

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**



**12700 SW 72<sup>nd</sup> Ave.**  
**Tigard, OR 97223**

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

FINANCIAL REPORT  
For the Year Ended June 30, 2023

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

BOARD OF DIRECTORS AS OF JUNE 30, 2023

<u>NAME</u>	<u>TERM EXPIRES</u>
Mark Boren, Chair	June 30, 2025
Andrea Larson, Vice-Chair	June 30, 2025
Barbara Graham-Adams	June 30, 2025
Kathleen Pizzola	June 30, 2027
Lisa McCann	June 30, 2027

All board members receive mail at the address below

ADMINISTRATION

Gary Carpenter, Superintendent  
Quannah Bennett, Business Manager (Registered Agent)

88834 Territorial Rd.  
Elmira, Oregon 97437

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

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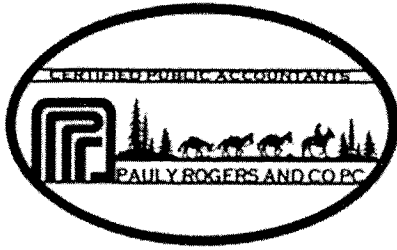
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LANE COUNTY, OREGON

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**PAULY, ROGERS, AND CO., P.C.**  
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December 7, 2023

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

## INDEPENDENT AUDITORS' REPORT

### **Opinions**

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fern Ridge School District No. 28-J (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fern Ridge School District No. 28-J (the District), as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the basic financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

## **Supplementary Information**

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

## **Other Information**

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

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

## **Report on Other Legal and Regulatory Requirements**

In accordance with Government Auditing Standards, we have also issued our reports dated December 7, 2023 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 these reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 7, 2023, 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, flowing style.

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

**FERN RIDGE SCHOOL DISTRICT 28J**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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, 2023. 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, 2023 by (\$213,159) (*total net position*). Of this amount, \$170,828 is restricted for debt service, \$536,639 for food service, \$450,731 for student body groups and \$227,431 for OPEB RHIA Asset, leaving (\$1,598,788) as unrestricted and available to meet the District's ongoing obligations.
- The District's total net position increased by \$3,321,332 from the prior year, the result of total revenue \$26,523,105 exceeding total expenses of \$23,201,773.
- 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 \$5,752,141, or about 33% of total general fund revenue.
- Total cost of all the District's programs was \$23,201,773 million for the fiscal year, a decrease of \$4,426,599 (16%) from the prior year.
- At the end of the current fiscal year, the General Fund unassigned fund balance was \$5,752,141 which represents 37% of total General Fund operating expenditures and an increase of \$66,372 from the prior year General Fund unassigned fund balance.
- The District's total outstanding bonds payable decreased by \$2,162,187 during the 2022-23 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, 2023 liabilities exceeded assets by \$213,159. This is mainly due to the pension related deferrals.

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

	Governmental Activities		
	June 30, 2023	June 30, 2022	Change
Current and other assets	\$ 14,660,422	\$ 12,526,638	\$ 2,133,784
Capital Assets (net)	27,439,630	28,964,257	(1,524,627)
Right-to-Use Asset (net)	61,710	82,390	(20,680)
<i>Total Assets</i>	<u>\$ 42,161,762</u>	<u>\$ 41,573,285</u>	<u>\$ 588,477</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Deferrals	3,812,015	4,522,661	(710,646)
	<u>45,973,777</u>	<u>46,095,946</u>	<u>(710,646)</u>
Current Liabilities	4,421,342	1,611,707	2,809,635
Long-term Liabilities	37,884,218	41,673,553	(3,789,335)
<i>Total Liabilities</i>	<u>42,305,560</u>	<u>43,285,260</u>	<u>(979,700)</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Deferrals	3,881,376	6,345,177	(2,463,801)
	<u>46,186,936</u>	<u>49,630,437</u>	<u>(3,443,501)</u>
<b>Net Position:</b>			
Restricted for various purposes	1,385,629	1,130,751	(254,878)
Unrestricted	(1,598,788)	(4,665,242)	(3,066,454)
<i>Total Net Position</i>	<u>\$ (213,159)</u>	<u>\$ (3,534,491)</u>	<u>\$ (3,321,332)</u>
<b>Total Liabilities, Pension Related Deferrals and Net Position</b>	<u>\$ 45,973,777</u>	<u>\$ 46,095,946</u>	<u>\$ (6,764,833)</u>

Capital assets, which consist of the District's land and buildings (including improvements), vehicles, and equipment, and construction in process, represent 65% of total assets. The remaining assets consist of cash and investments, receivables, net OPEB benefits, net pension benefits and a note receivable.

