

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



12700 SW 72nd Ave.
Tigard, OR 97223

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2022

<u>NAME</u>	<u>TERM EXPIRES</u>
Mary Ellen Mansfield, Chair	June 30, 2023
Andrea Milbrett	June 30, 2025
Maree Beers	June 30, 2025
Michelle Holman, Vice Chair	June 30, 2023
Mizu Burruss	June 30, 2025

All board members receive mail at the address below:

ADMINISTRATION

Jodi O'Mara, Superintendent
Jeron Ricks, Business Manager

10868 East Mapleton Road
Mapleton, Oregon 97453

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

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December 22, 2022

To the Board of Directors
Lane County School District No. 32
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying basic financial statements of the governmental activities each major fund, of Lane County School District No. 32 (the District), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lane County School District No. 32 (the District), as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lane County School District No. 32 (the District), and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lane County School District No. 32's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 basic financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of 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 Lane County School District No. 32'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 basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lane County School District No. 32's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

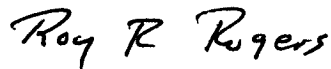
Other Information

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current:	
Cash and Investments	\$ 2,624,357
Receivables - Taxes	33,326
Accounts Receivable	351,542
Total Current	3,009,225
Non-current:	
Net OPEB Asset - RHIA	53,192
Capital Assets, Non-Depreciable	46,410
Capital Assets, Depreciable, Net	9,655,127
Total Non-current	9,754,729
Total Assets	12,763,954
DEFERRED OUTFLOW OF RESOURCES	
OPEB Related Deferrals - RHIA	8,428
OPEB Related Deferrals - Implicit Health Subsidy	2,016
Pension Related Deferrals - PERS	1,332,102
TOTAL ASSETS AND PENSION RELATED DEFERRALS	14,106,500
LIABILITIES	
Current:	
Accounts Payable	\$ 24,569
Payroll Liabilities	43,199
Total Current	67,768
Non-current:	
Accrued Compensated Absences	-
Long-Term Liabilities:	
due within one year	95,000
due more than one year	3,465,000
Unamortized Bond Premium	78,118
Net OPEB Liability - Implicit Health Subsidy	26,021
Net Pension Liability - PERS	1,969,545
Total Non-current	5,633,684
Total Liabilities	5,701,452
DEFERRED INFLOW OF RESOURCES	
OPEB Related Deferrals - RHIA	17,973
Pension Related Deferrals - PERS	1,655,120
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	7,376,615
NET POSITION	
Net Investment in Capital Assets	6,063,419
Restricted for:	
Future Debt Payments	28,220
Capital Projects	-
Student Body	95,696
Transportation	-
Food Service	30,553
Other Programs	-
OPEB - RHIA Asset	53,192
Unrestricted	458,805
Total Net Position	\$ 6,729,885

See accompanying notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 1,494,813	\$ -	\$ 400,579	\$ (1,094,234)
Supporting Services	2,133,707	5,105	543,704	(1,584,898)
Community Services	110,728	-	201,321	90,593
Interest on Long-Term Debt	80,893	-	-	(80,893)
Total Governmental Activities	<u>\$ 3,820,141</u>	<u>\$ 5,105</u>	<u>\$ 1,145,604</u>	<u>(2,669,432)</u>

General Revenues	
Property Taxes Levied	936,547
Earnings on Investment	13,976
Other Local	63,713
State Support	2,062,145
Unrestricted Intermediate	66,166
Unrestricted Federal	2,600
Other Sources Revenue	238,292
Gain/(Loss) on Disposal of Assets	<u>2,190</u>
Total General Revenues	<u>3,385,629</u>
Changes in Net Position	716,197
Net Position - Beginning	<u>6,013,688</u>
Net Position - Ending	<u>\$ 6,729,885</u>

