

**FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2021

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2021

<u>NAME</u>	<u>TERM EXPIRES</u>
Jebadiah Flowers, Position 1 (resigned Sept. 2020)	June 30, 2023
Jackie Turle, Position 1	June 30, 2023
Andrea Larson, Position 2	June 30, 2021
Barbara Graham-Adams, Position 3	June 30, 2023
Mark Boren, Position 4	June 30, 2021
Tiana Povenmire-Kirk, Position 5	June 30, 2023

All board members receive mail at the address below

ADMINISTRATION

Gary Carpenter, Superintendent

88834 Territorial Rd.
Elmira, Oregon 97437

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

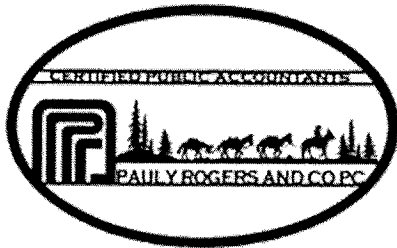
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FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

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December 21, 2021

To the Board of Directors
Fern Ridge School District No. 28-J
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Basic financial statements

We have audited the accompanying basic financial statements of the governmental activities, and each major fund of Fern Ridge School District No. 28-J (the District), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Fern Ridge School District No. 28-J, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 Schedules of Net Pension Liability or Contributions for PERS and RHIA, or Post-Employment Stipends and Health Benefits Liability and Related Ratios or the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

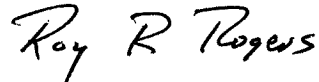
Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 21, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

FERN RIDGE SCHOOL DISTRICT 28J
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

As management of Fern Ridge School District 28J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the Liabilities of the District exceeded its assets at June 30, 2021 by (\$870,584) (*total net position*). Of this amount, \$4,121,127 represents the District's net investment in capital assets, \$1,089,059 is restricted for debt service, food service, student body groups and OPEB RHIA Asset, and (\$6,080,770) is unrestricted and available to meet the District's ongoing obligations.
- The District's total net position increased by \$1,074,878 from the prior year, the result of total revenue \$23,272,278 exceeding total expenses of \$22,197,400.
- At the end of the current fiscal year, the unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the General Fund was \$4,665,914, or about 29% of total general fund revenue.
- Total cost of all the District's programs was \$22,197,400 million for the fiscal year, an increase of \$167,444 (.08%) from the prior year.
- At the end of the current fiscal year, the General Fund unassigned fund balance was \$4,665,914 which represents 34% of total General Fund operating expenditures and an increase of \$1,493,731 from the prior year General Fund unassigned fund balance.
- The District's total outstanding bonds payable decreased by \$1,193,310 during the 2020-21 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference (*net position*). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position changed over the year by tracking revenues, expenses, and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, and administration. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

Fund Financial Statements The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are considered governmental funds. To be considered a major fund, the fund must meet criteria established by generally accepted accounting principles.

Governmental Funds Governmental *funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, and the Special Revenue Fund, and the Debt Service Fund.

Additionally, the District adopts an annual appropriated budget for all funds as required by Oregon budget law. Budgetary comparison statements have been provided to demonstrate compliance elsewhere in this report.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* including a schedule of funding progress for the District's early retirement program and other post-employment benefits (OPEB) plan, and a budget to actual presentation for all four major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position At June 30, 2021 liabilities exceeded assets by \$870,584. This is mainly due to Pension Related Deferrals.

Fern Ridge School District 28J *Condensed Statement of Net Position*

	Governmental Activities		Change
	June 30, 2021	June 30, 2020	
Current and other assets	\$ 11,426,766	\$ 9,184,367	\$ 2,242,399
Capital Assets	29,938,677	30,940,812	(1,002,135)
<i>Total Assets</i>	\$ 41,365,443	\$ 40,125,179	\$ 1,240,264
 Deferred Outflows of Resources			
Pension Related Deferrals	5,115,818	4,007,747	1,108,071
Current Liabilities	1,691,066	1,649,317	41,749
Long-term Liabilities	44,318,527	43,197,840	1,120,687
<i>Total Liabilities</i>	46,009,593	44,847,157	1,162,436
 Deferred Inflows of Resources			
Pension Related Deferrals	1,342,252	1,283,676	58,576
 Net Position:			
Net investment in capital assets	4,121,127	4,190,003	(68,876)
Restricted for various purposes	1,089,059	749,694	339,365
Unrestricted	(6,080,770)	(6,937,604)	856,834
<i>Total Net Position</i>	\$ (870,584)	\$ (1,997,907)	\$ 1,127,323

Capital assets, which consist of the District's land and buildings (including improvements), vehicles, and equipment, and construction in process, represent 72% of total assets. The remaining assets consist of cash and investments, receivables, bond issue costs, net OPEB benefits, and net pension benefits.

The District's liabilities consist of current liabilities and long term liabilities. Long Term liabilities which represent 96% of total liabilities consist of repayment of long term debt including general obligation and limited tax pension

obligation bonds and PERS, OPEB liabilities. Current liabilities, representing 4% of the District's total liabilities, consists of accounts payable, payroll liabilities and unearned revenue.

Most of the District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

During the current fiscal year, the District's overall net financial position increased as indicated by an increase of \$1,074,878 in net position. Unrestricted net position increased by \$856,834; at the same time, the District's investment in capital assets, net of related debt, decreased by \$68,876 due principally to depreciations exceeding current year Capital Asset additions.

Governmental Activities Revenues increased by \$1,485,842 or 7% and Expenses increased also by \$167,444 or .08% during the 2020-2021 fiscal year.

Fern Ridge School District 28J Condensed Statement of Changes in Net Position

	Governmental Activities		
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
<i>Revenues</i>			
Program revenues:			
Changes for services	\$ 121,222	\$ 196,641	\$ (75,419)
Operating grants and contributions	3,563,956	1,874,272	1,689,684
General revenues:			
Property taxes	6,747,019	6,667,008	80,011
State School Fund	11,442,615	11,532,224	(89,609)
Other Federal and Local Sources	1,310,189	1,327,973	(17,784)
Gain on Sale of Assets	1,699	0	1,699
Earnings on Investments	85,578	188,430	(102,852)
<i>Total Revenues</i>	<u>\$ 23,272,278</u>	<u>\$ 21,786,548</u>	<u>\$ 1,485,730</u>
<i>Expenses:</i>			
Instruction	12,075,469	12,023,501	51,968
Support Services	8,014,440	7,450,492	563,948
Community Services	503,656	616,490	(112,834)
Interest on Long-Term Debt	1,603,835	1,939,473	(335,638)
<i>Total Expenses</i>	<u>22,197,400</u>	<u>22,029,956</u>	<u>167,444</u>
<i>Change in Net Position</i>	1,074,878	\$ (243,408)	1,318,286
<i>Prior Period Adjustment</i>	52,444	-	52,444
<i>Net Position, Beginning of Year</i>	<u>(1,997,906)</u>	<u>(1,754,499)</u>	<u>(243,407)</u>
<i>Net Position, End of Year</i>	<u>\$ (870,584)</u>	<u>\$ (1,997,907)</u>	<u>\$ 1,127,323</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

Governmental funds report the differences between their assets and liabilities as fund balance, which is classified and reported by the following categories:

- **Nonspendable Fund Balance** – funds which cannot be spent
- **Restricted Fund Balance** – funds subject to externally enforceable legal restrictions (imposed by creditors, grantors, contributors, governmental regulations, etc.)
- **Committed Fund Balance** – funds constrained by limitations that a government imposes upon itself
- **Assigned Fund Balance** – funds intended for use as established by the governing body itself, or by an official or officers to which authority is delegated by the governing body
- **Unassigned Fund Balance** – funds available for any purpose

At June 30, 2021, the District's governmental funds reported *combined ending fund balances* of \$9,152,099 an increase of \$2,096,093 in comparison with the prior year. Approximately \$4,486,185 (49%) of the ending fund balances constitutes *restricted or committed fund balance*, \$0 (0%) constitutes *assigned fund balance*, and \$4,665,914 (51%) constitutes *unassigned ending fund balance*, which is available for spending at the District's discretion.

General Fund The General Fund is the chief operating fund of the District. As of June 30, 2021, assigned fund balance was \$0 and unassigned fund balance was \$4,665,914. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 29% of General Fund Revenues. The fund balance increased by \$1,493,731 from prior year.

Special Revenue Fund The Special Revenue Fund has a total fund balance of \$4,341,647, all of which is committed or restricted to textbook and technology purchases (\$629,888), early retirement commitments (\$1,425,415), maintenance reserves (\$1,498,429), Outdoor School (\$7,360), District Wellness (\$11,025) and athletic programs (\$39,244), Food Service (\$399,195) and Student Body accounts (\$331,092). The net increase in fund balance during the current year was \$638,197.

