirees and beneficiaries:** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. **Active members:** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. **Disabled retirees:** Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Discount Rate

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

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.

- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2022

Asset Class/Strategy	OIC Policy Range			OIC Target Allocation	Asset Class/Strategy	Actual Allocation[2]
Debt Securities	15.0%	-	25.0%	20.0%	Debt Securities	19.8%
Public Equity	25.0%	-	35.0%	30.0%	Public Equity	21.2%
Real Estate	7.5%	-	17.5%	12.5%	Real estate	13.6%
Private Equity	15.0%	-	27.5%	20.0%	Private Equity	28.0%
Risk Parity	0.0%	-	3.5%	2.5%	Risk Parity	2.0%
Real Assets	2.5%	-	10.0%	7.5%	Real Assets	7.9%
Diversifying Strategies	2.5%	-	10.0%	7.5%	Diversifying Strategies	4.9%
Opportunity Portfolio[1]	0.0%	-	5.0%	0.0%	Opportunity Portfolio	2.6%
Total				100%	Total	100%

[1]Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

[2]Based on the actual investment value at 6/30/2022.

[3]In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies.

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. 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.

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

[1]Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on June 2, 2021.

[2]The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

[3]Negative allocation to cash reporesnets levered exposure from allocation to Risk Parity strategy.

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net pension liability	$ 21,777,617	$ 12,280,056	$ 4,331,036

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2021 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: 2020-Experience-Study.pdf (oregon.gov)

PENSION PLAN (Cont.):

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31,2020 actuarial valuation.

Changes in Assumptions

There were no changes in actuarial methods and allocation procedures since the December 31,2020 actuarial valuation.

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2020 and 2021 Valuations	Recommended December 31, 2022 and 2023 Valuations
Healthy Annuitant Mortality	**Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**	**Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	**Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**	**Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	**Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**	**Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
School District male	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service male	115% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Non-Disabled Annuitant assumption	125% of same table and set back as Non-Disabled Annuitant assumption
School District female	100% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service female	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Non-Disabled Annuitant assumption	No change

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2022, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2022 Oregon PERS ACFR. 2022-Annual-Comprehensive-Financial-Report.pdf (oregon.gov).

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the employer reported a liability of $12,280,056 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

PENSION PLAN (Cont.):

At June 30, 2022, the employer's proportion was 0.08019887%.

For the year ended June 30, 2023, the employer recognized pension expense of $3,931,813. As of June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 596,098	$ 76,581
Changes of assumptions	1,926,807	17,603
Net difference between projected and actual earnings on investments	-	2,195,436
Changes in proportionate share	25,922	13,687,722
Differences between employer contributions and employer's proportionate share of system contributions	25,163,957	143,016
Total Deferred Outflows/Inflows	$ 27,712,784	$ 16,120,358
Post-measurement date contributions	6,549,584	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 34,262,368	$ 16,120,358
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		11,592,426

Contributions of $6,549,584, for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ 2,243,127
2nd Fiscal Year	2,138,390
3rd Fiscal Year	1,802,141
4th Fiscal Year	3,931,351
5th Fiscal Year	1,477,417
Thereafter	-
Total	$ 11,592,426

Net Pension Liability

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to $60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

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.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB.
For the fiscal year ended June 30, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2023, 2022, and 2021 were $3,180, $3,589, and $3,861 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:
https://sos.oregon.gov/audits/Documents/2022-09.pdf

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	**Healthy retirees and beneficiaries:** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. **Active members:** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. **Disabled retirees:** Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Table 31 on page 74 shows Milliman's assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:
https://sos.oregon.gov/audits/Documents/2022-09.pdf

Sensitivity Analysis

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	$ (421,793)	$ (467,993)	$ (507,596)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a net OPEB RHIA liability/(asset) of $(467,993) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA liability/(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 date of June 30, 2022, the District's proportion was 0.13170458 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2023 was $(11,229).

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 12,682
Changes of assumptions	3,664	15,600
Net difference between projected and actual earnings on investments	-	35,690
Changes in proportionate share	94,733	16,711
Total Deferred Outflows/Inflows	$ 98,397	$ 80,683
Post-measurement date contributions	3,180	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 101,577	$ 80,683
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		17,714

Contributions of $3,180 for RHIA OPEB were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ 56,104
2nd Fiscal Year	(27,299)
3rd Fiscal Year	(22,522)
4th Fiscal Year	11,431
Thereafter	-
Total	$ 17,714

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

OEBB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the "implicit subsidy" and is required to be valued under GASB 75. This "plan" is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2023, the District reported a an estimated net OPEB OEBB liability/(asset) of $1,352,183 for its proportionate share of the net OPEB liability/(asset). The OPEB OEBB liability/(asset) was measured as of June 30, 2023, and the total OPEB OEBB liability/(asset) used to calculate the net OPEB OEBB liability/(asset) was determined by an actuarial valuation as of July 1, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB OEBB liability/(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. Based on the measurement date of June 30, 2023, the District's estimated OPEB OEBB expense/(income) for the year ended June 30, 2023 was $66,264.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation of the OPEB EOBB program as of July 1, 2022 using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Independent Actuaries, Inc. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Discount Rate	2.25%	3.50%
Other Key Actuarial Assumptions and Methods		
Valuation date	July 1, 2021	July 1, 2021
Measurement date	June 30, 2021	June 30, 2022
Inflation	2.00%	2.00%
Salary increases	3.00%	3.00%
Withdrawal, retirement, and mortality rates	PUB 2010 Retiree Tables for Teachers, sex distinct, projected generationally.	PUB 2010 Retiree Tables for Teachers, sex distinct, projected generationally.
Election and Lapse Rates	Of active employees, 60% are assumed to elect coverage at retirement, with 70% electing spouse coverage, 5% annual lapse rate.	Of active employees, 60% are assumed to elect coverage at retirement, with 70% electing spouse coverage, 5% annual lapse rate.
Actuarial cost method	Entry Age Normal	Entry Age Normal

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals $0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

Discount Rate

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Health Retiree, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on most recent Oregon PERS valuation assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

The discount rate in used for the June 20, 2023 reporting date is 3.50%.