See accompanying notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS					
Cash and Investments	\$ 2,200,416	\$ 396,119	\$ 27,822	\$ -	\$ 2,624,357
Accounts Receivable	10,200	340,944	398	-	351,542
Property Taxes Receivables	33,326	-	-	-	33,326
Supply Inventories	-	438	-	-	438
Total Assets	\$ 2,243,942	\$ 737,501	\$ 28,220	\$ -	\$ 3,009,663
LIABILITIES					
Accounts Payable	\$ 24,569	\$ -	\$ -	\$ -	\$ 24,569
Payroll Liabilities	43,199	-	-	-	43,199
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Reserve for Inventory	-	438	-	-	438
Total Liabilities	67,768	438	-	-	68,206
DEFERRED INFLOW OF RESOURCES					
Unavailable Property Tax Revenue	29,831	-	-	-	29,831
Total Deferred Inflow of Resources	29,831	-	-	-	29,831
FUND BALANCES					
Nonspendable	-	438	-	-	438
Restricted for:					
Future Debt Payments	-	-	28,220	-	28,220
Capital Projects	-	-	-	-	-
Preschool	-	-	-	-	-
Student Body	-	95,696	-	-	95,696
Transportation	-	-	-	-	-
Food Service	-	30,553	-	-	30,553
Text Book	-	-	-	-	-
Other Programs	-	-	-	-	-
Unassigned	2,146,343	610,376	-	-	2,756,719
Total Fund Balances	2,146,343	737,063	28,220	-	2,911,626
Total Liabilities, Deferred Inflow, and Fund Balances	\$ 2,243,942	\$ 737,501	\$ 28,220	\$ -	\$ 3,009,663

See accompanying notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

Total Fund Balances - Governmental Funds	\$	2,911,626
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in government accounting. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>		
Net Capital Assets		9,701,537
<p>The Net Pension and OPEB Asset (Liability) is the difference between the total liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
Net Pension Liability - PERS	(1,969,545)	
Net OPEB Liability - Implicit Health Subsidy	(26,021)	
Net OPEB Asset - RHIA	<u>53,192</u>	(1,942,374)
<p>Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.</p>		
Deferred Outflows - PERS	1,332,102	
Deferred Inflows - PERS	(1,655,120)	
Deferred Outflows - OPEB Implicit Health Subsidy	2,016	
Deferred Outflows - OPEB RHIA	8,428	
Deferred Inflows - OPEB RHIA	<u>(17,973)</u>	(332,617)
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>		
Long-Term Liabilities		
Accrued Compensated Absences	-	
Bonds Payable	(3,560,000)	
Premium	(78,118)	
Capital Lease Payable	<u>-</u>	(3,638,118)
Unearned revenue related to property taxes		<u>29,831</u>
Ending Net Position	\$	<u><u>6,729,885</u></u>

See accompanying notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES					
Local Sources	\$ 775,181	\$ 62,840	\$ 197,886	\$ 17	\$ 1,035,924
Intermediate Sources	59,896	6,270	-	-	66,166
State Sources	2,061,493	365,172	-	-	2,426,665
Federal Sources	-	765,083	-	-	765,083
Other Sources	-	238,292	-	-	238,292
Total Revenues	2,896,570	1,437,657	197,886	17	4,532,130
EXPENDITURES					
Instruction	1,122,193	480,264	-	-	1,602,457
Support Services	1,365,026	683,603	-	238,730	2,287,359
Enterprise and Community Services	-	118,702	-	-	118,702
Facilities Acquisition	-	5,079	-	-	5,079
Debt Service	-	-	192,724	-	192,724
Total Expenditures	2,487,219	1,287,648	192,724	238,730	4,206,321
Excess of Revenues Over (Under) Expenditures	409,351	150,009	5,162	(238,713)	325,809
OTHER FINANCING SOURCES (USES)					
Proceeds From Sale of Capital Assets	2,190	-	-	-	2,190
Transfers In	-	150,000	-	-	150,000
Transfers Out	(150,000)	-	-	-	(150,000)
Total Other Financing Sources (Uses)	(147,810)	150,000	-	-	2,190
Net Change in Fund Balance	261,541	300,009	5,162	(238,713)	327,999
Beginning Fund Balance	1,884,802	437,054	23,058	238,713	2,583,627
Ending Fund Balance	<u>\$ 2,146,343</u>	<u>\$ 737,063</u>	<u>\$ 28,220</u>	<u>\$ -</u>	<u>\$ 2,911,626</u>

See accompanying notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2022

Total Net Changes in Fund Balances - Total Governmental Funds	\$	327,999
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.</p>		
Capital Asset Additions		372,810
Depreciation Expense		(327,879)
		44,931
<p>The PERS Pension Expense and RHIA Pension Income represent the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
PERS Expense		180,204
OPEB Expense - Implicit Health Subsidy		(3,455)
OPEB Expense - RHIA		9,020
		185,769
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability government-wide.</p>		
Bond Payable Principal Payments		90,000
<p>Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Amortization of bond premiums		4,111
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to capital leases are expenses for the Statement of Net Position but not the Governmental Funds.</p>		
Capital Lease Principal Payments		21,831
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		2,018
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities the net payment represents a reduction in liability.</p>		
		39,538
Change in Net Position of Governmental Activities	\$	716,197

See accompanying notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements of Lane County School District No. 32 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. REPORTING ENTITY

Lane County School District No. 32 is a municipal corporation governed by an elected board, organized under provisions of Oregon Statutes Chapter 332 for the purpose of providing kindergarten through high school education. Accounting principles generally accepted in the United States of America require that these basic financial statements present Lane County School District No. 32 (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships with the District. There are no component units.