Debt Service Fund The Debt Service Fund has a total fund balance of \$144,538 all of which is set aside for the payment of debt service. The net decrease in fund balance during the current year was \$35,835.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. Budget amounts shown in the financial statement reflect the original budget amounts.

Final budget compared to actual results. Final budgeted revenues were estimated lower than the actual experience of the District for the year ended June 30, 2021. Actual revenues earned by the General Fund totaled \$156,311 more than when compared to the projected amount to be received. A review of actual expenditures compared to the appropriations in the final budget yields a variance of budgeted expenditures of \$16,363,968 to actual expenditure of \$13,802,219 or underspending of budget authority of \$2,561,749.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets The District's investment in capital assets includes land, buildings and improvements, and vehicles and equipment. As of June 30, 2021, the District had \$29,938,677 invested in capital assets, net of depreciation, as shown on the following table:

Fern Ridge School District Capital Assets (net of depreciation)

	June 30, 2021	June 30, 2020	Change
Land	\$ 664,658	\$ 506,059	\$158,599.00
Construction in Process	-	-	-
Building and Improvements	28,776,886	29,841,674	(1,064,788)
Vehicles and Equipment	497,133	593,079	(95,946)
Total Capital Assets, Net of Related Accumulation Depreciation	<u>\$ 29,938,677</u>	<u>\$ 30,940,812</u>	<u>\$ (1,002,135)</u>

During the year, the District's net investment in capital assets decreased, because depreciations exceeded current year additions. Additional information regarding the District's capital assets can be found in Note 4 of this report.

Long Term Debt At the end of the current fiscal year, the District had total long-term debt outstanding of \$27,323,314. The debt consisted of general obligation bonds and pension obligation bonds.

Fern Ridge School District Outstanding Debt

	June 30, 2021	June 30, 2020	Change
General Obligation Bonds	\$ 4,430,000	\$ 4,885,000	\$ (455,000)
Pension Obligation Bonds	22,893,314	23,631,624	(738,310)
Total	<u>\$ 27,323,314</u>	<u>\$ 28,516,624</u>	<u>(1,193,310)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other sources. The largest segment, which includes state funding and local property taxes, is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students.

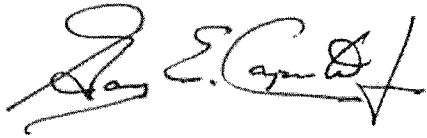
For the year ending June 30, 2022, the District adopted a General Fund budget of \$18,993,742, which is \$689,634 more than the 2020-2021 final budget. The 2021-2022 adopted budget included a 3% contingency and a projected ending fund balance of 8%.

The major expenditure requirements of the District are the salaries and benefits of our teachers, support staff and administration, and the payment of early retirement benefits to retired licensed and classified staff. Salaries and benefits represent nearly 80% of the District's total General Fund operating costs and are expected to increase in 2022-2023 as a result of previously negotiated salary and benefit increases.

The District's Budget Committee and School Board considered all of these factors while reviewing the District's budget for the 2021-2022 fiscal year. In June 2021, the board adopted the District budget for the fiscal year 2021-2022.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Business Manager at 88834 Territorial Road, Elmira, Oregon 97437.



Gary Carpenter
SUPERINTEN DENT



Quanah Bennett
BUSINESS MANAGER

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 9,440,068
Receivables	1,562,432
Note Receivable	210,000
Net OPEB Asset - RHIA	214,266
Capital assets not being depreciated	664,658
Capital assets being depreciated, net	29,274,019
Total Assets	41,365,443
Deferred Outflows of Resources	
OPEB related deferrals (Health Insurance)	280,245
OPEB related deferrals (RHIA)	28,698
Pension related deferrals (PERS)	4,806,875
TOTAL ASSETS AND PENSION RELATED DEFERRALS	46,481,261
Liabilities	
Accounts payable	213,829
Unearned revenue	723,175
Payroll liabilities	704,167
Accrued Interest	49,895
Long-term liabilities:	
Due within one year	1,312,749
Due in more than one year	28,934,906
Net pension liability (PERS)	12,665,200
Net OPEB liability (Stipends)	256,813
Net OPEB liability (Health Insurance)	1,148,859
Total Liabilities	46,009,593
Deferred Inflows of Resources	
OPEB related deferrals (Health Insurance)	319,222
OPEB related deferrals (RHIA)	65,551
Pension related deferrals (Early Retirement Stipend)	44,810
Pension related deferrals (PERS)	912,669
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	47,351,845
Net Position	
Net investment in capital assets	4,121,127
Restricted:	
Food Service Program	294,795
Student Body Funds	278,649
Debt Service	140,415
OPEB RHIA Asset	214,266
Unrestricted	(5,919,836)
Total Net Position	\$ (870,584)

See accompanying notes to the basic financial statements

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 12,075,469	\$ -	\$ 1,877,293	\$ (10,198,176)
Support Services	8,014,440	117,314	1,164,773	(6,732,353)
Community Services	503,656	3,908	521,890	22,142
Interest on Long-Term Debt	<u>1,603,835</u>	<u>-</u>	<u>-</u>	<u>(1,603,835)</u>
Total Governmental Activities	<u>\$ 22,197,400</u>	<u>\$ 121,222</u>	<u>\$ 3,563,956</u>	<u>(18,512,222)</u>
General Revenues				
				4,765,241
				1,981,778
				11,442,615
				1,310,189
				1,699
				<u>85,578</u>
Total general revenues				<u>19,587,100</u>
				1,074,878
				<u>(1,945,462)</u>
				<u>\$ (870,584)</u>

See accompanying notes to the basic financial statements

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
ASSETS:				
Cash and Investments	\$ 4,904,921	\$ 4,405,561	\$ 129,586	\$ 9,440,068
Receivables:				
Taxes	171,145	8,464	74,347	253,956
Accounts	202,422	1,106,054	-	1,308,476
Notes	-	210,000	-	210,000
Due From Other Funds	1,067,821	-	-	1,067,821
Total Assets	<u>\$ 6,346,309</u>	<u>\$ 5,730,079</u>	<u>\$ 203,933</u>	<u>\$ 12,280,321</u>
LIABILITIES AND FUND BALANCE:				
Accounts Payable	\$ 128,273	\$ 85,556	\$ -	\$ 213,829
Payroll and Related Liabilities	704,167	-	-	704,167
Unearned Revenue	698,120	235,055	-	933,175
Due to Other Funds	-	1,067,821	-	1,067,821
Total Liabilities	<u>1,530,560</u>	<u>1,388,432</u>	<u>-</u>	<u>2,918,992</u>
DEFERRED INFLOWS OF RESOURCES:				
Unearned Revenue - Taxes	149,835	-	59,395	209,230
Total Deferred Inflows of Resources	<u>149,835</u>	<u>-</u>	<u>59,395</u>	<u>209,230</u>
FUND BALANCES:				
Restricted	-	573,444	140,415	713,859
Committed	-	3,130,006	4,123	3,134,129
Unassigned	4,665,914	638,197	-	5,304,111
Total Fund Balance	<u>4,665,914</u>	<u>4,341,647</u>	<u>144,538</u>	<u>9,152,099</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 6,346,309</u>	<u>\$ 5,730,079</u>	<u>\$ 203,933</u>	<u>\$ 12,280,321</u>

See accompanying notes to the basic financial statements

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position

JUNE 30, 2021

Total Fund Balances	\$	9,152,099
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets	45,701,620	
Accumulated Depreciation	<u>(15,762,943)</u>	29,938,677

Note Receivable		210,000
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Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 209,230

The net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. (PERS)

Net Pension Liability - PERS	(12,665,200)	
Net OPEB Asset - RHIA	214,266	
Net OPEB Liability - Stipends	(256,813)	
Net OPEB Liability - Health Insurance	<u>(1,148,859)</u>	(13,856,606)

Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Deferred Outflows (OPEB - Health Insurance)	280,245	
Deferred Outflows (PERS)	4,806,875	
Deferred Outflows (OPEB - RHIA)	28,698	
Deferred Inflows (OPEB - Health Insurance)	(319,222)	
Deferred Inflows (Early Retirement Stipend)	(44,810)	
Deferred Inflows (OPEB - RHIA)	(65,551)	
Deferred Inflows (PERS)	<u>(912,669)</u>	3,773,566

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:

Accrued interest payable	\$ (49,895)	
Bonds payable and Premium	<u>(30,247,655)</u>	<u>(30,297,550)</u>