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability from Implicit Rate Subsidy	$ 1,453,014	$ 1,352,183	$ 1,257,843

Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	$ 1,201,708	$ 1,352,183	$ 1,530,511

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

Participation

The following table represents the number of the District's covered participants:

Membership as of Valuation Date	July 1, 2021
Active Employees	412
Inactive Employees	10
Retired Members	0
Spouses of Ineligible Retirees	0
Total Participants	422

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2022 to June 30, 2023	Increase (Decrease) Total OPEB Liability
Balance per actuarial as of June 30, 2022	**$ 1,368,306**
Changes for the year:	
Service Cost	132,002
Interest	33,146
Changes in assumptions or other inputs	(127,010)
Benefit payments	(54,262)
Net OPEB Liability per actuarial at June 30, 2023	**$ 1,352,183**

Components of (OPEB) OEBB Expense

OPEB Expense	July 1, 2022 to June 30, 2023
Service cost	$ 132,002
Interest on total OPEB liability	33,146
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(36,608)
Recognition of assumption changes	(62,276)
Administrative Expense	n/a*
OPEB Expense	$ 66,264

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 164,150
Changes of assumptions or inputs	80,918	355,213
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	$ 80,918	$ 519,363
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		(438,445)

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ (98,884)
2nd Fiscal Year	(98,884)
3rd Fiscal Year	(88,519)
4th Fiscal Year	(83,109)
5th Fiscal Year	(18,492)
Thereafter	(50,557)
Total	$ (438,445)

CONTINGENT LIABILITIES:

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 District expects such amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school district and special districts in the state, which are members of Special Districts of Oregon (SDOA). SDOA oversees the Special Districts Insurance Services Trust, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay SDOA an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund receivables and payables, reported in the financial statements as due from other funds and due to other funds for the year ended June 30, 2023, were as follows:

	General Fund	Special Revenue Fund
Due to other Funds	$ -	$ 3,197,558
Due from other funds	$ 3,197,558	$ -

Interfund transfers for the year ended June 30, 2023, were as follows:

	Fund	Budget Final	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
Interfund Transfers Out	General Fund # 100	(1,735,061)	(1,660,287)	74,774
Interfund Transfers In	Special Revenue Fund #200	710,281	635,507	(74,774)

The transfer out of the general fund to the special revenue fund was made to provide funding for service and program activity.

OVER EXPENDITURE OF APPROPRIATIONS

The Districts overspent appropriations in the Special Revenue Fund (Enterprise and Community Services) as shown on the Budget to Actual schedule in the Required Supplemental Information.

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund #100

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
REVENUES:				
Taxes	$ 5,367,000	$ 5,367,000	$ 5,304,361	$ (62,639)
Tuition Charges	65,000	65,000	105,008	40,008
Earnings on Investments	135,000	135,000	846,240	711,240
Fees and Charges	20,000	20,000	26,763	6,763
Miscellaneous Revenue	908,602	908,602	896,798	(11,804)
Intermediate Government Aid	168,500	168,500	294,103	125,603
State Aid	29,156,923	29,156,923	31,276,786	2,119,863
Federal Aid	3,002,000	3,002,000	3,580,719	578,719
Total Revenues	**38,823,025**	**38,823,025**	**42,330,778**	**3,507,753**
EXPENDITURES:				
Instruction	23,554,111	23,054,111	21,055,670	(1,998,441)
Support Services	17,910,498	17,910,498	16,711,301	(1,199,197)
Enterprise and Community Services	170,845	170,845	159,527	(11,318)
Facilities Acquisition and Construction	528,000	1,028,000	951,377	(76,623)
Contingency	300,000	300,000	-	(300,000)
Total Expenditures	**42,463,454**	**42,463,454**	**38,877,875**	**(3,585,579)**
Excess (Deficiency) of Revenues Over Expenditures	(3,640,429)	(3,640,429)	3,452,903	7,093,332
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	934,480	934,480	934,480	-
Interfund Transfers Out	(1,735,061)	(1,735,061)	(1,660,287)	74,774
Sale of or Compensation for Loss of Fixed Assets	-	-	12,633	12,633
Total Other Financing Sources (Uses)	**(800,581)**	**(800,581)**	**(713,174)**	**87,407**
Net Change in Fund Balance	(4,441,010)	(4,441,010)	2,739,729	7,180,739
Beginning Fund Balance	20,430,550	20,430,550	22,852,791	2,422,241
Ending Fund Balance	**$ 15,989,540**	**$ 15,989,540**	**$25,592,520**	**$ 9,602,980**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Fees and Charges	$ 10,500	$ 10,500	$ 335,081	$ 324,581
Miscellaneous Revenue	948,146	948,146	483,256	(464,890)
State Aid	6,482,207	6,482,207	6,815,598	333,391
Federal Aid	12,142,603	12,142,603	9,664,090	(2,478,513)
Total Revenues	**19,583,456**	**19,583,456**	**17,298,025**	**(2,285,431)**
EXPENDITURES:				
Instruction	6,692,776	7,605,289	6,315,412	(1,289,877)
Support Services	5,853,049	7,439,133	7,306,607	(132,526)
Enterprise and Community Services	3,113,040	3,145,636	3,384,331	238,695
Facilities Acquisition and Constructio	1,991,309	2,241,309	948,038	(1,293,271)
Total Expenditures	**17,650,174**	**20,431,367**	**17,954,388**	**(2,476,979)**
Excess (Deficiency) of Revenues Over Expenditures	1,933,282	(847,911)	(656,363)	191,548
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	710,281	710,281	635,507	(74,774)
Total Other Financing Sources (Uses)	710,281	710,281	635,507	(74,774)
Net Change in Fund Balance	2,643,563	(137,630)	(20,856)	116,774
Beginning Fund Balance	297,630	297,630	458,941	161,311
Ending Fund Balance	**$ 2,941,193**	**$ 160,000**	**$ 438,085**	**$ 278,085**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

Fiscal Year June 30,[1]	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.080199%	$ 12,280,056	$ 24,514,127	50.1%	84.5%
2022	0.163305%	19,541,868	21,162,582	92.3%	87.6%
2021	0.169433%	36,976,012	20,755,269	178.2%	75.8%
2020	0.192373%	33,275,922	19,185,869	173.4%	80.2%
2019	0.199727%	30,256,001	18,741,483	161.4%	82.1%
2018	0.193105%	26,035,437	17,983,977	144.8%	83.1%
2017	0.209208%	31,406,929	17,076,143	183.9%	80.5%
2016	0.222334%	12,765,490	16,894,802	75.6%	91.9%
2015	0.240095%	(5,442,268)	15,688,932	-34.7%	103.6%
2014	0.240095%	12,252,398	15,935,387	76.9%	92.0%

[1]Measurement date is one year in arrears.