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

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses of assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-Exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements

The accounts are organized and operated on the basis of funds. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are maintained consistent with legal requirements.

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which are recognized when due, depreciation and amortization, interfund transactions, compensated absences, claims and judgments, pension and OPEB expenses, which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

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

The following major governmental funds are reported:

General Fund

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

Special Revenue Fund

This fund primarily accounts for specific revenue sources that are legally restricted to expenditures for specific purposes. The Student Body money is included in this fund.

Debt Service Fund

This fund accounts for activities related to the repayment of debt, primarily issued in the form of bonds, used to fund the construction and acquisition of facilities. The primary source of revenue is property taxes.

Capital Projects Fund

This fund accounts for activities related to the acquisition, construction, equipping, and furnishing of facilities. The primary source of revenue is proceeds from bonds.

Interfund Transfers

The interfund transfers reported on the combined statement of revenues, expenditures and changes in fund balances are operating transfers. Operating transfers are legally authorized transfers from a fund receiving revenue to the fund where they are to be expended.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Property Taxes

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Property taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes are collected from taxpayers by the Lane County Department of Assessment and Taxation and are remitted to the District.

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

Grants are recognized as revenue in the accounting period in which they become both measurable and available and in which all eligibility requirements have been met. When expenditure is the prime factor for determining eligibility, the revenue is recognized when the expenditure is made. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability on the combined balance sheet.

Inventories of Supplies

Purchased inventory is valued at the lower of cost (first-in, first-out method) or market. Commodities inventory is valued at estimated market value at the date of donation. Inventory consists of commodities and purchased food and supplies. The cost of purchased inventory is recorded as an asset at the time of purchase and expensed when it is consumed in the government-wide financial statements, and expensed when purchased in the fund statements.

Accounts Receivable

The accounts receivable are all current and are considered by management to be fully collectible. Therefore, no provision for uncollectable accounts has been made.

Capital Assets

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

Buildings and Improvements	15 to 50 years
Furniture	20 years
Vehicles and Equipment	5 to 15 years

Use of Estimates

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Long-Term Obligations

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

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

Retirement Plans

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

Accrued Compensated Absences

Accumulated accrued compensated absences for vacation pay are recorded as liabilities in the government-wide financial statements as the entire amount is expected to be liquidated with expendable available resources. Accumulated sick pay does not vest and therefore, no expense is recorded until leave is taken.

Net Position

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

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

Restricted – consists of external constraints placed on assets used by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are restricted assets, if any, for Future Debt Payments, Capital Projects, Student Body, Transportation, Food Service, Scholarship, and Other Programs.

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022 there were deferred outflows representing PERS, OPEB-Healthcare, and OPEB-RHIA related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2022 there were also deferred inflows reported in the Statement of Net Position representing PERS pension and OPEB-RHIA related deferrals.

C. FUND BALANCE

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

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FUND BALANCE (CONTINUED)

There were no committed or assigned fund balances as of June 30, 2022. The District has established an unassigned targeted minimum fund balance of ten percent of the annual operating revenues of the General Fund.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund in accordance with Oregon Local Budget Law. These budgets are all prepared using the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exception that capital outlay expenditures are expensed when purchased, depreciation is not recorded, inventories of supplies are budgeted as expenditures when purchased, debt, capital leases and compensated absences are expensed when paid, pension costs are not recorded until paid, and property taxes received greater than 60 days after year-end are not considered budgetary resources in the funds.

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

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

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

For the year ended June 30, 2022, expenditures of the various funds were within authorized appropriation levels except for the Special Revenue Fund where Instruction, Enterprise and Community Services and Facilities Acquisition Request expenditures exceeded appropriations by \$60,979, \$4,807 and \$5,079, and the Capital Projects Fund where Support Services expenditures exceeded appropriations by \$238,730.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS

A. DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2022 was \$835,936 of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

At fiscal year-end, cash and equivalents were as follows:

Deposit with Financial Institutions:	
Local Government Investment Pool	\$ 1,894,109
Demand Deposits	<u>730,248</u>
Total Cash and Investments	<u>\$ 2,624,357</u>

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2022, none of the bank balances were exposed to custodial credit risk.

B. INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it *materially approximates fair value.*

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2022, the fair value of the position in the *LGIP is 98.98%* of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

As of June 30, 2022 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	<u>\$1,894,109</u>	<u>\$1,894,109</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk - Investments

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

Credit Risk - Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2022, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of a local government to be invested in bankers' acceptances of any qualified financial institution.

4. RECEIVABLES

Receivables at June 30, 2022, which are all considered collectable by management, consist of the following:

- A. Property taxes receivable represent delinquent amounts due for property taxes levied in the current and prior years.
- B. Grants receivable represent amounts due for claims for reimbursement of costs under various Federal grant programs.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for governmental activities for the fiscal year ended June 30, 2022 were as follows:

	Balance July 1, 2021	Adjustments	Additions	(Deletions)	Balance June 30, 2022
Non-depreciable:					
Land	\$ 46,410	-	\$ -	\$ -	\$ 46,410
Total	<u>46,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,410</u>
Depreciable:					
Buildings and Improvements	18,028,270	(87,616)	74,663	-	18,015,317
Equipment	412,219	-	148,291	-	560,510
Vehicles	573,322	-	149,856	(84,919)	638,259
Total	<u>19,013,811</u>	<u>(87,616)</u>	<u>372,810</u>	<u>(84,919)</u>	<u>19,214,086</u>
Accumulated Depreciation:					
Buildings and Improvements	8,829,811	(87,616)	220,119	-	8,962,314
Equipment	275,835	-	55,824	-	331,659
Vehicles	297,969	-	51,936	(84,919)	264,986
Total	<u>\$ 9,403,615</u>	<u>(87,616)</u>	<u>\$ 327,879</u>	<u>\$ (84,919)</u>	<u>\$ 9,558,959</u>
Government Activities:					
Capital Assets, Net	<u>\$ 9,656,606</u>				<u>\$ 9,701,537</u>

Depreciation was allocated to the following functions:

Instruction	\$ 131,074
Support Services	187,096
Community Services	<u>9,709</u>
 Total	 <u>\$ 327,879</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS

The following changes occurred in the long-term obligations during the fiscal year ending June 30, 2022:

	Outstanding July 1, 2021	Additions	Reductions	Outstanding June 30, 2022	Due Within One Year
GO Bonds	\$ 3,650,000	\$ -	\$ 90,000	\$ 3,560,000	\$ 95,000
Capital Leases	21,831	-	21,831	-	-
Subtotal	3,671,831	-	111,831	3,560,000	95,000
Premium	82,229	-	4,111	78,118	-
Total	<u>\$ 3,754,060</u>	<u>\$ -</u>	<u>\$ 115,942</u>	<u>\$ 3,638,118</u>	<u>\$ 95,000</u>

In August 2016, a \$4,000,000 General Obligation bond was issued with a Premium of \$102,784 for 25 years, concluding in 2041 with an interest rate varying from 1.5% to 3.0%. The premium is amortized over the life of the bond on a straight line basis. There are no significant default clauses and the bonds are not subject to acceleration.

In May 2017, a Capital Lease was entered into for a School Bus. The terms of the agreement require annual payments of \$22,443, which includes principal and interest, beginning July 15, 2017 for five years, with an interest rate of 2.78%. The agreement was paid off in July 2021.

Future maturities of long-term obligations are as follows:

Fiscal Year Ending June 30	Bond Principal	Bond Interest	Capital Lease Principal	Capital Lease Interest	Total Principal	Total Interest
2023	95,000	100,926	-	0	95,000	100,926
2024	105,000	99,500	-	-	105,000	99,500
2025	110,000	97,926	-	-	110,000	97,926
2026	120,000	96,000	-	-	120,000	96,000
2026-2031	725,000	429,000	-	-	725,000	429,000
2031-2036	1,020,000	303,300	-	-	1,020,000	303,300
2036-2041	1,385,000	129,600	-	-	1,385,000	129,600
Total	<u>\$ 3,560,000</u>	<u>\$ 1,256,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,560,000</u>	<u>\$ 1,256,252</u>

7. PROPERTY TAX LIMITATION

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local School schools, and education service schools. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

NOTES TO BASIC FINANCIAL STATEMENTS

7. PROPERTY TAX LIMITATION (CONTINUED)

The state voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

8. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
 - Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
 - General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$412,792, excluding amounts to fund employer specific liabilities. In addition approximately \$97,020 in employee contributions were paid or picked up by the District in fiscal 2022.