The District's liabilities consist of current liabilities and long term liabilities. Long Term liabilities which represent 90% 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 10% 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 decreased as indicated by an increase of \$3,321,332 in net position. Unrestricted net position decreased by \$3,066,454; at the same time, the District's investment in capital assets, net of related debt, decreased by \$254,878 due principally to Deferred Inflows of Resources exceeding Deferred Outflows of Resources.

**Governmental Activities** Revenues increased by \$1,537,727 or 6% and Expenses decreased by \$4,426,599 or 16% during the 2022-2023 fiscal year.

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

	Governmental Activities		
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
<b><i>Program revenues:</i></b>			
Changes for services	\$ 551,967	\$ 343,187	\$ 208,780
Operating grants and contributions	4,547,777	5,226,350	(678,573)
<b><i>General revenues:</i></b>			
Property taxes	7,649,204	6,880,426	768,778
State Sources	10,632,820	11,055,739	(422,919)
Other State Sources	1,147,929	-	1,147,929
Unrestricted Local and Intermediate	1,361,024	1,394,437	(33,413)
Gain on Sale of Assets	209,526	-	209,526
Earnings on Investments	422,858	85,239	337,619
<b><i>Total Revenues</i></b>	<u>\$ 26,523,105</u>	<u>\$ 24,985,378</u>	<u>\$ 1,537,727</u>
<b><i>Expenses:</i></b>			
Instruction	12,397,963	12,201,859	196,104
Support Services	9,060,843	8,355,105	705,738
Community Services	723,401	797,192	(73,791)
Interest on Long-Term Debt	1,019,566	6,274,216	(5,254,650)
<b><i>Total Expenses</i></b>	<u>23,201,773</u>	<u>27,628,372</u>	<u>(4,426,599)</u>
<b><i>Change in Net Position</i></b>	3,321,332	\$ (2,642,994)	5,964,326
<b><i>Net Position, Beginning of Year</i></b>	(3,534,491)	(891,497)	(2,642,994)
<b><i>Net Position, End of Year</i></b>	<u>\$ (213,159)</u>	<u>\$ (3,534,491)</u>	<u>\$ 3,321,332</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, 2023, the District's governmental funds reported *combined ending fund balances* of \$11,746,590 an increase of \$1,408,723 in comparison with the prior year. Approximately \$5,994,450 (51%) of the ending fund balances constitutes *restricted or committed fund balance*, \$0 (0%) constitutes *assigned fund balance*, and \$5,752,141 (49%) 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, 2023, assigned fund balance was \$0 and unassigned fund balance was \$5,752,141. 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 33% of General Fund Revenues. The fund balance increased by \$66,372 from prior year.

**Special Revenue Fund** The Special Revenue Fund has a total fund balance of \$5,821,111, all of which is committed or restricted to technology purchases (\$688,135), early retirement commitments (\$2,029,436), maintenance reserves (\$1,798,184), Outdoor School (\$7,360), District Wellness (\$21,842) and athletic programs (\$132,238), Food Service (\$536,639), Student Body accounts (\$450,730) and Misc. (\$156,549). The net increase in fund balance during the current year was \$1,253,973.

**Debt Service Fund** The Debt Service Fund has a total fund balance of \$173,338 all of which is set aside for the payment of debt service. The net increase in fund balance during the current year was \$88,378.

## 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, 2023. Actual revenues earned by the General Fund totaled \$689,506 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 \$17,505,968 to actual expenditure of \$15,698,451 or underspending of budget authority of \$1,805,517.



## 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, 2023, the District had \$28,115,494 invested in capital assets, net of depreciation, as shown on the following table:

***Fern Ridge School District***  
***Capital Assets (net of depreciation)***

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Land	\$ 675,864	\$ 675,864	\$ -
Construction in Process	-	-	-
Building and Improvements	26,795,651	27,724,810	(929,159)
Vehicles and Equipment	643,979	563,583	80,396
Total Capital Assets, Net of			
Related Accumulation Depreciation	<u>\$ 28,115,494</u>	<u>\$ 28,964,257</u>	<u>\$ (848,763)</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 \$28,723,513. The debt consisted of general obligation bonds and pension obligation bonds.

***Fern Ridge School District***  
***Outstanding Debt***

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
General Obligation Bonds	\$ 25,348,513	\$ 26,950,700	\$ (1,602,187)
Pension Obligation Bonds	3,375,000	3,935,000	(560,000)
Total	<u>\$ 28,723,513</u>	<u>\$ 30,885,700</u>	<u>(2,162,187)</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, 2024, the District adopted a General Fund budget of \$22,121,056, which is \$2,298,619 more than the 2022-2023 final budget. The 2023-2024 adopted budget included a 4% contingency and a projected ending fund balance of 15%.