Total Net Position	\$	<u><u>(870,584)</u></u>
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See accompanying notes to the basic financial statements

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year Ended June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
REVENUES:				
From Local Sources	\$ 4,980,100	\$ 269,002	\$ 2,719,266	\$ 7,968,368
From Intermediate Sources	383,731	-	-	383,731
From State Sources	10,868,667	1,616,574	-	12,485,241
From Federal Sources	62,147	2,389,008	-	2,451,155
Total Revenues	16,294,645	4,274,584	2,719,266	23,288,495
EXPENDITURES:				
Current:				
Instruction	8,298,745	2,424,185	-	10,722,930
Support Services	5,503,474	1,613,290	-	7,116,764
Enterprise and Community Services	-	447,244	-	447,244
Facilities Acquisition Request	-	150,018	-	150,018
Debt Service	-	-	2,755,101	2,755,101
Reserves and Special Payments	-	42,044	-	42,044
Total Expenditures	13,802,219	4,676,781	2,755,101	21,234,101
Excess of Revenues Over, (Under) Expenditures	2,492,426	(402,197)	(35,835)	2,054,394
OTHER FINANCING SOURCES (USES):				
Sale of Assets	1,699	40,000	-	41,699
Transfers In	-	1,000,394	-	1,000,394
Transfers Out	(1,000,394)	-	-	(1,000,394)
Total Other Financing Sources, (Uses)	(998,695)	1,040,394	-	41,699
Net Change in Fund Balance	1,493,731	638,197	(35,835)	2,096,093
Beginning Fund Balance	3,172,183	3,703,450	180,373	7,056,006
Ending Fund Balance	<u>\$ 4,665,914</u>	<u>\$ 4,341,647</u>	<u>\$ 144,538</u>	<u>\$ 9,152,099</u>

See accompanying notes to the basic financial statements

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year Ended June 30, 2021

Net Change in Fund Balance	\$	2,096,093
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Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$ 288,544	
Depreciation expense	<u>(1,303,366)</u>	(1,014,822)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as available revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities and Changes in Net Position. (19,214)

The PERS Pension Expense and RHIA Pension Income represent the changes in Net Pension Liability and Net Pension Asset, respectively, from year to year due to changes in total pension liability and changes in total pension asset and the fair value of pension plan net position available to pay pension benefits.

PERS Expense	(1,634,233)	
RHIA Income	<u>86,464</u>	(1,547,769)

Change in net OPEB liability and deferrals (Stipends)		91,403
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Change in net OPEB liability and deferrals (Health Insurance)		115,670
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Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Amortization of premium on bonds	194,949	
Debt principal repaid	<u>1,193,310</u>	1,388,259

Amortization of discount on PERS bonds		3,960
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Receipt of payment on notes receivable was reported as other financing sources in the governmental funds. However in the Statement of Activities, this revenue from notes receivable was accrued in a prior year. (40,000)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.		<u>1,298</u>
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Change in Net Position	\$	<u>1,074,878</u>
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See accompanying notes to the basic financial statements

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of 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. THE FINANCIAL REPORTING ENTITY

Fern Ridge School District No. 28-J (The District), Lane County, Oregon, is a municipal corporation governed by an independently elected board of directors and is legally separate from all other entities, organized under provisions of Oregon Revised Statutes Chapter 332 for the purpose of operating elementary and secondary schools. It is also financially independent of other state and local governmental units. It has the power to levy taxes, responsibility for its debts and entitlement to any surpluses.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

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

Government Wide Basic financial statements (GWFS)

The government-wide basic 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 basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from 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 segment 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 it reported separately on the Statement of Activities.

Program revenues derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the 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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
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)

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.

Fund Basic financial statements

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

Governmental Fund Types

Governmental funds are used to account for the general governmental activities. Governmental fund basic 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 is recognized when due, interfund transactions, and certain compensated absences, pension and OPEB costs 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.

There are the following major governmental funds:

General Fund

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

Special Revenue Fund

This fund accounts for the aggregate financial resources and expenditures of all special purpose governmental funds.

Debt Service Fund

This fund accounts for the accumulation of resources for, and the repayment of, general long-term debt, principal and interest. The principal revenue source is property taxes.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
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)

Use of Estimates

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

Cash and Cash Equivalents

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

Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

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

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. Taxes unpaid and outstanding on May 16 are considered delinquent.

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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
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)

Grants

Unreimbursed grant expenditures due from grantor agencies are recorded as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures that is to be carried over to the next fiscal year is recorded as a liability, unearned revenue.

Supply Inventories

All inventories are valued at cost (first-in, first-out method). Inventories are recorded as expenditures when consumed rather than when purchased on the government-wide financial statements. Supply inventories are not considered by management to be material at year end and, therefore, they are not reported as an asset in the basic financial statements.

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. Capital assets are depreciated using the straight-line method over the following useful lives:

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

Long Term Obligations

In the government-wide basic 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 bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Retirement Plans

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

FERN RIDGE SCHOOL DISTRICT NO. 28-J
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)

Retirement Plans (continued)

Certificated employees who have reached age 55 or have 30 years of PERS service, the last 15 years of which have been in Fern Ridge School District No. 28-J, are eligible for early retirement benefits which are funded and charged to expenditures as payments become due to early retirees.

Classified employees who have reached age 58 or have 30 years of PERS service, the last 15 years of which have been in Fern Ridge School District No. 28-J, are eligible for early retirement benefits which are funded and charged to expenditures as payments become due to early retirees.

Vested Compensated Absences

It is policy to permit certain employees to accumulate earned unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued in the government wide statements. A liability is also accrued in the governmental funds because vacation pay is expected to be liquidated with expendable available resources.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

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 asset use 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 for debt service and other special purpose funds.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2021, there were deferred outflows representing PERS pension related deferrals and OPEB related deferrals for RHIA and OPEB related deferrals for health insurance reported in the statement of net position.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
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 (continued)

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 qualifies for reporting in this category. The first of this category is unearned revenue for property taxes reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2021, there were also deferred inflows representing PERS pension related deferrals, OPEB RHIA related deferrals, OPEB stipend related deferrals, and OPEB related deferrals for health insurance reported in the statement of net position.

Fund Equity

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

- Nonspendable represents amounts that are not in a spendable form.
- 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 Superintendent and Business Manager have been granted the authority to assign fund balances.
- 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.

There are no nonspendable or assigned fund balances at year end.

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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
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)

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy. The District has established a targeted minimum for the General Fund ending fund balance of 5% of annual operating revenues.

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 budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States of America except the property taxes received over 60 days after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is recorded as an expenditure rather than capitalized, depreciation is not recorded on capital assets and debt, pensions costs and not recorded until paid, and OPEB expenses are expensed as paid instead of when incurred.

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

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2021.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND 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's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments.

These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

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

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

Cash and Investments at June 30, 2021 consisted of:

Demand Deposits	\$	1,354,092
Local Government Investment Pool		8,085,976
	\$	<u>9,440,068</u>

Presentation in the Basic Financial Statements

Governmental Activities	\$	9,440,068
	\$	<u>9,440,068</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2021 was \$1,986,831, of which \$250,032 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk - Deposits

Investments

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

There were the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Local Government Investment Pool	\$ 8,085,976	\$ 8,085,976	\$ -	\$ -
Total	<u>\$ 8,085,976</u>	<u>\$ 8,085,976</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

Concentration of Credit Risk

At June 30, 2021, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

4. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2021, are as follows:

	Governmental Capital Assets 7/1/2020	Adjustment	Additions	Deletions	Governmental Capital Assets 6/30/2021
Non-Depreciable:					
Land & Land Improvements	\$ 506,059	\$ -	\$ 158,599	\$ -	\$ 664,658
Depreciable:					
Buildings & Improvements	43,199,648	-	121,445	-	43,321,093
Vehicles and Equipment	1,707,369	-	8,500	-	1,715,869
	<u>45,413,076</u>	<u>-</u>	<u>288,544</u>	<u>-</u>	<u>45,701,620</u>
Accumulated Depreciation:					
Buildings and Improvements	13,357,974	(12,688)	1,198,921	-	14,544,207
Vehicles and Equipments	1,114,291	-	104,445	-	1,218,736
	<u>14,472,265</u>	<u>(12,688)</u>	<u>1,303,366</u>	<u>-</u>	<u>15,762,943</u>
Capital Assets, Net	<u>\$ 30,940,811</u>				<u>\$ 29,938,677</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

Depreciation was allocated to the functions as follows:

Instruction	\$ 764,256
Support	507,234
Community Services	<u>31,876</u>
Total Depreciation Expense	<u>\$ 1,303,366</u>

5. 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 Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- iv. 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.
 - v. **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, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$1,797,081, excluding amounts to fund employer specific liabilities. In addition approximately \$434,909 in employee contributions were paid or picked up by the District in fiscal year 2021.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2021, the District reported a net pension liability of \$12,665,200 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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, 2020 and 2019, the District’s proportion was .058 percent and .056 percent, respectively. Pension expense for the year ended June 30, 2021 was \$1,634,233.