Pension Asset or Liability – At June 30, 2022, the District reported a net pension liability of \$1,969,545 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .016 percent, for both years. Pension expense for the year ended June 30, 2022 was \$180,204.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to pension as deferred outflows of resources \$919,310, or deferred inflows of resources, (\$1,655,120), net to (\$735,808) and will be recognized in pension expense as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resource
Difference between expected and actual experience	\$ 184,362	\$ -
Changes in assumptions	493,036	5,183
Net difference between projected and actual earnings on pension plan investments	-	1,458,039
Net changes in proportionate share	56,509	191,898
Differences between District contributions and proportionate share of contributions	185,403	-
Subtotal - Amortized Deferrals (below)	919,310	1,655,120
District contributions subsequent to measurement date	412,792	
Deferred outflow (inflow) of resources	\$ 1,332,102	\$ 1,655,120

Year Ending June 30,	Amount
2023	(143,907)
2024	(120,897)
2025	(194,696)
2026	(331,445)
2027	55,137
Thereafter	-
Total	\$ (735,808)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 1, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2021 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2021 PERS ACFR; p. 74)

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 3,867,715	\$ 1,969,545	\$ 381,465

Changes Subsequent to the Measurement Date

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

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

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

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2022.

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

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

9. OTHER POST-EMPLOYMENT BENEFIT PLAN - RHIA

Plan Description:

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

LANE COUNTY SCHOOL DISTRICT NO. 32
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NOTES TO BASIC FINANCIAL STATEMENTS

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers.

At June 30, 2022, the District reported a net OPEB asset of (\$53,192) for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .15 percent and .22 percent, respectively. OPEB income for the year ended June 30, 2022 was \$9,020.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (8,699)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	139
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (8,560)</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Components of Deferred Outflows/Inflows of Resources:

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$8,428, and deferred inflows of resources, \$17,973, net to (\$9,545) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (3,157)
2024	490
2025	(2,886)
2026	(3,993)
2027	-
Thereafter	-
Total	<u>\$ (9,546)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated March 1, 2022 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/Oregon%20PERS%20-%20GASB%2075%20RHIA%20Employer%20Schedules%20-%20FYE%2006-30-2021.pdf>

Actuarial Methods and Assumptions:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,480
Changes in assumptions	1,047	791
Net difference between projected and actual earnings on pension plan investments	-	12,641
Net changes in proportionate share	7,381	3,061
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>8,428</u>	<u>17,973</u>
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 8,428</u>	<u>\$ 17,973</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
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NOTES TO BASIC FINANCIAL STATEMENTS

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

Valuation Date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate:

The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

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

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

LANE COUNTY SCHOOL DISTRICT NO. 32
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NOTES TO BASIC FINANCIAL STATEMENTS

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

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2021 PERS ACFR; p. 74)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (47,041)	\$ (53,192)	\$ (58,447)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

10. OTHER POST-EMPLOYMENT BENEFIT PLAN - IMPLICIT HEALTH SUBSIDY

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2019 using the Entry age normal, level percent of salary Actuarial Cost Method.

The total other post-employment benefit liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

LANE COUNTY SCHOOL DISTRICT NO. 32
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NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN - IMPLICIT HEALTH SUBSIDY (CONTINUED)

Valuation Date	June 30, 2019
Actuarial Cost method	Entry Age Normal, level percent of salary
Investment Return assumption (Interest discount)	2.25% per year, based on all years discounted at municipal bond rate(based on Bond Buyer 20-Bond General Obligation Index as of the date of this report
Plan participation	40% assumed will elect coverage at retirement if eligible for District paid insurance
Medical premium annual trend rate	5.0% in 2020 and fluctuating between 6.0% and 4.5% thereafter
Inflation rate	2.5% per year
Annual salary rate increase	3.5% per year
Health care Premium	
Beginning in 2018 a 40% excise tax will be imposed under the affordable care act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan	

Mortality rates were based on the Pub-2010 teachers table, separate Employee/Healthy Annuitant, sex distinct, generational. Improvement scale was Unisex Social Security Data Scale (60 year average), Active employee/retiree adjustments was set back 12 months for males, no set back for females.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age.

Retirement rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by age and years of service. Of the active employees potentially eligible to receive District-paid health benefits, 40% of those currently enrolled are assumed to be enrolled at retirement and 70% of those retirees are assumed to cover a spouse, as well. Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, with a 2.0% assumed drop rate per year. There was an assumption of no impact of dependent children on the implicit subsidy.