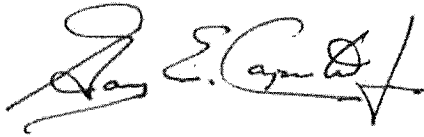
The major expenditure requirements of the District are the salaries and benefits of our teachers, support staff and administration, and the payment of early retirement benefits to retired licensed and classified staff. Salaries and

benefits represent nearly 77% of the District's total General Fund operating costs and are expected to increase in 2024-2025 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 2023-2024 fiscal year. In June 2023, the board adopted the District budget for the fiscal year 2023-2024.

## 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.

A handwritten signature in black ink, appearing to read "Gary Carpenter".

Gary Carpenter  
SUPERINTENDENT

A handwritten signature in black ink, appearing to read "Quanah Bennett".

Quanah Bennett  
BUSINESS MANAGER

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

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 12,754,074
Receivables	1,003,053
Net OPEB Asset - RHIA	227,431
Capital assets not being depreciated	675,864
Capital assets being depreciated, net	27,439,630
Lease Right-to-use-asset, net of amortization	61,710
Total Assets	42,161,762
<b>Deferred Outflows of Resources</b>	
OPEB related deferrals (Health Insurance)	213,033
OPEB related deferrals (RHIA)	25,046
OPEB related deferrals (Stipends)	1,150
Pension related deferrals (PERS)	3,572,786
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>45,973,777</b>
<b>Liabilities</b>	
Accounts payable	194,625
Unearned revenue	850,204
Payroll liabilities	742,507
Accrued Interest	27,421
Lease Liability (Right-to-Use-Assets), due within one year	20,665
Long Term Obligations, due within one year	2,585,920
Long-term liabilities:	
Lease Liability (Right-to-Use-Assets), due in more than one year	41,738
Long Term Obligations, due in more than one year	28,671,931
Net pension liability (PERS)	8,228,132
Net OPEB liability (Early Retirement Stipend)	159,223
Net OPEB liability (Health Insurance)	783,194
Total Liabilities	42,305,560
<b>Deferred Inflows of Resources</b>	
OPEB related deferrals (Health Insurance)	347,722
OPEB related deferrals (RHIA)	38,590
Pension related deferrals (Early Retirement Stipend)	4,306
Pension related deferrals (PERS)	3,490,758
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>46,186,936</b>
<b>Net Position</b>	
Restricted:	
Food Service Program	536,639
Student Body Funds	450,731
Debt Service	170,828
OPEB RHIA Asset	227,431
Unrestricted	(1,598,788)
Total Net Position	\$ (213,159)

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, 2023**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>		<b><u>Net (Expense) Revenue and Changes in Net Position</u></b>
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Governmental Activities</u></b>
Instruction	\$ 12,397,963	\$ 1,743	\$ 2,363,600	\$ (10,032,620)
Support Services	9,060,843	398,216	1,632,949	(7,029,678)
Community Services	723,401	152,008	551,228	(20,165)
Interest on Long-Term Debt	1,019,566	-	-	(1,019,566)
Total Governmental Activities	<u>\$ 23,201,773</u>	<u>\$ 551,967</u>	<u>\$ 4,547,777</u>	<u>(18,102,029)</u>
General Revenues				
Property taxes levied for general purposes				5,219,631
Property taxes levied for debt service				2,429,573
State support				10,632,820
Other State Sources				1,147,929
Unrestricted local and intermediate sources				1,361,024
Gain (Loss) on Disposal of Assets				209,526
Earnings on investments				422,858
Total general revenues				<u>21,423,361</u>
Change in Net Position				3,321,332
Net Position - Beginning				<u>(3,534,491)</u>
Net Position - Ending				<u>\$ (213,159)</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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
<b>ASSETS:</b>				
Cash and Investments	\$ 6,753,665	\$ 5,835,573	\$ 164,836	\$ 12,754,074
Receivables:				
Taxes	173,645	8,464	76,319	258,428
Accounts	191,858	552,767	-	744,625
Due From Other Funds	526,614	-	-	526,614
 Total Assets	<u>\$ 7,645,782</u>	<u>\$ 6,396,804</u>	<u>\$ 241,155</u>	<u>\$ 14,283,741</u>
 <b>LIABILITIES AND FUND BALANCE:</b>				
Accounts Payable	\$ 151,388	\$ 43,237	\$ -	\$ 194,625
Payroll and Related Liabilities	742,507	-	-	742,507
Unearned Revenue	844,362	5,842	-	850,204
Due to Other Funds	-	526,614	-	526,614
 Total Liabilities	<u>1,738,257</u>	<u>575,693</u>	<u>-</u>	<u>2,313,950</u>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unearned Revenue - Taxes	155,384	-	67,817	223,201
 Total Deferred Inflows of Resources	<u>155,384</u>	<u>-</u>	<u>67,817</u>	<u>223,201</u>
 <b>FUND BALANCES:</b>				
Restricted	-	987,370	170,828	1,158,198
Committed	-	4,833,741	2,510	4,836,251
Unassigned	5,752,141	-	-	5,752,141
 Total Fund Balance	<u>5,752,141</u>	<u>5,821,111</u>	<u>173,338</u>	<u>11,746,590</u>
 Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 7,645,782</u>	<u>\$ 6,396,804</u>	<u>\$ 241,155</u>	<u>\$ 14,283,741</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, 2023**