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 18.14%
- (2) OPSRP general services – 12.69%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 557,422	\$ -
Changes in assumptions	679,701	23,815
Net difference between projected and actual earnings on pension plan investments	1,489,263	-
Net changes in proportionate share	283,408	229,893
Differences between District contributions and proportionate share of contributions	-	658,961
Subtotal - Amortized Deferrals (below)	3,009,794	912,669
District contributions subsequent to measuring date	1,797,081	-
Deferred outflow (inflow) of resources	\$ 4,806,875	\$ 912,669

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, 2022.

Subtotal amounts related to pension as deferred outflows of resources, \$3,009,794, and deferred inflows of resources, (\$912,669), net to \$2,097,125 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 392,258
2023	619,024
2024	594,533
2025	483,668
2026	7,642
Thereafter	-
Total	\$ 2,097,125

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, 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, 2018
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	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. 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%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS CAFR; p. 102)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.97%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. 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, 2020 and 2019 was 7.20 percent for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – the following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 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 (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 18,806,777	\$ 12,665,200	\$ 7,515,204

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, 2020 Measurement Date that meet this requirement.

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.

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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 OPSERP members earning \$2,500 or more per month 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 OPSERP 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, 2021.

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>

6. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA)

Plan Description:

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

Funding Policy:

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

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

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, 2021. 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. The District's contributions to RHIA are included in PERS contributions for all reporting years and equaled the required contributions each year.

At June 30, 2021, the District reported a net OPEB asset of \$214,266 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2020 and 2019, the District's proportion was .105 percent and .053 percent, respectively. OPEB income for the year ended June 30, 2021 was 65,551.

Components of OPEB Expense/(Income):

Employer's Proportionate share of collective system OPEB Expense/(Income)	\$ (34,463)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(24,401)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's total OPEB Expense/(Income)	\$ (58,864)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expended and actual experience	\$ -	\$ 21,904
Changes of assumptions	-	11,389
Net Difference between project and actual earning on investment	23,828	-
Changes in proportionate share	4,870	53,171
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal - Amortized Deferrals (below)	28,698	86,464
Contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	\$ 28,698	\$ 86,464

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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Subtotal amounts related to OPEB as deferred outflows of resources, \$28,698, and deferred inflows of resources, (\$86,464), net to (\$57,766) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2022	\$ (45,029)
2023	(29,062)
2024	8,808
2025	7,517
2026	-
Thereafter	-
Total	<u>\$ (57,766)</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, 2020. That independently audited report was dated March 12, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS CAFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB asset to changes in the discount rate – The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 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 (6.20 percent) or one percent higher (8.20 percent) than the current rate.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
School's proportionate share of the net OPEB liability (asset)	\$ (172,984)	\$ (214,266)	\$ (249,564)

Changes Subsequent to the Measurement Date:

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

7. DEFERRED COMPENSATION PLAN

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

8. LONG-TERM OBLIGATIONS

BONDS PAYABLE

General Obligation Bonds

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. In September of 2014 the District issued \$25,421,326 in GO Bonds for capital improvements.

Upon the occurrence and continuance of any event of default the beneficial owners of fifty-one (51%) percent or more of the principal amount of Bonds then outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the beneficial owners of bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreements contained in this resolution of the bonds or in aid of the exercise of any power granted in this resolution or in the bonds or for the enforcement of any other legal or equitable right vested in the beneficial owners of bonds by this resolution or the bonds or by law. However, the bonds shall not be subject to acceleration.

Pension Obligation Bonds

In October of 2002, \$6,554,467, of limited tax pension obligation bonds were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the future required contribution rate. Debt service payments for the pension obligation bonds will continue through the 2027-28 fiscal year. The annual debt service payment is scheduled to increase from 4.6 percent to 6.3 percent annually. As of June 30, 2021, the District has established a PERS debt service fund reserve to stabilize the cost of retiring the debt.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONTINUED)

Upon the occurrence and continuation of default on the 2002 bonds, the owners of 25% or more of the outstanding principal of the 2002 bonds, or 51% or more of the 2003 bonds, or 51% or more of the 2011 refunding bonds then outstanding may take any actions available at law or in equity as may appear necessary or desirable to enforce or to protect any of the rights of the owners of the bonds, whether for the specific enforcement of any covenant or agreement. However, the bonds shall not be subject to acceleration.

Future maturities of all bond issues are payable as follows:

Fiscal Year Ending June 30,	Principal	Interest
2022	\$ 1,312,749	\$ 1,459,283
2023	1,457,187	1,397,157
2024	1,610,971	1,328,013
2025	1,756,954	1,251,125
2026	1,942,649	1,154,775
2026-2031	8,893,853	4,222,710
2031-2036	10,348,951	1,670,750
Total	<u>\$27,323,314</u>	<u>\$ 12,483,813</u>

Changes in bonds outstanding are shown in the following two tables:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 28,516,624	\$ -	\$ 1,193,310	\$ 27,323,314	\$ 1,312,749
Premium on GO Bonds	3,119,185	-	194,949	2,924,236	-
OID Accretion	4,066	-	3,960	106	-
Total Long-Term Liabilities	<u>\$ 31,639,875</u>	<u>\$ -</u>	<u>\$ 1,392,219</u>	<u>\$ 30,247,656</u>	<u>\$ 1,312,749</u>

In August 2011, the District partially refunded its 2002 Pension Obligation bonds through the issuance of Limited Tax Pension Refunding Obligations, Series 2011 in the amount of \$455,000 with an interest rate of 4.12%.

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2020	Issued	Matured And Redeemed	Outstanding June 30, 2021
October 10, 2002	2.06-6.1%	\$ 6,554,467	\$ 4,430,000	\$ -	\$ -	\$ 4,430,000
August 11, 2011	4.115%	455,000	455,000	-	455,000	-
September 23, 2014	4-5%	25,421,326	23,631,624	-	738,310	22,893,314
			<u>\$ 28,516,624</u>	<u>\$ -</u>	<u>\$ 1,193,310</u>	<u>\$ 27,323,314</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Early Retirement (Stipends)

Plan Description – Collective bargaining agreements provide a single-employer early retirement incentive plan for certified and classified employees. The retirement incentive is offered as a form of deferred compensation for work performed during the years of active service and the plan is a single employer defined benefit pension plan. Qualified employees are required to notify the District, in writing, 120 days prior to retirement date. To qualify, an employee must be a certified or classified staff member eligible to retire with benefits under the rules of the Public Employees Retirement System (PERS) and applicable Oregon law. In addition, the electing employee must have been hired prior to July 1, 2001 and have a minimum of fifteen years of service with the District immediately prior to retirement. Plan participants have no obligation to contribute to the plan.

Under this agreement, qualified certified early retirees are paid an incentive equal to 2.5% of the annual BA-Step 0 Salary if they retired before July 1, 2001 or \$725 per month if they retired after July 1, 2001 until the retiree reaches age 65. Qualified classified early retirees are paid an incentive currently ranging from \$333 to \$444 per month until the retiree reaches age 65. Medical insurance coverage is also provided for the retiring member and spouse until the retiree reaches age 65 or qualifies for federal Medicare coverage, whichever is earlier. The funding for the plan is on a pay-as-you-go basis and the payments are made by the District.

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 73. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 36.

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the June 30, 2019 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.5% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.5% per year, and (d) no post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

Funding Status and Funding Progress – As of July 1, 2020, the plan was 0% funded. The actuarial accrued liability for benefits was \$256,813, and the actuarial value of assets was \$0. Estimated covered payroll was \$376,183.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Program membership for Early Retirement Stipends consisted of the following at July 1, 2021:

Number of Active Participants	14
Number of Inactive Participants	<u>10</u>
Total Number of Participants	<u><u>24</u></u>

Changes in Total Pension Liability for Early Retirement Stipends:

Total Pension Liability at June 30, 2020	\$ 383,829
Changes for the year:	
Service Cost	10,030
Interest	7,445
Changes of benefit terms	-
Differences between expected and actual experience	(66,111)
Changes of assumptions or other input	(39)
Benefit payments	<u>(78,341)</u>
Net changes	<u>(127,016)</u>
Total Pension Liability at June 30, 2021	<u><u>\$ 256,813</u></u>

For the year ended June 30, 2021, the District recognized OPEB stipends income of \$91,403. At June 30, 2021, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB stipends from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,784
Changes of assumptions or other inputs	<u>26</u>
Total	<u><u>\$ 44,810</u></u>

Deferred inflows of resources related to OPEB stipends will be recognized in OPEB expense as follows:

Year ended	
June 30,	Amount
<u>2022</u>	<u>\$ (21,340)</u>
2023	(21,340)
2024	(2,130)
All Subsequent Years	-
Total	<u><u>\$ (44,810)</u></u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

The Discount Rate Sensitivity Analysis for OPEB Stipend for the year ended June 30, 2021 is as follows:

	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total Pension Liability	\$ 260,427	\$ 256,813	\$ 252,913

Post-Employment Health Insurance Subsidy

Plan Description - A single-employer retiree benefit plan is maintained that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

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

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

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 36.