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	$ 6,549,584	$ 6,549,584	$ -	$ 24,514,127	26.72%
2022	5,556,053	5,556,053	-	21,440,106	25.91%
2021	4,145,460	4,145,460	-	21,162,582	19.59%
2020	4,093,810	4,093,810	-	20,755,269	19.72%
2019	2,821,117	2,821,117	-	19,185,869	14.70%
2018	2,778,098	2,778,098	-	18,741,483	14.82%
2017	1,915,106	1,915,106	-	17,983,977	10.65%
2016	1,850,319	1,850,319	-	17,076,143	10.84%
2015	2,352,176	2,352,176	-	16,894,802	13.92%
2014	2,197,888	2,197,888	-	15,688,932	14.01%

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

Fiscal Year June 30,[1]	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll	(b/c) Employer's share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.13170458%	$ (467,993)	$ 24,514,127	-1.9%	194.6%
2022	0.12073473%	(414,604)	25,750,088	-1.6%	183.9%
2021	0.30835103%	(628,297)	20,755,269	-3.0%	150.1%
2020	0.17289131%	(334,088)	19,185,869	-1.7%	144.4%
2019	0.17561353%	(196,032)	18,741,483	-1.0%	124.0%
2018	0.17291765%	(72,166)	17,983,977	-0.4%	108.9%
2017	0.17544888%	47,645	17,076,143	0.3%	94.2%

[1] Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2023	$ 3,180	$ 3,180	$ -	$ 24,514,127	0.01%
2022	3,589	3,589	-	25,750,088	0.01%
2021	3,861	3,861	-	21,162,582	0.02%
2020	4,099	4,099	-	20,755,269	0.02%
2019	82,499	82,499	-	19,185,869	0.43%
2018	80,588	80,588	-	18,741,483	0.43%
2017	80,928	80,928	-	17,983,977	0.45%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
OREGON EDUCATORS BENEFIT BOARD
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 132,002	$ 116,183	$ 91,978	$ 172,643	$ 166,211	$ 173,218
Interest on total OPEB liability	33,146	34,109	44,906	66,841	59,355	47,921
Effect of changes to benefit terms	-	-	-			
Effect of economic/demographic gains or (losses)	-	(70,866)	-	(221,999)		
Effect of assumption changes or inputs	(127,009)	(79,523)	129,470	(291,155)	(38,369)	(93,252)
Benefit payments	(54,262)	(62,738)	(52,541)	(127,038)	(120,737)	(167,904)
Net change in total OPEB liability *	(16,123)	(62,835)	213,813	(400,708)	66,460	(40,017)
Total OPEB liability, beginning	1,368,306	1,431,141	1,217,328	1,618,036	1,551,576	1,591,593
Total OPEB liability, ending (a) *	1,352,183	1,368,306	1,431,141	1,217,328	1,618,036	1,551,576
Covered payroll	$24,514,127	$ 21,162,582	$ 20,755,269	$ 19,185,869	$ 18,741,483	$ 17,983,977
Total OPEB liability as a % of covered payroll **	5.5%	6.5%	6.9%	6.3%	8.6%	8.6%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* *Totals may not agree due to rounding.*

SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Debt Service Fund #300

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Taxes	$3,232,100	$3,232,100	$ 3,230,755	$ (1,345)
Earnings on Investments	8,300	8,300	70,239	61,939
Miscellaneous Revenue	3,172,145	3,172,145	3,248,728	76,583
Intermediate Government Aid	-	-	2,707	2,707
Total Revenues	**6,412,545**	**6,412,545**	**6,552,429**	**139,884**
EXPENDITURES:				
Debt Service	6,586,845	6,586,845	6,586,889	44
Total Expenditures	**6,586,845**	**6,586,845**	**6,586,889**	**44**
Excess (Deficiency) of Revenues Over Expenditures	(174,300)	(174,300)	(34,460)	139,840
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	90,300	90,300	90,300	-
Total Other Financing Sources (Uses)	90,300	90,300	90,300	-
Net Change in Fund Balance	(84,000)	(84,000)	55,840	139,840
Beginning Fund Balance	84,000	84,000	103,280	19,280
Ending Fund Balance	**$ -**	**$ -**	**$ 159,120**	**$ 159,120**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Earnings on Investments	$ 10,000	$ 10,000	$ 977,992	$ 967,992
State Aid	1,665,979	1,665,979	624,764	(1,041,215)
Total Revenues	**1,675,979**	**1,675,979**	**1,602,756**	**(73,223)**
EXPENDITURES:				
Facilities Acquisition and Construction	22,880,949	22,880,949	9,763,198	(13,117,751)
Contingency	6,572,500	6,572,500	-	(6,572,500)
Total Expenditures	**29,453,449**	**29,453,449**	**9,763,198**	**(19,690,251)**
OTHER FINANCING SOURCES (USES):				
Net Change in Fund Balance	(27,777,470)	(27,777,470)	(8,160,442)	19,617,028
Beginning Fund Balance	27,777,470	27,777,470	27,255,750	(521,720)
Ending Fund Balance	**$ -**	**$ -**	**$19,095,308**	**$ 19,095,308**

OTHER INFORMATION

Additional Supporting Schedules

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Ameresco/US Bank Loan

On June 30, 2022, the District borrowed $1,549,955 from Ameresco/US Bank. Payments are semi-annual, in December and June, and vary from $90,265 to $135,627, through December 17, 2037. Proceeds were used for various capital improvements to District buildings.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 1,549,955	$ -	$ 33,158	$ 1,516,797	$ 60,534
Interest	-	57,107	57,107	-	36,943
Total	$ 1,549,955	$ 57,107	$ 90,265	$ 1,516,797	$ 97,477

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	$ 60,534	$ 36,943	$ 97,477	2.46%
	2025	64,959	35,427	100,386	2.46%
	2026	83,665	33,715	117,380	2.46%
	2027	85,388	31,646	117,034	2.46%
	2028	94,059	29,493	123,552	2.46%
	2029	95,403	27,171	122,574	2.46%
	2030	102,627	24,775	127,402	2.46%
	2031	108,397	22,219	130,616	2.46%
	2032	118,700	19,490	138,190	2.46%
	2033	133,353	16,481	149,834	2.46%
	2034	124,731	13,252	137,983	2.46%
	2035	134,192	10,036	144,228	2.46%
	2036	119,968	6,913	126,881	2.46%
	2037	131,838	3,789	135,627	2.46%
	2038	58,983	726	59,709	2.46%
Total		$ 1,516,797	$ 312,076	$ 1,828,873	