The discount rate used to measure the total pension and total other post-employment benefit liabilities was 2.50%, based on all years discounted at the municipal bond rate.

Changes in the Net Other Post-employment Benefit Liability

	<u>Total OPEB Liability</u>
Total OPEB Liability Balance 6/30/2021	<u>\$ 24,657</u>
Changes for the Year	
Service Cost	3,739
Interest	635
Changes of benefit terms	-
Differences between expected and actual experience	(826)
Changes of Assumptions or other input	(1,836)
Benefit payments	(348)
Net Change in total OPEB liability	<u>1,364</u>
Total OPEB Liability Balance 6/30/2022	<u><u>\$ 26,021</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN - IMPLICIT HEALTH SUBSIDY (CONTINUED)

Sensitivity of the Net Other Post-employment Benefit Liability to changes in the discount and trend rates

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 2.25 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	<u>1% Lower</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Higher</u>
	1.25%	2.25%	3.25%
Total OPEB Liability	\$ 28,267	\$ 26,021	\$ 23,921

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the trend rate of 5.0 percent graded up to 6 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (4.0 percent graded up to 5%) or 1-percentage-point higher (6.0 percent graded up to 7.0%) than the current rate:

	<u>1% Lower</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rates</u>	<u>1% Higher</u>
Total OPEB Liability	\$ 22,628	\$ 26,021	\$ 30,137

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

For the year ended June 30, 2022, the District recognized Other Post-employment Benefit income of \$685.

At June 30, 2022, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits from the following sources:

<u>Deferral Source</u>	<u>Deferred Outflows</u> <u>of resources</u>	<u>Deferred Inflows</u> <u>or resources</u>
Differences between expected & actual experience	\$ -	\$ 734
Changes of assumptions or other inputs	1,782	1,632
Contribution subsequent to the measure date		-
Totals	<u>\$ 1,782</u>	<u>\$ 2,366</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Subtotal amounts reported as deferred outflows (\$584) related to Other Post-employment benefits will be recognized in Other Post-employment benefit expense as follows:

Year ended June 30:	
2024	(41)
2025	(41)
2026	(41)
2027	(41)
2028	(41)
Thereafter	(379)
Total	<u>\$ (584)</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

The District is currently involved in litigation regarding injuries sustained from a fight between students on a district school bus. The district is being defended by their property and casualty insurance provider. Based on current information, the defense has reserved \$50,000.

12. COMMITMENTS AND CONTINGENCIES

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

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. 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 agencies cannot be determine at this time, although management expects such amounts, if any, to be immaterial.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District's finances is not determinable

13. INTERFUND TRANSFERS AND BALANCES

There were no interfund balances at year end. Interfund transfer amounts during the fiscal year were comprised of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 150,000	\$ -
Special Revenue		150,000
	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Interfund transfers are used to pay administrative services and provide operational resources.

14. TAX ABATEMENTS

As of June 30, 2022, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2022 for any program covered under GASB 77.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2022

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 819,411	\$ 819,411	\$ 775,181	\$ (44,230)
Intermediate Sources	43,411	43,411	59,896	16,485
State Sources	<u>1,797,291</u>	<u>1,797,291</u>	<u>2,061,493</u>	<u>264,202</u>
Total Revenue	<u>2,660,113</u>	<u>2,660,113</u>	<u>2,896,570</u>	<u>236,457</u>
EXPENDITURES				
Instruction	1,330,395	1,330,395 (1)	1,122,193	208,202
Support Services	<u>1,400,659</u>	<u>1,400,659 (1)</u>	<u>1,365,026</u>	<u>35,633</u>
Total Expenditures	<u>2,731,054</u>	<u>2,731,054</u>	<u>2,487,219</u>	<u>243,835</u>
Excess of Revenues Over (Under) Expenditures	(70,941)	(70,941)	409,351	480,292
OTHER FINANCING SOURCES (USES)				
Proceeds From Sale of Fixed Assets		-	2,190	2,190
Transfers Out	<u>(150,000)</u>	<u>(150,000) (1)</u>	<u>(150,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(147,810)</u>	<u>2,190</u>
Net Change in Fund Balance	(220,941)	(220,941)	261,541	482,482
Beginning Fund Balance	<u>1,795,120</u>	<u>1,795,120</u>	<u>1,884,802</u>	<u>89,682</u>
Ending Fund Balance	<u>\$ 1,574,179</u>	<u>\$ 1,574,179</u>	<u>\$ 2,146,343</u>	<u>\$ 572,164</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2022

SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 705,585	\$ 705,585	\$ 62,840	\$ (642,745)
Intermediate Sources	12,804	12,804	6,270	(6,534)
State Sources	293,354	293,354	365,172	71,818
Federal Sources	1,000,070	1,000,070	765,083	(234,987)
Other Sources	-	-	238,292	238,292
Total Revenues	<u>2,011,813</u>	<u>2,011,813</u>	<u>1,437,657</u>	<u>(812,448)</u>
EXPENDITURES				
Instruction	419,285	419,285 (1)	480,264	(60,979)
Support Services	1,042,649	1,042,649 (1)	683,603	359,046
Enterprise and Community Services	113,895	113,895 (1)	118,702	(4,807)
Facilities Acquisition Request	-	- (1)	5,079	(5,079)
Total Expenditures	<u>1,575,829</u>	<u>1,575,829</u>	<u>1,287,648</u>	<u>288,181</u>
Excess of Revenues Over (Under) Expendi	435,984	435,984	150,009	(1,100,629)
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>125,000</u>	<u>125,000 (1)</u>	<u>150,000 (2)</u>	<u>25,000</u>
Total Other Financing Sources	<u>125,000</u>	<u>125,000</u>	<u>150,000</u>	<u>25,000</u>
Net Change in Fund Balance	560,984	560,984	300,009	(260,975)
Beginning Fund Balance	<u>361,709</u>	<u>361,709</u>	<u>437,054</u>	<u>75,345</u>
Ending Fund Balance	<u>\$ 922,693</u>	<u>\$ 922,693</u>	<u>\$ 737,063</u>	<u>\$ (185,630)</u>

(1) Appropriation level

(2) Included in this transfer from the General Fund is the required state revenue match the District must transfer \$867 for National School Lunch Support in order to meet the general cash assistance match.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
June 30, 2022

Annual OPEB Cost and Net OPEB Obligation relating to Early Retirement Plan: Healthcare

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Differences Between Expected and Actual	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2022	\$ 24,657	\$ 3,739	\$ 635	\$ -	\$ (1,836)	\$ (826)	\$ (348)	\$ 26,021	\$ 1,123,604	2%
2021	18,659	2,950	756	-	2,292	-	-	24,657	1,144,462	2%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit.

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.016 %	\$ 1,969,545	\$ 1,656,964	118.9 %	87.6 %
2021	0.016	3,528,975	1,553,105	227.2	75.8
2020	0.018	3,037,579	1,524,771	199.2	80.2
2019	0.017	2,611,035	1,372,132	190.3	82.1
2018	0.020	2,632,185	1,337,826	196.8	83.1
2017	0.022	3,325,857	1,292,375	257.3	80.5
2016	0.027	1,564,706	1,349,278	116.0	91.9
2015	0.030	(676,515)	1,276,094	(53.0)	103.6
2014	0.030	1,523,066	1,511,738	100.7	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 412,792	\$ 412,792	\$ -	\$ 1,855,322	22.2
2021	452,877	452,877	-	1,656,964	27.3 %
2020	419,126	419,126	-	1,553,105	27.0
2019	379,170	379,170	-	1,524,771	24.9
2018	333,682	333,682	-	1,372,132	24.3
2017	253,064	253,064	-	1,337,826	18.9
2016	256,028	256,028	-	1,292,375	19.8
2015	289,375	289,375	-	1,349,278	21.4
2014	276,038	276,038	-	1,276,094	21.6

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

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LINN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB liability (asset) (NOL/(A))	(b) Employer's proportionate share of the net OPEB Liability/ (asset) (NOL/(A))	(c) Employer's covered payroll	(b/c) NOL/(A) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.015 %	\$ (53,192)	\$ 1,656,964	(3.2) %	183.9 %
2021	0.022	(43,826)	1,553,105	(2.8)	150.1
2020	0.015	(29,684)	1,524,771	(1.6)	144.4
2019	0.012	(13,231)	1,372,132	(1.0)	124.0
2018	0.012	(5,166)	1,337,826	(0.4)	108.9
2017	0.013	3,641	1,292,375	0.3	90.0

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

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

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

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ N/A	\$ N/A	\$ N/A	\$ 1,855,322	N/A %
2021	N/A	N/A	N/A	1,656,964	N/A
2020	N/A	N/A	N/A	1,553,105	N/A
2019	N/A	N/A	N/A	1,524,771	N/A
2018	N/A	N/A	N/A	1,372,132	N/A
2017	N/A	N/A	N/A	1,337,826	N/A

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

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

All statutorily required contributions were made and are included within PERS contributions (see pg. 34).