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the June 30, 2021 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Funding Status and Funding Progress – As of July 1, 2020, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,148,859, and the actuarial value of assets was \$0. Estimated covered payroll was \$7,135,141.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

At June 30, 2021, the following employees were covered by the benefit terms for OPEB Health Insurance:

Number of Active Participants	164
Number of Inactive Participants	13
Total Number of Participants	177

The District's total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.16%
Inflation rate	2.50%
Salary Scale	3.5% per year
Self-Pay Entrance Rate	20% of retirees who are not eligible for a District contribution towards health insurance premiums will continue their health coverage on a self-pay basis.
Medical Insurance Premium Trend Rate	6.5% for the 2021/22 premium year and decreasing by 0.5% per year to a long term annual increase of 5.0%
Annual Increase in cap on District contribution for retiree premiums	5.50%
Retirement Rates	Assumed rates of retirement for District employees are based on the retirement rate assumptions used by Oregon PERS for school employees. For eligible employees, the assumed retirement rates were adjusted to reflect the significant effect of the District's Early Retirement Incentive Plan on the behavior of the District's employees

Changes in Total OPEB Liability for Health Insurance:

Total OPEB Liability at June 30, 2020	\$	1,468,504
Changes for the year:		
Service Cost		53,572
Interest		29,631
Changes of benefit terms		-
Differences between expected and actual experience		(245,668)
Changes of assumptions or other input		36,221
Benefit payments		(193,401)
Net changes		(319,645)
Total OPEB Liability at June 30, 2021	\$	1,148,859

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

For the year ended June 30, 2021, the District recognized income of \$115,670. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB Health Insurance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 77,470	\$ (295,398)
Changes of assumptions or other inputs	<u>202,775</u>	<u>(23,824)</u>
Total	<u>\$ 280,245</u>	<u>\$ (319,222)</u>

Subtotal amounts related to OPEB Health Insurance as deferred outflows of resources, \$280,245, and deferred inflows of resources, (\$319,222), net to (\$38,977) and will be recognized in OPEB expense as follows:

Year ended	Amount
June 30,	
2022	\$ (5,472)
2023	(5,472)
2024	(5,472)
2025	(5,472)
2026	(5,472)
2027	8,456
All Subsequent Years	<u>(20,073)</u>
Total	<u>\$ (38,977)</u>

The Discount Rate Sensitivity Analysis for OPEB Health Insurance for the year ended June 30, 2021 is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 1,186,432	\$ 1,148,859	\$ 1,111,896

The Health Care Trend Sensitivity Analysis for OPEB Health Insurance for the year ended June 30, 2021 is as follows:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 1,097,608	\$ 1,148,859	\$ 1,206,807

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 exposure to these risks. Settled claims have not exceeded this commercial coverage for the past three fiscal years.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. NOTE RECEIVABLE

On January 29, 2016, the District received a Promissory Note of \$250,000 for a sale of Central Property to Applegate Regional Theatre, Inc. For the year ended June 30, 2021 the District received \$40,000. The remaining \$210,000 unpaid principal balance shall be due and payable January 29, 2022.

12. INTERFUND RECEIVABLE / PAYABLE AND TRANSFERS

There are interfund receivable/payable and transfers between the General Fund and the Special Revenue Fund to account for reimbursements coming from the state. Amounts are comprised of the following:

	Interfund Receivable	Interfund Payable	Transfer Out	Transfer In
General Fund	\$ 1,067,821	\$ -	\$ 1,000,394	\$ -
Special Revenue Fund	-	1,067,821	-	1,000,394
Totals	\$ 1,067,821	\$ 1,067,821	\$ 1,000,394	\$ 1,000,394

13. OPERATING LEASES

There are operating leases for copiers & printers. Payments for each lease agreement range from \$53 to \$1,360 per month. Operating lease payments for the year ended June 30, 2021 were \$22,832, including charges for overages. Future minimum payments are as follows:

Year Ended	Amount
June 30th	
2021	\$ 6,642
2022	3,922
2023	3,922
2024	1,532
2025	340
Total	\$ 16,358

14. 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 districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this 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.

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.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. COMMITMENTS AND CONTINGENCIES

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

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

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. However, the impact of the reduction of economic activity is not determinable.

16. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2021 are as follows:

Fund Balance	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Restricted</u>				
GO Debt Service	\$ -	\$ -	\$ 144,506	\$ 144,506
Food Service	-	399,194	-	399,194
Student Body Groups	-	331,092	-	331,092
	<u>-</u>	<u>730,286</u>	<u>144,506</u>	<u>874,792</u>
<u>Committed</u>				
Textbook Purchases	-	118,858	-	118,858
Outdoor School Fund	-	7,360	-	7,360
Technology Purchases	-	511,030	-	511,030
Retirement Program	-	1,425,415	-	1,425,415
Maintenance Reserve	-	1,498,429	-	1,498,429
Pension Debt Service	-	-	32	32
Wellness Fund	-	11,025	-	11,025
Athletic Programs	-	39,244	-	39,244
	<u>-</u>	<u>3,611,361</u>	<u>32</u>	<u>3,611,393</u>
<u>Unassigned</u>	<u>4,665,914</u>	<u>-</u>	<u>-</u>	<u>4,665,914</u>
Total Fund Balances	<u>\$ 4,665,914</u>	<u>\$ 4,341,647</u>	<u>\$ 144,538</u>	<u>\$ 9,152,099</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

17. TAX ABATEMENTS

As of June 30, 2021, 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, 2021 for any program covered under GASB 77.

18. RESTATEMENT OF NET POSITION

Due to the current actuarial valuation of the District's RHIA benefits for GASB Statement No. 75, an adjustment for over depreciated assets in the prior year, and the accrual of interest on long-term debt, a restatement of the prior year net position was required to correctly record net position at the prior measurement date.

Net Position - Beginning as previously reported	\$ (1,997,906)
Change in June 30, 2020 RHIA asset	90,949
Change in June 30, 2020 Capital Assets Depreciation	12,688
Change in June 30, 2020 Accrued Interest on Long-Term Debt	(51,193)
Net Position - Beginning as restated	<u>\$ (1,945,462)</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and
Major Fund Budgetary Basis Schedules

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
EARLY RETIREMENT STIPENDS AND HEALTH INSURANCE
JUNE 30, 2021

PLAN I (OPEB): (Stipends)

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total Pension Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Differences Between Expected and Actual	Benefit Payments	Total Pension Liability - End of Year	Estimated Covered Payroll	Total Pension Liability as a % of Covered Payroll
2021	\$ 383,829	\$ 10,030	\$ 7,445	\$ -	\$ (39)	\$ (66,111)	\$ (78,341)	\$ 256,813	\$ 376,183	68.30%
2020	524,565	4,874	15,540	-	-	-	(161,150)	383,829	441,169	87.00%
2019	708,027	4,709	21,909	-	(5,569)	(40,420)	(164,091)	524,565	426,250	123.10%
2018	890,217	6,709	27,603	-	37,943	37,596	(292,041)	708,027	540,194	131.10%
2017	955,003	6,482	29,762	-	61,658	61,095	(223,783)	890,217	521,927	170.60%

PLAN II (OPEB): (Health Insurance)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Differences Between Expected and Actual	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 1,468,504	\$ 53,572	\$ 29,631	\$ -	\$ 36,221	\$ (245,668)	\$ (193,401)	\$ 1,148,859	\$ 7,135,141	16.10%
2020	1,736,916	32,538	54,570	-	-	-	(355,520)	1,468,504	6,940,496	21.20%
2019	1,659,435	31,438	52,049	-	232,485	106,165	(344,656)	1,736,916	6,705,793	25.90%
2018	1,940,931	27,446	61,968	-	(42,048)	(124,824)	(204,038)	1,659,435	6,058,706	27.40%
2017	2,398,080	26,518	78,003	-	(46,604)	(138,348)	(376,718)	1,940,931	5,853,822	33.20%

The above tables present the most recent actuarial valuations for the District's post-retirement benefit plans.