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Series 2013 GO Bonds

On May 23, 2013, the District issued $24,835,000 in general obligation and refunding bonds (General Obligation and Refunding Bonds, Series 2013). Of this issue, $15,960,000 was issued to finance the improvements to school facilities in Madras and Metolius. The remaining funds were used to refund the March 15, 2002 general obligation bonds.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 815,000	$ -	$ 815,000	$ -	$ -
Interest	-	32,600	32,600	-	-
Total	$ 815,000	$ 32,600	$ 847,600	$ -	$ -

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Series 2013B GO Bonds

On July 23, 2013, the District issued the remaining $10,740,000 in general obligations bonds approved by voters in May 2012. The proceeds were used to fund half of the cost of constructing a new Warm Springs K-8 school, in a joint project with the Confederated Tribes of Warm Springs.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 630,000	$ -	$ 630,000	$ -	$ -
Interest	-	25,200	25,200	-	-
Total	$ 630,000	$ 25,200	$ 655,200	$ -	$ -

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Series 2020 GO Bonds Refunding

On March 10, 2021 the District issued federally taxable general obligation refunding bonds of $24,680,000 to partially refund outstanding bonds of the Series 2013 General Obligation with a $24,680,000 to partially refund outstanding bonds of the Series 2013 General Obligation with a true interest cost of 2.09% and an average coupon rate of 1.97%. The net proceeds after payment of underwriting fees and other issuance costs were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments of the May 23, 2013 and July 23, 2013 general obligation bonds. The refunding reduced total debt service by $2,176,396 and obtained an economic gain defined as the difference between the present values of the debt service payments on the old and new debt of 8.82%.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 22,665,000	$ -	$ 285,000	$ 22,380,000	$ 1,830,000
Interest	-	432,451	432,451	-	428,359
Total	$ 22,665,000	$ 432,451	$ 717,451	$ 22,380,000	$ 2,258,359

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	$ 1,830,000	$ 428,359	$ 2,258,359	1.49%
	2025	1,915,000	401,074	2,316,074	1.59%
	2026	1,995,000	370,606	2,365,606	1.69%
	2027	2,080,000	336,970	2,416,970	1.79%
	2028	2,170,000	299,821	2,469,821	1.87%
	2029	2,265,000	259,264	2,524,264	1.97%
	2030	2,370,000	214,666	2,584,666	2.02%
	2031	2,470,000	166,816	2,636,816	2.09%
Total		$ 22,380,000	$ 2,652,977	$ 25,032,977	

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Series 2022 GO Bonds

On February 16, 2022 the District issued $24,000,000 in general obligation bonds approved by voters in November 2021 to fund various capital improvements in the District. The bonds were issued at a premium of $2,671,500 and are payable over 20 years including interest at 3% and 4% through June 15, 2042.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$24,000,000	$ -	$ -	$ 24,000,000	$ 345,000
Interest	-	1,102,099	1,102,099	-	828,300
Total	$24,000,000	$ 1,102,099	$ 1,102,099	$ 24,000,000	$1,173,300

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	$ 345,000	$ 828,300	$ 1,173,300	3-4%
	2025	495,000	814,500	1,309,500	3-4%
	2026	575,000	794,700	1,369,700	3-4%
	2027	660,000	771,700	1,431,700	3-4%
	2028	745,000	745,300	1,490,300	3-4%
	2029	840,000	715,500	1,555,500	3-4%
	2030	935,000	681,900	1,616,900	3-4%
	2031	1,050,000	644,500	1,694,500	3-4%
	2032	1,155,000	602,500	1,757,500	3-4%
	2033	1,275,000	556,300	1,831,300	3-4%
	2034	1,325,000	505,300	1,830,300	3-4%
	2035	1,430,000	452,300	1,882,300	3-4%
	2036	1,545,000	395,100	1,940,100	3-4%
	2037	1,650,000	348,750	1,998,750	3-4%
	2038	1,755,000	299,250	2,054,250	3-4%
	2039	1,870,000	246,600	2,116,600	3-4%
	2040	1,990,000	190,500	2,180,500	3-4%
	2041	2,115,000	130,800	2,245,800	3-4%
	2042	2,245,000	67,350	2,312,350	3-4%
Total		$24,000,000	$ 9,791,150	$ 33,791,150	

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

PERS Pension Obligation Bonds 2002

October 31,2002 , the District issued Oregon School Boards Association Limited Tax Pension Obligation Bonds, Series 2002 to finance the District's estimated PERS unfunded liability. The original balance was $12,506,637 and has a variable interest rate on the bonds varying from 2.06% to 6.01%. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 7,520,000	$ -	$ 1,065,000	$ 6,455,000	$ 1,195,000
Interest	-	416,721	416,721	-	358,253
Total	$ 7,520,000	$ 416,721	$ 1,481,721	$ 6,455,000	$ 1,553,253

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	$ 1,195,000	$ 358,253	$ 1,553,253	2.06-6.01%
	2025	1,340,000	291,930	1,631,930	2.06-6.01%
	2026	1,490,000	217,560	1,707,560	2.06-6.01%
	2027	1,655,000	134,865	1,789,865	2.06-6.01%
	2028	775,000	43,013	818,013	2.06-6.01%
Total		$ 6,455,000	$ 1,045,621	$ 7,500,621	

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Full Faith and Credit Pension Obligation Bonds, Series 2021A

On July 22, 2021 the District participated with other Oregon school district to issue Full Faith and Credit Pension Obligation Bonds, Series 2021A to finance the District's estimated PERS unfunded liability. The District issued $31,905,000 in debt as part of the pooled issuance. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment. The interest rate is 4% through 2035 and the becomes 3%.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$31,110,000	$ -	$ 1,035,000	$ 30,075,000	$1,085,000
Interest	-	657,412	657,412	-	654,183
Total	$31,110,000	$ 657,412	$ 1,692,412	$ 30,075,000	$1,739,183