<b>Total Fund Balances</b>		<b>\$ 11,746,590</b>
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	\$ 46,289,586	
Accumulated Depreciation	<u>(18,174,092)</u>	28,115,494
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.		
		223,201
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	(8,228,132)	
Net OPEB Asset - RHIA	227,431	
Net OPEB Liability - Stipends	(159,223)	
Net OPEB Liability - Health Insurance	<u>(783,194)</u>	(8,943,118)
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)	213,033	
Deferred Outflows (PERS)	3,572,786	
Deferred Outflows (OPEB - RHIA)	25,046	
Deferred Inflows (OPEB - Health Insurance)	(347,722)	
Deferred Inflows (Early Retirement Stipend)	(4,306)	
Deferred Inflows (OPEB - RHIA)	(38,590)	
Deferred Inflows (PERS)	<u>(3,490,758)</u>	(69,361)
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	(27,421)	
Bonds payable and Premium	<u>(31,257,851)</u>	(31,285,272)
Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.		
Right-to-use asset, (Net of Amortization)		61,710
Long-term liabilities applicable to the School's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, both current and long-term, are reported in the statements of Net Position		
Lease Liability		<u>(62,403)</u>
<b>Total Net Position</b>		<b>\$ <u>(213,159)</u></b>

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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
<b>REVENUES:</b>				
From Local Sources	\$ 5,702,578	\$ 657,194	\$ 3,270,131	\$ 9,629,903
From Intermediate Sources	416,498	-	-	416,498
From State Sources	11,068,058	2,626,803	-	13,694,861
From Federal Sources	61,750	2,499,403	-	2,561,153
Total Revenues	17,248,884	5,783,400	3,270,131	26,302,415
<b>EXPENDITURES:</b>				
Current:				
Instruction	8,823,417	3,535,962	-	12,359,379
Support Services	6,875,034	2,177,984	-	9,053,018
Enterprise and Community Services	-	721,151	-	721,151
Debt Service	-	-	3,181,753	3,181,753
Total Expenditures	15,698,451	6,435,097	3,181,753	25,315,301
Excess of Revenues Over, (Under) Expenditures	1,550,433	(651,697)	88,378	987,114
<b>OTHER FINANCING SOURCES (USES):</b>				
Note Receivable Payment		210,000		
Sale of Assets	1,801	209,808	-	211,609
Transfers In	-	1,485,862	-	1,485,862
Transfers Out	(1,485,862)	-	-	(1,485,862)
Total Other Financing Sources, (Uses)	(1,484,061)	1,905,670	-	211,609
Net Change in Fund Balance	66,372	1,253,973	88,378	1,198,723
Beginning Fund Balance	5,685,769	4,567,138	84,960	10,337,867
Ending Fund Balance	\$ 5,752,141	\$ 5,821,111	\$ 173,338	\$ 11,536,590

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, 2023**

<b>Net Change in Fund Balance</b>	<b>\$</b>	<b>1,198,723</b>
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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	\$ 357,117	
Loss on Disposal of Assets	(2,083)	
Depreciation expense	<u>(1,203,797)</u>	(848,763)

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.

General Fund	4,775	
Debt Service Fund	<u>4,699</u>	9,474

The PERS Pension income (expense) and RHIA OPEB income (expense) 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 Income (Expense)	372,249	
RHIA Income	<u>32,028</u>	404,277

Change in net OPEB liability and deferrals (Stipends)	62,155
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Change in net OPEB liability and deferrals (Health Insurance)	136,886
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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>2,162,187</u>	2,357,136

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.	1,690
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Payment on Lease Liability decreases liabilities in the Statement of Net Position.