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.

FERN RIDGE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

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
2021	0.058 %	\$ 12,665,200	\$ 7,057,296	179.5 %	75.8 %
2020	0.056	9,705,031	6,823,357	142.2	80.2
2019	0.059	8,928,302	6,314,849	141.4	82.1
2018	0.058	7,867,301	6,128,816	128.4	83.1
2017	0.060	8,941,587	6,101,387	146.6	80.5
2016	0.051	2,933,358	5,916,459	49.6	91.9
2015	0.056	(1,266,624)	5,602,144	(22.6)	103.6
2014	0.056	2,851,602	5,512,344	51.7	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
2021	\$ 1,797,081	\$ 1,797,081	\$ -	\$ 7,249,054	24.8 %
2020	1,701,135	1,701,135	-	7,057,296	24.1
2019	1,373,683	1,373,683	-	6,823,357	20.1
2018	1,288,053	1,288,053	-	6,314,849	20.4
2017	900,885	900,885	-	6,128,816	14.7
2016	894,460	894,460	-	6,101,387	14.7
2015	870,249	870,249	-	5,916,459	14.7
2014	827,832	827,832	-	5,602,144	14.8

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

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

FERN RIDGE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension asset (NPA/(L))	(b) Employer's proportionate share of the net pension asset (NPA/(L))	(c) Employer's covered payroll	(b/c) NPA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension asset/(liability)
2021	0.105 %	\$ 214,266	\$ 7,057,296	3.0 %	150.1 %
2020	0.053	102,860	6,823,357	1.5	144.4
2019	0.070	78,363	6,314,849	1.2	124.0
2018	0.059	24,657	6,128,816	0.4	108.9
2017	0.063	(17,657)	6,101,387	(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 accrued 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	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
2021	\$ N/A	\$ N/A	\$ N/A	\$ 7,249,054	N/A %
2020	N/A	N/A	N/A	7,057,296	N/A
2019	N/A	N/A	N/A	6,823,357	N/A
2018	N/A	N/A	N/A	6,314,849	N/A
2017	N/A	N/A	N/A	6,128,816	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 p. 37).

FERN RIDGE SCHOOL DISTRICT NO 28-J
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the year Ended June 30, 2021

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 4,838,794	\$ 4,838,794	\$ 4,980,100	\$ 141,306
Intermediate Sources	165,879	165,879	383,731	217,852
State Sources	11,074,661	11,074,661	10,868,667	(205,994)
Federal Sources	<u>59,000</u>	<u>59,000</u>	<u>62,147</u>	<u>3,147</u>
Total Revenues	<u>16,138,334</u>	<u>16,138,334</u>	<u>16,294,645</u>	<u>156,311</u>
EXPENDITURES:				
Instruction	9,233,682	9,233,682 (1)	8,298,745	934,937
Support Services	6,634,914	6,634,914 (1)	5,503,474	1,131,440
Contingency	<u>495,372</u>	<u>495,372 (1)</u>	<u>-</u>	<u>495,372</u>
Total Expenditures	<u>16,363,968</u>	<u>16,363,968</u>	<u>13,802,219</u>	<u>2,561,749</u>
Excess of Revenues Over, (Under) Expenditures	(225,634)	(225,634)	2,492,426	2,718,060
OTHER FINANCING SOURCES (USES):				
Sale of Fixed Assets	-	-	1,699	1,699
Transfers Out	<u>(1,003,500)</u>	<u>(1,003,500) (1)</u>	<u>(1,000,394)</u>	<u>3,106</u>
Total Other Financing	<u>(1,003,500)</u>	<u>(1,003,500)</u>	<u>(998,695)</u>	<u>4,805</u>
Net Change in Fund Balance	(1,229,134)	(1,229,134)	1,493,731	2,722,865
Beginning Fund Balance	<u>2,165,774</u>	<u>2,165,774</u>	<u>3,172,183</u>	<u>1,006,409</u>
Ending Fund Balance	<u>\$ 936,640</u>	<u>\$ 936,640</u>	<u>\$ 4,665,914</u>	<u>\$ 3,729,274</u>

(1) Appropriation level

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the year Ended June 30, 2021

	<u>SPECIAL REVENUE FUND</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>(NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 603,708	\$ 603,708	\$ 269,002	\$ (334,706)
State Sources	2,325,254	2,325,254	1,616,574	(708,680)
Federal Sources	1,943,638	2,408,268	2,389,008	(19,260)
Total Revenues	<u>4,872,600</u>	<u>5,337,230</u>	<u>4,274,584</u>	<u>(1,062,646)</u>
EXPENDITURES:				
Instruction	3,554,067	3,505,782 (1)	2,424,185	1,081,597
Support Services	1,971,135	2,484,050 (1)	1,613,290	870,760
Enterprise and Community Services	910,414	910,414 (1)	447,244	463,170
Facilities Acquisition and Construction	183,750	183,750 (1)	150,018	33,732
Transit	85,000	85,000 (1)	42,044	42,956
Contingency	2,741,786	2,741,786 (1)	-	2,741,786
Total Expenditures	<u>9,446,152</u>	<u>9,910,782</u>	<u>4,676,781</u>	<u>5,234,001</u>
Excess of Revenues				
Over, (Under) Expenditures	(4,573,552)	(4,573,552)	(402,197)	4,171,355
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	-	-	40,000	40,000
Transfers In	1,048,500	1,048,500	1,000,394 (2)	(48,106)
Transfers Out	(45,000)	(45,000) (1)	-	(45,000)
Total Other Financing	<u>1,003,500</u>	<u>1,003,500</u>	<u>1,040,394</u>	<u>36,894</u>
Net Change in Fund Balance	<u>(3,570,052)</u>	<u>(3,570,052)</u>	<u>638,197</u>	<u>4,208,249</u>
Beginning Fund Balance	<u>3,606,893</u>	<u>3,606,893</u>	<u>3,703,450</u>	<u>96,557</u>
Ending Fund Balance	<u>\$ 36,841</u>	<u>\$ 36,841</u>	<u>\$ 4,341,647</u>	<u>\$ 4,304,806</u>

(1) Appropriation Level

(2) Included in these transfers is the required state revenue match of \$5,394 the District must expend for National School Lunch Support in order to meet the general cash assistance match.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Other Financial Schedules

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the year Ended June 30, 2021

	<u>DEBT SERVICE FUND</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>(NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 2,678,609	\$ 2,678,609	\$ 2,719,266	\$ 40,657
Total Revenues	<u>2,678,609</u>	<u>2,678,609</u>	<u>2,719,266</u>	<u>40,657</u>
EXPENDITURES:				
Debt Service:				
Debt Services	<u>2,756,605</u>	<u>2,756,605 (1)</u>	<u>2,755,101</u>	<u>1,504</u>
Total Expenditures	<u>2,756,605</u>	<u>2,756,605</u>	<u>2,755,101</u>	<u>2,756,605</u>
Beginning Fund Balance	<u>147,912</u>	<u>147,912</u>	<u>180,373</u>	<u>32,461</u>
Ending Fund Balance	<u>\$ 69,916</u>	<u>\$ 69,916</u>	<u>\$ 144,538</u>	<u>\$ 74,622</u>

(1) Appropriation Level

**FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the year Ended June 30, 2021**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2020	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2021
<u>GENERAL FUND:</u>						
CURRENT:						
2020-21	\$ 4,899,260	\$ 130,364	\$ (12,410)	\$ 1,692	\$ 4,676,044	\$ 82,134
PRIOR YEARS:						
2019-20	89,431	(90)	(6,964)	3,184	41,324	44,417
2018-19	38,301	(35)	(5,030)	3,574	19,290	17,590
2017-18	20,546	(7)	(4,310)	3,425	12,100	7,568
2016-17	8,630	(6)	(2,175)	1,790	5,205	3,046
Prior	20,635	(1)	(3,998)	1,788	2,036	16,390
Total Prior	177,543	(139)	(22,477)	13,761	79,955	89,011
Total	\$ 5,076,803	\$ 130,225	\$ (34,887)	\$ 15,453	\$ 4,755,999	\$ 171,145

RECONCILIATION OF REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 4,755,999
Cash Collections by Douglas County	15,640
June 30, 2020	(20,033)
June 30, 2021	21,310
Changes from Prior year Unavailable Revenue, see page 6	(7,675)
Total Revenue	\$ 4,765,241

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the year Ended June 30, 2021