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	$ 1,085,000	$ 654,183	$ 1,739,183	4.00%
	2025	1,150,000	647,759	1,797,759	4.00%
	2026	1,220,000	637,708	1,857,708	4.00%
	2027	1,295,000	624,240	1,919,240	4.00%
	2028	1,380,000	606,628	1,986,628	4.00%
	2029	1,470,000	585,514	2,055,514	4.00%
	2030	1,565,000	560,421	2,125,421	4.00%
	2031	1,665,000	532,141	2,197,141	4.00%
	2032	1,770,000	500,723	2,270,723	4.00%
	2033	1,885,000	464,668	2,349,668	4.00%
	2034	2,005,000	423,066	2,428,066	4.00%
	2035	2,135,000	375,808	2,510,808	4.00%
	2036	2,270,000	323,351	2,593,351	3.00%
	2037	2,420,000	265,761	2,685,761	3.00%
	2038	2,580,000	195,702	2,775,702	3.00%
	2039	2,750,000	121,011	2,871,011	3.00%
	2040	1,430,000	41,399	1,471,399	3.00%
Total		$30,075,000	$ 7,560,083	$ 37,635,083	

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2023

SUPPLEMENTAL INFORMATION 2022-2023

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity & heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	$ 883,441
Function 2550	$ 14,290

C. Replacement of Equipment - General Fund:

Include all General Fund expenditures in Object 542, except for the following exclusions:

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

*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2023

Revenue from Local Sources		Fund 100	Fund 200	Fund 300	Fund 400
1110	Ad Valorem Taxes Levied by District	$ 5,304,361	$ -	$ 3,230,755	$ -
1411	Transportation Fees - From Individuals	105,008	-	-	-
1500	Earnings on Investments	846,240	-	70,239	962,331
1600	Food Service	-	9,601	-	-
1700	Extracurricular Activities	26,763	325,480	-	-
1800	Community Service Activities	-	9,564	-	-
1910	Rentals	88,332	26,430	-	-
1920	Contributions and Donations From Private Sources	-	366,200	-	-
1970	Services Provided Other Funds	43,780	-	-	-
1980	Fees Charged to Grants	538,206	-	-	-
1990	Miscellaneous	226,480	81,062	3,248,728	15,661
	Total Revenue from Local Sources	$ 7,179,170	$ 818,337	$ 6,549,722	$ 977,991

Revenue from Intermediate Sources		Fund 100	Fund 200	Fund 300	Fund 400
2101	County School Funds	$ 56,232	$ -	$ -	$ -
2102	General ESD Revenue	149,000	-	-	-
2199	Other Intermediate Sources	4,442	-	2,707	-
2200	Restricted Revenue	84,429	-	-	-
	Total Revenue from Intermediate Sources	$ 294,103	$ -	$ 2,707	$ -

Revenue from State Sources		Fund 100	Fund 200	Fund 300	Fund 400
3101	State School Fund - General Support	$30,923,865	$ -	$ -	$ -
3102	State School Fund - School Lunch Match	-	14,517	-	-
3103	Common School Fund	352,921	-	-	-
3299	Other Restricted Grants-In-Aid	-	6,801,081	-	624,764
	Total Revenue from State Sources	$31,276,786	$ 6,815,598	$ -	$ 624,764

Revenue from Federal Sources		Fund 100	Fund 200	Fund 300	Fund 400
4300	Restricted Revenue From the Federal Government	$ 247,966	$ 1,112,188	$ -	$ -
4500	Restricted Revenue From the Federal Government Through the State	$ -	$ 8,351,448	$ -	$ -
4801	Federal Forest Fees	86,120	-	-	-
4802	Impact Aid to School Districts for Operation (PL 874)	3,246,633	-	-	-
4900	Revenue for/on Behalf of the District	-	200,454	-	-
	Total Revenue from Federal Sources	$ 3,580,719	$ 9,664,090	$ -	$ -

Revenue from Other Sources		Fund 100	Fund 200	Fund 300	Fund 400
5200	Interfund Transfers	$ 934,480	$ 635,507	$ 90,300	$ -
5300	Sale of or Compensation for Loss of Fixed Assets	12,633	-	-	-
5400	Resources - Beginning Fund Balance	22,852,791	458,941	103,280	27,255,751
	Total Revenue from Other Sources	$23,799,904	$ 1,094,448	$ 193,580	$ 27,255,751
	Grand Total	**$66,130,681**	**$ 18,392,473**	**$ 6,746,010**	**$ 28,858,506**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Audit Expenditure Summary-General Fund #100

For the Fiscal Year Ended June 30, 2023

FUND: General Fund #100

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
ementary, K-5 or K-6	$ 7,261,559	$ 4,388,160	$ 2,363,749	$ 42,024	$ 467,626	$ -	$ -	$ -
ddle/Junior High Programs	3,487,711	2,210,294	1,171,534	28,925	76,959	-	-	-
ddle/Junior High School Extracurricular	263,116	138,318	58,203	13,447	43,390	6,750	3,008	-
gh School Programs	3,060,656	1,920,172	985,206	67,205	85,016	-	3,057	-
gh School Extracurricular	568,886	301,712	104,499	96,696	53,256	-	12,723	-
ograms for the Talented and Gifted	57,663	35,446	19,472	202	2,544	-	-	-
strictive Programs for Students with Disabilities	2,514,296	1,516,181	924,250	3,961	23,376	-	46,528	-
Less Restrictive Programs for Students with Disabilities	1,649,448	1,063,314	581,317	-	4,817	-	-	-
tle I	25	25	-	-	-	-	-	-
ternative Education	845,888	516,077	278,880	28,049	20,259	-	2,622	-
glish Second Language Programs	1,346,422	860,810	484,071	-	1,541	-	-	-
l Instruction Expenditures	$ 21,055,670	$ 12,950,508	$ 6,971,182	$ 280,509	$ 778,783	$ 6,750	$ 67,937	$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
tendance and Social Work Services	$ 287,961	$ 127,883	$ 63,272	$ 96,583	$ 222	$ -	$ -	$ -
idance Services	299,253	184,936	107,638	339	6,339	-	-	-
alth Services	42,229	-	-	3,429	38,479	-	321	-
her Student Treatment Services	125,374	-	-	125,374	-	-	-	-
rvice Direction, Student Support Services	279,641	197,746	65,303	8,896	6,450	-	1,245	-
provement of Instruction Services	244,351	163,860	69,915	393	8,779	-	1,404	-
ucational Media Services	432,967	230,984	158,703	48	42,536	-	697	-
sessment & Testing	1,744	-	-	-	1,744	-	-	-
structional Staff Development	40,498	3,555	4,376	5,680	26,887	-	-	-
ard of Education Services	173,466	-	-	161,152	4,153	-	8,161	-
ecutive Administration Services	507,539	275,081	135,057	85,026	10,959	-	1,415	-
fice of the Principal Services	3,402,969	2,147,745	1,024,004	72,839	153,607	-	4,774	-
scal Services	1,005,608	477,433	245,631	83,126	58,815	-	140,604	-
eration and Maintenance of Plant Services	4,897,867	1,904,910	1,016,222	1,184,083	510,576	17,400	264,676	-
ident Transportation Services	3,294,681	1,474,517	845,948	77,683	448,596	371,640	76,297	-
ernal Services	79,933	37,518	23,405	-	20,933	-	(1,924)	-
Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	18,763	-	-	18,763	-	-	-	-
ormation Services	67,407	-	-	51,566	13,066	-	2,775	-
aff Services	729,035	400,294	216,706	21,648	87,645	-	2,741	-
chnology Services	732,096	132,179	63,907	135,493	400,517	-	-	-
her Support Services - Central	5,566	1,200	4,204	58	105	-	-	-
pplemental Retirement Program	42,355	35,124	7,231	-	-	-	-	-
l Support Services Expenditures	$ 16,711,301	$ 7,794,966	$ 4,051,523	$2,132,179	$ 1,840,408	$ 389,040	$ 503,186	$ -