Payment on Lease Liability	20,434
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Amortization Expense increases the expenses on the Statement of Activities.

Amortization Expense		<u>(20,680)</u>
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<b>Change in Net Position</b>	<b>\$</b>	<b><u>3,321,332</u></b>
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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

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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

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**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

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**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

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**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

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**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. There is no net investment in capital assets included in the Statement of Net Position due to the amount of capital asset related debt exceeding the amount of net capital assets at June 30, 2023.

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, 2023, there were deferred outflows representing PERS pension related deferrals, 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

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**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, 2023, 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

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**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, 2023, except for the Debt Service Fund where Debt Services were over-expended by \$30,333.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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 appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it *materially approximates fair value.*

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023, the fair value of the position in the *LGIP is 99.63%* of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Cash and Investments at June 30, 2023 consisted of:

Demand Deposits	\$ 704,732
Local Government Investment Pool	12,049,342
	<u>\$ 12,754,074</u>
Presentation in the Basic Financial Statements	
Governmental Activities	\$ 12,754,074
	<u>\$ 12,754,074</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, 2023 was \$1,388,171, of which \$252,481 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balances were exposed to custodial credit risk.

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

NOTES TO BASIC FINANCIAL STATEMENTS

**3. CASH AND INVESTMENTS (CONTINUED)**

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.

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	\$ 12,049,342	\$ 12,049,342	\$ -	\$ -
Total	\$ 12,049,342	\$ 12,049,342	\$ -	\$ -

Interest Rate Risk - Investments

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

Credit Risk - Investments

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

Concentration of Credit Risk

At June 30, 2023, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

**4. CAPITAL ASSETS**

The changes in capital assets for the fiscal year ended June 30, 2023, are as follows:

	Governmental Capital Assets 7/1/2022	Adjustments	Additions	Deletions	Governmental Capital Assets 6/30/2023
Non-Depreciable:					
Land & Land Improvements	\$ 675,864	\$ -	\$ -	\$ -	\$ 675,864
Depreciable:					
Buildings & Improvements	43,412,724		195,337	(22,926)	43,585,135
Vehicles and Equipment	1,866,807	-	161,780	-	2,028,587
	<u>45,955,395</u>	<u>-</u>	<u>357,117</u>	<u>(22,926)</u>	<u>46,289,586</u>
Accumulated Depreciation:					
Buildings and Improvements	15,687,914	-	1,122,413	(20,843)	16,789,484
Vehicles and Equipments	1,303,224	-	81,384	-	1,384,608
	<u>16,991,138</u>	<u>-</u>	<u>1,203,797</u>	<u>(20,843)</u>	<u>18,174,092</u>
Capital Assets, Net	<u>\$ 28,964,257</u>				<u>\$ 28,115,494</u>

Deletions represent the disposal of Grandstands, which were sold for proceeds and a gain of \$209,526.

Depreciation was allocated to the functions as follows:

Instruction	\$ 672,200
Support	492,375
Community Services	<u>39,222</u>
Total Depreciation Expense	<u>\$ 1,203,797</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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 Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

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



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

NOTES TO BASIC FINANCIAL STATEMENTS

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**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$1,758,819, excluding amounts to fund employer specific liabilities. In addition, approximately \$479,703 in employee contributions were paid or picked up by the District in 2022-2023.

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, 2023, the District reported a net pension liability of \$8,228,132 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2022 and 2021, the District's proportion was 0.054 percent and 0.057 percent, respectively. Pension expense for the year ended June 30, 2023 was \$372,249.

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 13.90%
- (2) OPSRP general services – 10.79%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 399,409	\$ 51,312
Changes in assumptions	1,291,038	11,795
Net difference between projected and actual earnings on pension plan investments	-	1,471,031
Net changes in proportionate share	123,520	624,502
Differences between District contributions and proportionate share of contributions	-	1,332,118
Subtotal - Amortized Deferrals (below)	1,813,967	3,490,758
District contributions subsequent to measuring date	1,758,819	-
Deferred outflow (inflow) of resources	<u>\$ 3,572,786</u>	<u>\$ 3,490,758</u>

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, 2024.