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2020	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2021
DEBT SERVICE FUND:						
CURRENT:						
2020-21	\$ 2,036,471	\$ 54,188	\$ (5,157)	\$ 703	\$ 1,943,688	\$ 34,141
PRIOR YEARS:						
2019-20	40,633	(41)	(3,165)	1,447	18,775	20,181
2018-19	17,065	(16)	(2,242)	1,592	8,594	7,837
2017-18	9,070	(3)	(1,902)	1,512	5,342	3,341
2016-17	3,858	(2)	(971)	800	2,327	1,362
Prior	9,409	-	(1,811)	817	930	7,485
Total Prior	80,035	(62)	(10,091)	6,168	35,968	40,206
Total	<u>\$ 2,116,506</u>	<u>\$ 54,126</u>	<u>\$ (15,248)</u>	<u>\$ 6,871</u>	<u>\$ 1,979,656</u>	<u>\$ 74,347</u>

RECONCILIATION OF REVENUE:	<u>DEBT SERVICE FUND</u>
Cash Collections by County Treasurer Above	\$ 1,979,656
Cash Collections by Douglas County	6,084
June 30, 2020	(9,101)
June 30, 2021	14,952
Changes from Prior year Unavailable Revenue, see page 6	(11,539)
Taxes in Lieu	1,726
Total Revenue	<u>\$ 1,981,778</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

OTHER INFORMATION

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SUPPLEMENTAL INFORMATION
As Required by The Oregon Deptment of Education
For the year Ended June 30, 2021

A.	Energy bills for heating, water and sewage - all funds:		<u>Objects 325, 326 & 327</u>
		Function 2540	\$ 259,798
		Function 2550	-
B.	Replacement of equipment - General Fund:		
	Include all General Fund expenditures in Object 542, except for the following exclusions:		<u>Amount</u>
	Exclude these functions:		
	1113, 1122 & 1132 Co-curricular activities	4150	Construction \$ -
	1140 Pre-kindergarten	2550	Pupil transportation
	1300 Continuing education	3100	Food service
	1400 Summer school	3300	Community services

**AUDIT REVENUE SUMMARY
FERN RIDGE SCHOOL DISTRICT**

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$4,772,916		\$1,985,587				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax		\$47,704					
1190 Penalties and Interest on Taxes			\$7,730				
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$56,777	\$22,644	\$4,859				
1600 Food Service		\$3,908					
1700 Extracurricular Activities		\$99,782					
1800 Community Services Activities							
1910 Rentals	\$3,009						
1920 Contributions and Donations From Private Sources		\$68,922					
1930 Rental or Lease Payments From Private Contractors	\$14,522						
1940 Services Provided Other Local Education Agencies	\$7,908						
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	-\$6,790						
1970 Services Provided Other Funds			\$721,465				
1980 Fees Charged to Grants	\$71,836						
1990 Miscellaneous	\$59,922	\$26,041	-\$375				
Total Revenue from Local Sources	\$4,980,100	\$269,002	\$2,719,266	\$0	\$0	\$0	\$0
Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$53,369						
2102 General ESD Revenue	\$319,209						
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources	\$11,153						
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$383,731	\$0	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$9,321,529	\$576,956					
3102 State School Fund - School Lunch Match							
3103 Common School Fund	\$172,885						
3104 State Managed County Timber	\$1,371,245						
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid							
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$3,008	\$1,039,618					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$10,868,667	\$1,616,574	\$0	\$0	\$0	\$0	\$0
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government	\$10,008						
4500 Restricted Revenue From the Federal Government Through the State		\$2,340,037					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$48,971					
4801 Federal Forest Fees	\$52,139						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District							
Total Revenue from Federal Sources	\$62,147	\$2,389,008	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers		\$1,000,394					
5300 Sale of or Compensation for Loss of Fixed Assets	\$1,699	\$40,000					
5400 Resources - Beginning Fund Balance	\$3,172,183	\$3,703,450	\$180,373				
Total Revenue from Other Sources	\$3,173,882	\$4,743,843	\$180,373	\$0	\$0	\$0	\$0
Grand Total	\$19,468,527	\$9,018,428	\$2,899,639	\$0	\$0	\$0	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
FERN RIDGE SCHOOL DISTRICT**

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$2,443,323	\$1,387,344	\$1,043,151		\$12,828			
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$1,361,448	\$816,693	\$539,172	\$35	\$5,548			
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$1,835,131	\$1,093,417	\$728,979	\$957	\$11,778			
1132	High School Extracurricular	\$4,736	\$3,497	\$1,239					
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$854					\$854		
1220	Restrictive Programs for Students with Disabilities	\$1,102,794	\$459,477	\$347,774	\$289,099	\$6,444			
1250	Less Restrictive Programs for Students with Disabilities	\$976,652	\$504,715	\$466,889		\$5,048			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$488,217	\$182,516	\$142,707	\$162,957	\$38			
1291	English Second Language Programs	\$85,591	\$51,773	\$33,637	\$14	\$167			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$8,298,745	\$4,499,433	\$3,303,547	\$453,061	\$42,705	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$30			\$30				
2120	Guidance Services	\$209,372	\$122,068	\$84,785	\$126	\$2,394			
2130	Health Services	\$3,315			\$3,008	\$307			
2140	Psychological Services	\$212,326	\$115,458	\$77,202	\$19,001	\$665			
2150	Speech Pathology and Audiology Services	\$163,768	\$65,842	\$41,691	\$55,463	\$675		\$198	
2160	Other Student Treatment Services	\$12,329			\$12,329				
2190	Service Direction, Student Support Services	\$256,863	\$149,869	\$102,309	\$3,755	\$334		\$595	
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$65,607	\$32,428	\$25,751		\$6,988		\$441	
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$12,743	\$3,084	\$2,950	\$6,438			\$270	
2310	Board of Education Services	\$55,117	\$550	\$224	\$47,877	\$8		\$6,458	
2320	Executive Administration Services	\$336,140	\$200,969	\$128,053	\$4,446	\$1,392		\$1,280	
2410	Office of the Principal Services	\$1,263,348	\$715,826	\$503,848	\$33,477	\$6,457		\$3,740	
2490	Other Support Services - School Administration	\$2,220				\$2,220			
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$487,449	\$178,606	\$137,772	\$10,687	\$3,131		\$157,363	
2540	Operation and Maintenance of Plant Services	\$1,266,939	\$459,091	\$369,590	\$383,626	\$54,506		\$125	
2550	Student Transportation Services	\$804,495	\$4,447	\$2,666	\$797,383				
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$8,141	\$6,000	\$2,141					
2630	Information Services	\$630			\$630				
2640	Staff Services	\$233	\$200	\$33					
2660	Technology Services	\$342,407	\$145,903	\$95,939	\$79,673	\$20,741		\$150	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$5,503,474	\$2,200,240	\$1,574,854	\$1,457,951	\$99,818	\$0	\$170,610	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$1,000,394							\$1,000,394
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$1,000,394	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,394
Grand Total		\$14,802,613	\$6,699,672	\$4,878,401	\$1,911,012	\$142,523	\$0	\$170,610	\$1,000,394