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
od Services	34,677	-	-	-	3,366	31,311	-	-
mmunity Services	124,850	53,476	37,838	33,536	-	-	-	-
Total Enterprise and Community Services Expenditures	$ 159,527	$ 53,476	$ 37,838	$ 33,536	$ 3,366	$ 31,311	$ -	$ -

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Building Acquisition, Construction, and Improvement Services	951,377	-	-	35,965	-	915,412	-	-
Total Facilities Acquisition and Construction Expenditures	$ 951,377	$ -	$ -	$ 35,965	$ -	$ 915,412	$ -	$ -

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
ansfers of Funds	1,660,287	-	-	-	-	-	-	1,660,287
l Other Uses Expenditures	$ 1,660,287	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,660,287
Grand Total	**$ 40,538,161**	**$ 20,798,950**	**$ 11,060,543**	**$2,482,189**	**$ 2,622,557**	**$ 1,342,513**	**$ 571,123**	**$ 1,660,287**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Audit Expenditure Summary-Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2023

FUND: Special Revenue Fund #200

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111	Elementary, K-5 or K-6	$ 904,909	$ 510,069	$ 279,266	$ 56,354	$ 59,221	$ -	$ -
1121	Middle/Junior High Programs	3,421	402	102	-	2,917	-	-
1122	Middle/Junior High School Extracurricular	22,700	-	-	2,653	19,537	-	510
1131	High School Programs	683,285	355,930	168,435	105,505	48,765	-	4,650
1132	High School Extracurricular	461,973	-	-	56,509	401,758	-	3,706
1140	Pre-Kindergarten Programs	356,574	213,963	121,542	-	21,069	-	-
1220	Restrictive Programs for Students with Disabilities	1,021,358	576,673	324,326	119,636	724	-	-
1250	Less Restrictive Programs for Students with Disabilities	121,185	46,688	38,314	-	36,182	-	-
1260	Treatment and Habilitation	67,900	-	-	67,900	-	-	-
1271	Remediation	586	482	104	-	-	-	-
1272	Title I	1,461,520	878,860	396,128	12,904	173,629	-	-
1280	Alternative Education	278,437	187,524	90,026	-	887	-	-
1291	English Second Language Programs	23,283	-	-	-	23,283	-	-
1292	Teen Parent Program	354,470	104,122	62,003	160,994	27,351	-	-
1400	Summer School Programs	553,812	304,137	65,586	284	183,805	-	-
	Total Instruction Expenditures	$ 6,315,412	$ 3,178,849	$ 1,545,832	$ 582,737	$ 999,128	$ -	$ 8,866

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110	Attendance and Social Work Services	$ 381,022	$ 234,539	$ 136,515	$ 3,350	$ 6,618	$ -	$ -
2120	Guidance Services	1,409,120	901,940	461,286	1,540	44,354	-	-
2130	Health Services	$ 314,632	$ 207,596	$ 105,536	$ -	$ 1,500	$ -	$ -
2160	Other Student Treatment Services	130,843	-	-	130,843	-	-	-
2190	Service Direction, Student Support Services	20,685	13,163	7,521	-	-	-	-
2210	Improvement of Instruction Services	1,625,516	982,436	463,364	90,730	88,986	-	-
2220	Educational Media Services	594,906	93,506	46,245	1,707	453,448	-	-
2240	Instructional Staff Development	843,690	170,970	123,062	485,860	63,799	-	-
2410	Office of the Principal Services	299,807	193,366	106,280	-	161	-	-
2540	Operation and Maintenance of Plant Services	290,437	24,760	7,075	258,602	-	-	-
2550	Student Transportation Services	77,855	330	34	77,491	-	-	-
2630	Information Services	155,564	103,207	52,357	-	-	-	-
2640	Staff Services	302,241	175,250	46,663	7,188	55,899	-	17,241
2660	Technology Services	14,980	-	-	13,600	1,380	-	-
2690	Other Support Services - Central	845,312	130,523	94,156	3,190	79,236	-	538,206
	Total Support Services Expenditures	$ 7,306,607	$ 3,231,586	$ 1,650,093	$ 1,074,100	$ 795,381	$ -	$ 555,447

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100	Food Services	$ 2,992,245	$ 891,059	$ 583,170	$ 46,078	$1,470,081	$ -	$ 1,858
3300	Community Services	224,671	5,902	1,574	200,834	16,361	-	-
3500	Custody and Care of Children Services	167,415	98,848	61,621	-	6,946	-	-
	Total Enterprise and Community Services Expenditures	$ 3,384,331	$ 995,809	$ 646,366	$ 246,912	$1,493,387	$ -	$ 1,858

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150	Building Acquisition, Construction, and Improvement Services	923,512	-	-	-	-	923,512	-
4180	Other Capital Items	24,526	-	-	-	-	24,526	-
	Total Facilities Acquisition and Construction Expenditures	$ 948,038	$ -	$ -	$ -	$ -	$ 948,038	$ -

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
	Grand Total	**$ 17,954,388**	**$ 7,406,244**	**$ 3,842,290**	**$ 1,903,749**	**$3,287,896**	**$ 948,038**	**$ 566,171**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2023