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2022

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES				
Local Sources	\$ 192,726	\$ 192,726	\$ 197,886	\$ 5,160
Total Revenue	192,726	192,726	197,886	5,160
EXPENDITURES				
Debt Service:				
Debt Services	192,726	192,726 (1)	192,724	2
Total Expenditures	192,726	192,726	192,724	2
Net Change in Fund Balance	-	-	5,162	5,162
Beginning Fund Balance	18,014	18,014	23,058	5,044
Ending Fund Balance	\$ 18,014	\$ 18,014	\$ 28,220	\$ 10,206

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2022

CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$	\$ -	\$ 17	\$ 17
State Sources		-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
EXPENDITURES				
Support Services	<u>-</u>	<u>- (1)</u>	<u>238,730</u>	<u>(238,730)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>238,730</u>	<u>(238,730)</u>
Net Change in Fund Balance	-	-	(238,713)	(238,713)
Beginning Fund Balance		-	238,713	238,713
Ending Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

OTHER INFORMATION

MAPLETON SCHOOL DISTRICT NO. 32
 LANE COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2022

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Period Covered	Expenditures	Passed Through to Subrecipients
U.S. Department of Education:						
Small, Rural School Achievement Program	NA	84.358A	NA	7/1/2021-6/30/2022	\$ 12,983	-
Title I Grants to Local Educational Agencies	Oregon Department of Education	84.010	58302	7/1/2021-6/30/2022	58,608	-
Total Title I Grants to Local Education Agencies					<u>58,608.00</u>	<u>-</u>
Title IIA - Teacher Quality	Oregon Department of Education	84.367	58794	7/1/2021-6/30/2022	6,152	-
Total Title IIA - Teacher Quality					<u>6,152</u>	<u>-</u>
Special Education -- Grants to States	Oregon Department of Education	84.027	60693	7/1/2021-6/30/2022	63,730	-
Early Indicator and Intervention System	Oregon Department of Education	99.998	61685	7/1/2021-6/30/2022	1,249	-
Total Special -- Grants to States					<u>64,979</u>	<u>-</u>
Title IV-A	Oregon Department of Education	84.424	58609	7/1/2021-6/30/2022	10,000	-
ESSER II	Oregon Department of Education	84.425	64620	7/1/2021-6/30/2022	180,900	-
ESSER III	Oregon Department of Education	84.425	64925	7/1/2021-6/30/2022	319,511	-
Total U.S. Department of Education					<u>653,133</u>	<u>-</u>
U.S. Department of Agriculture:						
Child Nutrition Cluster:						
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	10.553/555		7/1/2021-6/30/2022	7,634	-
School Breakfast Program	Oregon Department of Education	10.553		7/1/2021-6/30/2022	31,080	-
National School Lunch Program	Oregon Department of Education	10.555		7/1/2021-6/30/2022	67,332	-
Fresh Fruit and Vegetable Program	Oregon Department of Education	10.582	61224	7/1/2021-6/30/2022	4,287	-
Total Child Nutrition Cluster					<u>110,333</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>110,333</u>	<u>-</u>
Total Grants Expended or Passed Through to Subrecipients					<u>763,466</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE					<u>\$ 763,466</u>	
Reconciliation to Statement of Revenues, Expenses, and Changes in Fund Balances:						
Federal Expenditures Recognized					\$ 763,466	
Accruals / Deferrals					1,617	
Federal Revenue on Statement of Revenues, Expenses, and Changes in Fund Balances					<u>\$ 765,083</u>	

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SUPPLEMENTAL INFORMATION
AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION
For the Year Ended June 30, 2022

A.	ENERGY BILLS FOR HEATING - ALL FUNDS:		
		Objects 325, 326 & 327	
	Function 2540	\$	68,523
	Function 2552		1,267
			<hr/>
		\$	69,790
			<hr/> <hr/>
B.	REPLACEMENT FOR EQUIPMENT - General Fund:	\$	-
			<hr/> <hr/>

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

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS



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December 22, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Lane County School District No. 32 as of and for the year ended June 30, 2022, and have issued our report thereon dated December 22, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe Lane County School District No. 32 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. Expenditures of the various funds were within authorized appropriations except as noted on page 12 of this report.

OAR 162-10-0230 Internal Control

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

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

Roy R Rogers

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