**DISTRICT AUDIT EXPENDITURE SUMMARY
FERN RIDGE SCHOOL DISTRICT**

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$245,857	\$176,884	\$45,906		\$21,083		\$1,984	
1113	Elementary Extracurricular	\$46,540	\$568	\$198	\$32,774	\$12,999			
1121	Middle/Junior High Programs	\$42,368	\$30,225	\$7,941		\$3,397		\$804	
1122	Middle/Junior High School Extracurricular	\$8,786				\$8,786			
1131	High School Programs	\$136,851	\$53,981	\$40,764	\$1,024	\$39,172		\$1,910	
1132	High School Extracurricular	\$293,365	\$126,334	\$43,665	\$31,911	\$62,303		\$29,152	
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$8,902	\$1,067	\$378		\$7,457			
1220	Restrictive Programs for Students with Disabilities	\$121,222	\$70,144	\$48,535		\$163		\$2,380	
1250	Less Restrictive Programs for Students with Disabilities	\$228,392	\$113,415	\$110,499				\$4,478	
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$414,928	\$213,071	\$181,787		\$11,933		\$8,136	
1280	Alternative Education	\$844,446	\$129,864	\$94,118	\$599,237	\$870	\$12,223	\$8,134	
1291	English Second Language Programs	\$30				\$29		\$1	
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$32,500			\$3,555	\$27,759		\$1,187	
Total Instruction Expenditures		\$2,424,185	\$915,553	\$573,792	\$668,501	\$195,952	\$12,223	\$58,165	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$768				\$716		\$52	
2120	Guidance Services	\$197,654	\$61,193	\$44,594	\$53	\$87,821		\$3,993	
2130	Health Services	\$119				\$114		\$4	
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$56				\$55		\$1	
2210	Improvement of Instruction Services	\$41,917	\$6,570	\$2,496	\$26,382	\$4,819		\$1,650	
2220	Educational Media Services	\$2,537	\$113	\$125		\$2,253		\$45	
2230	Assessment & Testing	\$3,249			\$3,185			\$64	
2240	Instructional Staff Development	\$6,012			\$5,752	\$142		\$118	
2310	Board of Education Services	\$1,140				\$1,099		\$42	
2320	Executive Administration Services	\$13,615	\$5,521	\$2,257	\$551	\$4,851		\$434	
2410	Office of the Principal Services	\$87,294	\$48,254	\$28,066	\$500	\$8,785		\$1,689	
2490	Other Support Services - School Administration	\$731			\$704			\$27	
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$11,707	\$7,713	\$385	\$2,614	\$567		\$427	
2540	Operation and Maintenance of Plant Services	\$416,332	\$201	\$181	\$62,264	\$131,430	\$210,874	\$11,382	
2550	Student Transportation Services	\$4,228			\$4,073			\$154	
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$9,755	\$3,715	\$1,356	\$1,450	\$3,234			
2660	Technology Services	\$608,025	\$23,355	\$21,560		\$552,033		\$11,078	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$5,061			\$5,061				
2700	Supplemental Retirement Program	\$203,093	\$81,373	\$121,720					
Total Support Services Expenditures		\$1,613,290	\$238,007	\$222,739	\$112,589	\$797,920	\$210,874	\$31,160	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$360,612			\$312,193	\$46,622		\$1,797	
3200	Other Enterprise Services	\$0							
3300	Community Services	\$86,633	\$4,246	\$787	\$76,382	\$1,398		\$3,821	
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$447,244	\$4,246	\$787	\$388,575	\$48,020	\$0	\$5,617	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$150,018					\$142,874	\$7,144	
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$150,018	\$0	\$0	\$0	\$0	\$142,874	\$7,144	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$42,044							\$42,044
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$42,044	\$0	\$0	\$0	\$0	\$0	\$0	\$42,044
Grand Total		\$4,676,781	\$1,157,806	\$797,318	\$1,169,665	\$1,041,891	\$365,972	\$102,086	\$42,044

**DISTRICT AUDIT EXPENDITURE SUMMARY
 FERN RIDGE SCHOOL DISTRICT**

Fund: 300 Debt Service Funds

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$2,755,101						\$2,755,101	
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$2,755,101	\$0	\$0	\$0	\$0	\$0	\$2,755,101	\$0
Grand Total		\$2,755,101	\$0	\$0	\$0	\$0	\$0	\$2,755,101	\$0

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS



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December 21, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the governmental activities and each major fund of Fern Ridge School District 28-J as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

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 basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

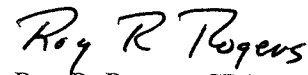
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized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

In connection with our testing nothing came to our attention that caused us to believe Fern Ridge School District 28-J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered 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 internal control over financial reporting.

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



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

GRANT COMPLIANCE REVIEW

FERN RIDGE SCHOOL DISTRICT NO. 28-J
LANE COUNTY, OREGON

SCHEDULE OF FEDERAL AWARDS
For the year Ended June 30, 2021

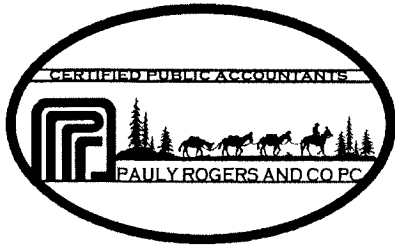
<u>Program Title</u>	<u>Pass Through Organization</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Education						
Title I Grants to Local Educational Agencies	Oregon Department of Education	84.010	53264	7/1/2019-9/30/2021	\$ 92,868	
	Oregon Department of Education	84.010	58260	7/1/2020-9/30/2021	392,892	
	Oregon Department of Education	84.010	60381	7/1/2020-9/30/2022	43,700	42,044
Total Title I Grants to Local Education Agencies					<u>529,460</u>	<u>42,044</u>
Title IIA - Teacher Quality	Oregon Department of Education	84.367	53526	7/1/2019-9/30/2021	5,491	
	Oregon Department of Education	84.367	58753	7/1/2020-9/30/2021	74,448	
Total Title IIA - Teacher Quality					<u>79,939</u>	
Special Education Cluster	Oregon Department of Education	84.027	53849	7/1/2019-9/30/2021	65	
	Oregon Department of Education	84.027	60654	7/1/2020-9/30/2022	349,380	
Total Special Education Cluster					<u>349,445</u>	
Elementary & Secondary School Emergency Relief	Oregon Department of Education	84.425D	57807	3/13/2020-9/30/2022	360,934	17,118
	Oregon Department of Education	84.425D	64577	3/13/2020-9/30/2023	440,160	
Governors Emergency Education Relief	Oregon Department of Education	84.425	60938	7/1/2020-5/30/2021	98,274	5,739
Total ESSER Cluster					<u>899,368</u>	<u>22,857</u>
Title IV-A - Student Support and Academic Enrichment	Oregon Department of Education	84.424	54516	7/1/2019-9/30/2021	7,353	
		84.424	58571	7/1/2020-9/30/2021	20,102	
					<u>27,455</u>	
PERKINS	Lane Education Service District	84.048	ESD-1	7/1/2020-6/30/2021	5,080	
Total Perkins					<u>5,080</u>	
YOUTH TRANSITION PROGRAM	Lane Education Service District	84.126A	ESD-1	7/1/2020-6/30/2021	43,220	
Total Youth Transition Program					<u>43,220</u>	
FAMILY SUPPORT SERVICES	United Way	93.556	UnitedWay-1	7/1/2020-6/30/2021	6,351	
Total Family Support Services					<u>6,351</u>	
Total U.S. Department of Education					<u>1,940,318</u>	<u>64,901</u>
US Department of Homeland Security	FEMA - Disaster Assistance	97.0376	*	7/1/2020-6/30/2021	10,008	
Total U.S. Department of Homeland Security					<u>10,008</u>	<u>-</u>
U.S. Department of Agriculture:						
Child Nutrition Cluster:						
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	10.553/555	**		39,566	
School Breakfast Program	Oregon Department of Education	10.553			163,375	
National School Lunch Program	Oregon Department of Education	10.555			245,750	
Total Child Nutrition Cluster					<u>448,691</u>	
Total U.S. Department of Agriculture					<u>448,691</u>	<u>-</u>
TOTAL FEDERAL REVENUE					<u>\$ 2,399,017</u>	<u>64,901</u>

* FEMA expenses occurred in 19-20, but district did not receive reimbursement until 20-21.

** Commodities purchased, but was not received until 21-22 totaling \$2729.22

Reconciliation to Federal Revenue:

Total Federal Awards Expended, above	2,399,017
Accruals/Deferrals	52,138
Total Federal Revenue Recognized	<u>\$ 2,451,155</u>



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December 21, 2021

To the Board of Education
Fern Ridge School District No. 28-J
Lane County, Oregon

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic financial statements Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, and each major fund of Fern Ridge School District No. 28-J as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

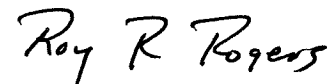
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

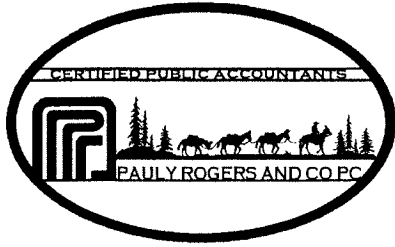
As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on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

Purpose of this Report

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



Roy R. Rogers, CPA
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December 21, 2021

To the Board of Education
Fern Ridge School District No. 28-J
Lane County, Oregon

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

Report on Compliance for Each Major Federal Program

We have audited Fern Ridge School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Fern Ridge School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

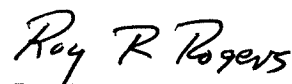
Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

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



Roy R. Rogers, CPA

PAULY, ROGERS AND CO., P.C.

FERN RIDGE SCHOOL DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Basic financial statements

Type of Auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses Yes None reported

Noncompliance material to basic financial statements noted? Yes No

Any GAGAS audit findings disclosed that are required to be reported in accordance the Uniform Guidance? Yes No

Federal Awards

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number(s):</u> 84.425D, 84.425	<u>Name of Federal Program:</u> ESSER I, CDL, ESSER II
---	---

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None.

**FERN RIDGE SCHOOL DISTRICT
LANE COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. **BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the District.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimis rate.