Subtotal amounts related to pension as deferred outflows of resources \$1,813,967, and deferred inflows of resources, (\$3,490,758), net to (\$1,676,791) and will be recognized in pension expense (income) as follows:

Year ending June 30,	Amount
2024	\$ (433,341)
2025	(527,576)
2026	(965,589)
2027	382,662
2028	(132,947)
Thereafter	-
Total	<u>\$ (1,676,791)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Valuations** – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

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	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

*(Source: June 30, 2022 PERS ACFR; p. 104)*

**Long-Term Expected Rate of Return:**

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

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

*(Source: June 30, 2022 PERS ACFR; p. 74)*

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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, 2022 and 2021 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 14,591,880	\$ 8,228,132	\$ 2,901,968

**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, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

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

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

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**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. 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 with PERS and equaled the required contributions for the year.

At June 30, 2023, the District reported a net OPEB asset of \$227,431 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB 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, 2022 and 2021, the District's proportion was 0.064 percent and 0.059 percent, respectively. OPEB income for the year ended June 30, 2023 was \$32,028.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

**Components of OPEB Expense/(Income):**

Employer's Proportionate share of collective system OPEB Expense/(Income)	\$ (34,052)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	3,598
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's total OPEB Expense/(Income)	<u><u>\$ (30,454)</u></u>

**Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expended and actual experience	\$ -	\$ 6,163
Changes of assumptions	1,781	7,581
Net Difference between project and actual earning on investments	-	17,345
Changes in proportionate share	23,265	7,501
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>25,046</u>	<u>38,590</u>
Contributions subsequent to measurement date	<u>N/A</u>	<u>N/A</u>
Deferred outflow (inflow) of resources	<u><u>\$ 25,046</u></u>	<u><u>\$ 38,590</u></u>

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, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$25,046, and deferred inflows of resources, (\$38,590), net to (\$13,544) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	\$ 4,905
2025	(13,059)
2026	(10,945)
2027	5,555
2028	-
Thereafter	-
Total	<u><u>\$ (13,544)</u></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, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>



FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

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

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB 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 June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

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

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

(Source: June 30, 2022 PERS ACFR; 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 6.90 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net OPEB liability (asset)	\$ (204,979)	\$ (227,431)	\$ (246,677)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2022 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 resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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. In October 2021, the District issued \$22,080,000 in GO Bond refunding related to the 2014 GO Bond issuance. The refunding reduced the 2014 GO Bond outstanding principal by \$17,517,614.

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, 2023, the District has established a PERS debt service fund reserve to stabilize the cost of retiring the debt.

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:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,390,971	\$ 923,577
2025	2,561,954	864,935
2026	2,117,649	769,195
2027	2,312,939	670,142
2028	2,105,000	438,099
2029-2033	9,920,000	1,571,849
2034-2036	7,315,000	376,608
Total	<u>\$ 28,723,513</u>	<u>\$ 5,614,405</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

**8. LONG-TERM OBLIGATIONS (CONTINUED)**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 30,885,700	\$ -	\$ 2,162,187	\$ 28,723,513	\$ 2,390,971
Premium on GO Bonds	2,729,287	-	194,949	2,534,338	194,949
Total Long-Term Liabilities	<u>\$ 33,614,987</u>	<u>\$ -</u>	<u>\$ 2,357,136</u>	<u>\$ 31,257,851</u>	<u>\$ 2,585,920</u>

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2022	Issued	Matured And Redeemed	Outstanding June 30, 2023
October 10, 2002	2.06-6.1%	\$ 6,554,467	\$ 3,935,000	\$ -	\$ 560,000	\$ 3,375,000
September 23, 2014	4-5%	25,421,326	5,375,700	-	897,187	4,478,513
October 21, 2021	.037-2.593%	22,080,000	21,575,000	-	705,000	20,870,000
			<u>\$ 30,885,700</u>	<u>\$ -</u>	<u>\$ 2,162,187</u>	<u>\$ 28,723,513</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**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 38.

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 2.16% 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, 2023, the plan was 0% funded. The actuarial accrued liability for benefits was \$159,223, and the actuarial value of assets was \$0. Estimated covered payroll was \$282,858.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

Program membership for Early Retirement Stipends consisted of the following at July 1, 2022:

**Participant Counts**

Number of Active Participants	9
Number of Inactive Participants	8
Total Number of Participants	<u>17</u>

Changes in Total Pension Liability for Early Retirement Stipends:

Total Pension Liability at June 30, 2022	\$ 201,064
Changes for the year:	
Service Cost	4,802
Interest	3,820
Changes of benefit terms	-
Differences between expected and actual experience	2,301
Changes of assumptions or other input	(4,353)
Benefit payments	<u>(48,411)</u>
Net changes	<u>(41,841)</u>
Total Pension Liability at June 30, 2023	<u>\$ 159,223</u>