FUND: Debt Service Fund #300

	Totals	Object 600
Other Uses Expenditures		
5100 Debt Service	$ 6,586,889	$ 6,586,889
Total Other Uses Expenditures	$ 6,586,889	$ 6,586,889
Grand Total	**$ 6,586,889**	**$ 6,586,889**

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2023

FUND: Capital Projects Fund #400

Facilities Acquisition and Construction Expenditures		**Totals**	**Object 300**	**Object 500**	**Object 600**
4150	Building Acquisition, Construction, and Improvement Services	$9,763,198	$ 6,009	$9,739,574	17,615
	Total Facilities Acquisition and Construction Expenditures	$9,763,198	$ 6,009	$9,739,574	$ 17,615
	Grand Total	**$9,763,198**	**$ 6,009**	**$9,739,574**	$17,615

REPORT ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Jefferson School District No. 509J

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2023

To the Governing Body of the Jefferson School District No. 509J
Jefferson, Oregon

We have audited the basic financial statements of the Jefferson School District as of and for the year ended June 30, 2023, and have issued our report thereon dated March 29, 2024. 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 Jefferson School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

- **Over expenditure of appropriations in one fund**

OAR 162-10-0230 Internal Control

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

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

Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
March 29, 2024

JEFFERSON SCHOOL DISTRICT NO. 509J

SINGLE AUDIT SECTION

UMPQUA VALLEY
FINANCIAL

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

To the Board of Directors
Jefferson School District No. 509J

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson School District No. 509J, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Jefferson School District No. 509J's basic financial statements and have issued our report thereon dated March 29, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson School District No. 509J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances to express our opinion on the financial statements, but not to express an opinion on the effectiveness of Jefferson School District No. 509J's internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson School District No. 509J's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson School District No. 509J's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 29, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Jefferson School District No. 509J

Report on Compliance for Each Major Federal Program

We have audited Jefferson School District No. 509J's compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of Jefferson School District No. 509J's major federal programs for the year ended June 30, 2023. Jefferson School District No. 509J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jefferson School District No. 509J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Jefferson School District No. 509J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jefferson School District No. 509J's compliance.

Opinion on Each Major Federal Program

In our opinion, Jefferson School District No. 509J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

UMPQUA VALLEY
FINANCIAL

Report on Internal Control over Compliance

The management of Jefferson School District No. 509J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Jefferson School District No. 509J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances to express an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to express an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson School District No. 509J's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 29, 2024

JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing (AL) # Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification	Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Receivable)/ Deferred Revenue June 30, 2022	Cash Received	Expenditures	(Receivable)/ Deferred Revenue June 30, 2023
US. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	010				Fund #203	84.010	2021-22	$ 1,128,581	$ (664,641)	$ 961,963	$ 420,180	$ (122,858)
Title IA - Grants to Local Education Agencies	84	010				Fund #203	84.010	2022-23	1,134,529	-	485,960	1,017,897	(531,936)
Title IA -ESSA Partnerships 20-21 Formula	84	010				Fund #211	84.010	2020-21	135,700	-	39,273	39,273	-
Title IA -ESSA Partnerships 20-21 Supplement	84	010				Fund #211	84.010	2020-21	136,224	(57,895)	97,410	39,514	-
Title IA -ESSA Partnerships 21-22 Formula	84	010				Fund #211	84.010	2021-22	-	-	134,963	134,963	-
Total Title I									2,535,034	(722,536)	1,719,569	1,651,826	(654,794)
Title II-A Teacher Quality	84	367				Fund #209	84.367	2019-20	147,352	-	21,365	21,365	-
Title II-A Teacher Quality	84	367				Fund #209	84.367	2020-21	144,453		35,269	35,269	-
Title II-A Teacher Quality	84	367				Fund #209	84.367	2021-22	157,790	-	9,339	32,544	(23,205)
Title II-A Teacher Quality	84	367				Fund #209	84.367	2022-23	156,887	-	-	1,745	(1,745)
Total Title I I-A									606,482	-	65,972	90,922	(24,950)
Title III- English Language Acquisition Grant	84	365				Fund #216	84.365	2021-22	73,444	-	39,332	52,346	(13,014)
Title III- English Language Acquisition Grant	84	365				Fund #216	84.365	2022-23	65,278	-	17,757	17,757	-
Total Title III									138,722	-	57,090	70,103	(13,014)
Title IV-A - Student Support and Academic Enrichment 21-22 Formula	84	424				Fund #208	84.424	2021-22	81,653	-	81,653	81,653	-
Title IV-A - Student Support and Academic Enrichment 22-23 Formula	84	424				Fund #208	84.424	2022-23	87,793	-	51,019	66,397	(15,379)
Total Title IV-A Student Support and Academic Enrichment									169,446	-	132,672	148,050	(15,379)
Title V Rural Education	84	358				Fund #208	84.358	2022-23	63,343	(26,175)	54,129	27,954	-
Title V Rural Education	84	358				Fund #208	84.358	2022-23	76,335	-	76,335	76,335	-
Total Title V Rural Education									139,678	(26,175)	130,464	104,289	-
21st Century Community Learning Centers	84	287				Fund #204	84.287	2021-22	376,540	(376,460)	376,500	40	-
21st Century Community Learning Centers	84	287				Fund #204	84.287	2022-23	376,500	-	446,335	498,555	(52,221)
Total 21st Century Community Learning Centers									753,040	(376,460)	822,835	498,595	(52,221)
Ele.Elementary & Secondary School Emergency Relief, II	84	425	**COVID-19, 84.425**	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #210	84.425D	2020-23	3,719,390	-	-	1,028,834	(1,028,834)
Elementary & Secondary School Emergency Relief, III	84	425	**COVID-19, 84.425**	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #206	84.425U	2020-24	8,353,221	-	-	1,490,567	(1,490,567)
Jumpstart Kinergarten 20223-23 Formula, ESSER	84	425				Fund #257	84.425	2022-23	312,438	-	54,176	54,176	-
Total Educational Stabilization Fund									12,385,049	-	54,176	2,573,578	(2,519,401)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #213	84.027	2020-21	150,820	-	26,794	26,794	-
IDEA - Special Education Grants to States(Part B Sec.611) ARP	84	027				Fund #213	84.027	2021-22	128,606	-	8,246	85,713	(77,467)
IDE IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #213	84.027	2022-23	552,813	-	468,999	552,813	(83,814)
IDEA - Equipment and Supplies	84	027				Fund #213.902	84.027	2021-22	42,396	-	24,246	28,015	(3,770)
IDEA - Special Education Grants to States(Part B Sec.619) Pass Throug	84	173				Fund #213.905	84.173	2022-23	13,711	-	13,711	13,711	-
Total IDEA									888,346	-	541,996	707,046	(165,051)
Total Passed through Oregon Department of Education									$ 17,615,796	$ (1,125,171)	$ 3,524,773	$ 5,844,411	$ (3,444,809)
Passed through Education Service District:													
McKinney-Vento Homeless Assistance Act	84	196				Fund #226	84.196	2021-22	7,657	-	5,240	7,657	(2,417)
Total Passed through Education Service District									$ 7,657	$ -	$ 5,240	$ 7,657	$ (2,417)
Passed Through U.S.Department of Education Direct:													
Impact Aid	84	041				Fund#100	84.041	2022-23	$ 3,246,633	$ -	$ 3,246,633	$ 3,246,633	$ -
Native American Language Grant	84	365				Fund#207	84.365C	2022-23	1,624,233	-	369,864	370,518	(654)
It Is A New Day (Ishumax Kadux)Formula Grant	84	299A				Fund#219	84.299A	2021-2023	3,398,933	-	162,895	167,557	(4,662)
Read to Succeed - Innovative Approaches to Literacy	84	215				Fund#202	84.215G	2021-2026	320,793	-	176,576	176,986	(410)
Read to Succeed - Innovative Approaches to Literacy	84	215				Fund#202	84.215G	2020-2022	2,243,702	(108,778)	505,905	397,127	(0)
Total Passed Through U.S.Department of Education Direct:									$ 10,834,294	$ (108,778)	$ 4,461,873	$ 4,358,821	$ (5,726)
Total U.S. Department of Education									$ 28,457,747	$ (1,233,950)	$ 7,991,887	$ 10,210,889	$ (3,452,952)