For the year ended June 30, 2023, the District recognized OPEB stipends income of \$62,155. At June 30, 2023, 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	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,150	\$ 2,130
Changes of assumptions or other inputs	-	2,176
Total	<u>\$ 1,150</u>	<u>\$ 4,306</u>

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

Year ended June 30,	Amount
2024	(3,156)
2025	-
All Subsequent Years	-
Total	<u>\$ (3,156)</u>

The Discount Rate Sensitivity Analysis for OPEB Stipend for the year ended June 30, 2022 is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$161,828</u>	<u>\$159,223</u>	<u>\$156,577</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

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

**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 38.

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 2.16% 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, 2023, the plan was 0% funded. The actuarial accrued liability for benefits was 783,194, and the actuarial value of assets was \$0. Estimated covered payroll was \$8,034,489.

At June 30, 2023, the following employees were covered by the benefit terms for OPEB Health Insurance:

**Participant Counts**

Number of Active Participants	171
Number of Inactive Participants	10
Total Number of Participants	<u>181</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

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

The District's total OPEB liability in the June 30, 2022 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, 2022	\$ 1,021,294
Changes for the year:	
Service Cost	32,216
Interest	20,178
Changes of benefit terms	-
Differences between expected and actual experience	(69,197)
Changes of assumptions or other input	(47,068)
Benefit payments	(174,229)
Net changes	(238,100)
Total OPEB Liability at June 30, 2023	<u>\$ 783,194</u>



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, 2023, the District recognized income of \$136,886. At June 30, 2023, 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	\$ 58,340	\$ 289,832
Changes of assumptions or other inputs	154,693	57,890
Total	<u>\$ 213,033</u>	<u>\$ 347,722</u>

Subtotal amounts related to OPEB Health Insurance as deferred outflows of resources, \$213,033, and deferred inflows of resources, (\$347,722), net to (\$134,689) and will be recognized in OPEB expense as follows:

Year ended June 30,	Amount
2024	\$ (15,081)
2025	(15,081)
2026	(15,081)
2027	(1,153)
2028	2,999
All Subsequent Years	(91,292)
Total	<u>\$ (134,689)</u>

The Discount Rate Sensitivity Analysis for OPEB Health Insurance for the year ended June 30, 2023 is as follows:

	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%
Total OPEB Liability	<u>\$813,201</u>	<u>\$783,194</u>	<u>\$754,619</u>

The Health Care Trend Sensitivity Analysis for OPEB Health Insurance for the year ended June 30, 2023 is as follows:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	<u>\$745,814</u>	<u>\$783,194</u>	<u>\$825,668</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**10. RISK MANAGEMENT**

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

**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. A principal balance of \$210,000 was still outstanding at June 30, 2022, as no payments were received for the year ended June 30, 2022. The entire remaining balance was collected in the current year.

**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	\$ 526,614	\$ -	\$ 1,485,862	\$ -
Special Revenue Fund	-	526,614	-	1,485,862
Totals	<u>\$ 526,614</u>	<u>\$ 526,614</u>	<u>\$ 1,485,862</u>	<u>\$ 1,485,862</u>

FERN RIDGE SCHOOL DISTRICT NO. 28-J  
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NOTES TO BASIC FINANCIAL STATEMENTS

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**13. LEASE LIABILITY (RIGHT-TO-USE-ASSET)**

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

On 10/31/2021, the District entered into a 61 month lease as Lessee for the use of CANON IR ADVANCE DX 6860I. An initial lease liability was recorded in the amount of \$8,883. As of 06/30/2023, the value of the lease liability is \$5,979. The District is required to make monthly fixed payments of \$153. The lease has an interest rate of 1.1770%. The value of the right to use asset as of 06/30/2023 of \$8,883 with accumulated amortization of \$2,964 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 42 month lease as Lessee for the use of CANON C356iF III. An initial lease liability was recorded in the amount of \$2,188. As of 06/30/2023, the value of the lease liability is \$947. The District is required to make monthly fixed payments of \$53. The lease has an interest rate of 1.0110%. The value of the right to use asset as of 06/30/2023 of \$2,188 with accumulated amortization of \$1,245 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 38 month lease as Lessee for the use of CANON 6555/6565. An initial lease liability was recorded in the amount of \$9,083. As of 06/30/2023, the value of the lease liability is \$3,522. The District is required to make monthly fixed payments of \$236. The lease has an interest rate of 0.8450%. The value of the right to use asset as of 06/30/2023 of \$9,083 with accumulated amortization of \$5,599 is included with Equipment on the Lease Class activities table found below.