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JEFFERSON COUNTY SCHOOL DISTRICT NO. 509J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing (AL) # Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification	Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Receivable)/ Deferred Revenue June 30, 2022	Cash Received	Expenditures	(Receivable)/ Deferred Revenue June 30, 2023
DEPARTMENT OF HEALTH AND HUMAN SERVICES													
Yourth Transition Program	84	126A				Fund #223	84.126A	2020-21	$ 243,236	$ 15,925	$ 57,445	$ 243,236	$ (169,866)
Early Head Start ChildCare - Oregon Child Development Coalition	93	600				Fund #215	93.600	2022-23	$ 112,237		$ 112,237	112,237	$ -
									-	-	-	-	-
Total Department of Health and Human Services									$ 355,473	$ 15,925	$ 169,682	$ 355,473	$ (169,866)
U.S. DEPARTMENT OF DEFENSE													
Junior Reserve Officers Training Corps	12	357				Fund #100	12.357	2018-19	38,806	-	35,161	38,806	(3,645)
Total U.S. Department of Defense									$ 38,806	$ -	$ 35,161	$ 38,806	$ (3,645)
U.S. GENERAL SERVICES AGENCY													
Commodity purchase	39	003				Fund #100	39.003	**2022-23**	$ 1,308	$ -	$ 1,308	$ 1,308	$ -
Total U.S. General Services Agency									$ 1,308	$ -	$ 1,308	$ 1,308	$ -
FEDERAL COMMUNICATIONS COMMISSION													
Passed through Universal Service Administrative Company													
COVID-19 Emergency Connectivity Fund Program	32	009				Fund #107	32.009	2018-19	$ 209,160	$ -	$ 209,160	$ 209,160	$ -
Total Federal Communications Commission									$ 209,160	$ -	$ 209,160	$ 209,160	$ -
U.S. DEPARTMENT OF AGRICULTURE													
Passed Through Oregon Department of Education:													
National School Lunch - Lunch	10	555				Fund #299.998	10.555	2022-23	$ 1,132,968	$ -	$ 1,267,845	$ 1,332,968	$ (65,123)
National School Lunch - Breakfast	10	553				Fund #299.998	10.553	2022-23	519,003	-	492,099	519,003	(26,904)
National School Lunch - Commodities	10	555				Fund #299.998	10.555	2022-23	193,793	-	193,793	193,793	-
Summer Food Service Program for Children	10	559				Fund #299.996	10.559	2022-23	60,076	-	55,285	60,076	(4,791)
Summer Food Service Program for Children- Commodities	10	559				Fund #299.996	10.559	2022-23	6,662	-	6,662	6,662	-
CNP Supply Chain Assistance	10	555				Fund #299.998	10.555	2022-23	51,966	-	51,966	78,012	(26,046)
CACFP	10	558				Fund #299	10.558	2022-23	143,190	-	141,268	143,190	(1,922)
CACFP Commodities	10	558				Food Service	10.558	2022-23	10,659	-	10,516	10,659	(143)
Total National School Lunch Program									2,118,317	-	2,219,433	2,344,362	(124,929)
Total U.S. Department of Agriculture									$ 2,118,317	$ -	$ 2,219,433	$ 2,344,362	$ (124,929)
TOTALS									**$ 31,180,811**	**$ (1,218,025)**	**$ 10,626,631**	**$ 13,159,997**	**$ (3,751,391)**

This schedule is prepared using the modified accrual basis of accounting.

RECONCILIATION TO REVENUE:	
Cash Receipts per Schedule Above	$ 10,626,631
Grants Receivable/Deferred Revenue Beginning of Year	(1,218,025)
Grants Receivable/Deferred Revenue End of Year	3,751,391
Federal Revenue Recognized per Financial Statements	$ 13,159,997

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the "Schedule") includes the federal award activity of Jefferson School District No. 509J under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jefferson School District No. 509J, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jefferson School District No. 509J.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COSTS RATE

Jefferson School District No. 509J has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

JEFFERSON SCHOOL DISTRICT NO. 509J

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I—Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Jefferson School District No. 509J in accordance with GAAP.

2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.

3. No instances of noncompliance material with the financial statements of Jefferson School District No. 509J were disclosed during the audit.

4. The auditor's report on compliance for the major federal award program expresses an unmodified opinion.

5. The audit did not disclose any findings that are required to be reported.

6. The programs tested as a major program were the

    - Educational Stabilization Fund AL# 84.425 cluster
    - Title I AL# 84.010 cluster

7. The threshold for distinguishing between Type A and B programs was $750,000.

8. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2023.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

There were no findings for the fiscal year ended June 30, 2023.