On 10/31/2021, the District entered into a 61 month lease as Lessee for the use of CANON IM ADVANCE DX 6870I. An initial lease liability was recorded in the amount of \$10,333. As of 06/30/2023, the value of the lease liability is \$6,955. The District is required to make monthly fixed payments of \$177. The lease has an interest rate of 1.1770%. The value of the right to use asset as of 06/30/2023 of \$10,333 with accumulated amortization of \$3,448 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 57 month lease as Lessee for the use of KONICA MINOLTA C3350I. An initial lease liability was recorded in the amount of \$1,945. As of 06/30/2023, the value of the lease liability is \$1,227. The District is required to make monthly fixed payments of \$38. The lease has an interest rate of 1.1770%. The value of the right to use asset as of 06/30/2023 of \$1,945 with accumulated amortization of \$819 is included with Equipment on the Lease Class activities table found below.

On 10/31/2021, the District entered into a 61 month lease as Lessee for the use of CANON IM ADVANCE DX 6870i (2). An initial lease liability was recorded in the amount of \$65,069. As of 06/30/2023, the value of the lease liability is \$43,773. The District is required to make monthly fixed payments of \$1,116. The lease has an interest rate of 1.1770%. The value of the right to use asset as of 06/30/2023 of \$65,069 with accumulated amortization of \$21,714 is included with Equipment on the Lease Class activities table found below.

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

NOTES TO BASIC FINANCIAL STATEMENTS

**13. LEASE LIABILITY (RIGHT-TO-USE-ASSET)(CONTINUED)**

	Outstanding 7/1/2022	Issued	Matured and Redeemed	Outstanding 7/1/2023	Due Within One Year
<b>Equipment</b>					
CANON IM ADVANCE DX 6870i (2)	\$ 56,574	\$ -	\$ 12,801	\$ 43,773	\$ 12,952
CANON IM ADVANCE DX 6870I	8,990	-	2,034	6,956	2,058
KONICA MINOLTA C3350I	1,663	-	436	1,227	442
CANON 6555/6565	6,312	-	2,791	3,521	2,814
CANON IR ADVANCE DX 6860I	7,728	-	1,749	5,979	1,769
CANON C356iF III	1,570	-	623	947	630
Total	<u>\$ 82,837</u>	<u>\$ -</u>	<u>\$ 20,434</u>	<u>\$ 62,403</u>	<u>\$ 20,665</u>

Principal and Interest requirements to Maturity  
Governmental Activities  
Equipment

Fiscal Year Ending	Principal Payments	Interest Payments
June 30,		
2024	\$ 20,665	\$ 615
2025	18,449	387
2026	17,518	180
2027	5,771	15
Thereafter	-	-
Total	<u>\$ 62,403</u>	<u>\$ 1,197</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**14. RIGHT TO USE ASSET**

Right to use assets are for the leases in Note 13.

Total right-to-use-asset activity for the year ended June 30, 2023 was as follows:

Changes in Right-to-Use Asset				
	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023
Equipment	\$ 97,501	\$ -	\$ -	\$ 97,501
Accumulated Amortization				
Equipment	(15,111)	(20,680)	-	(35,791)
Total Lease Assets, Net	<u>\$ 82,390</u>	<u>\$ (20,680)</u>	<u>\$ -</u>	<u>\$ 61,710</u>

Amount of Lease Assets by Major Classes of Underlying Asset (Right-to-Use Asset)

At June 30, 2023			
Asset Class	Lease Asset Value	Accumulated Amortization	Net Value
Equipment	\$ 97,501	\$ (35,791)	\$ 61,710
Total	<u>\$ 97,501</u>	<u>\$ (35,791)</u>	<u>\$ 61,710</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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**15. 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.

**16. 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

**17. FUND BALANCE CONSTRAINTS**

The specific purposes for each of the categories of fund balance as of June 30, 2023 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	\$ -	\$ -	\$ 170,828	\$ 170,828
Food Service	-	536,639	-	536,639
Student Body Groups	-	450,731	-	450,731
	-	987,370	170,828	1,158,198
<u>Committed</u>				
Textbook Purchases	-	150,790	-	150,790
Outdoor School Fund	-	7,359	-	7,359
Technology Purchases	-	688,134	-	688,134
Retirement Program	-	2,029,436	-	2,029,436
Maintenance Reserve	-	1,798,184	-	1,798,184
Pension Debt Service	-	-	2,510	2,510
Genyouth Grant	-	758	-	758
Wellness Fund	-	21,842	-	21,842
Mindful Zen	-	5,000	-	5,000
Athletic Programs	-	132,238	-	132,238
	-	4,833,741	2,510	4,836,251
<u>Unassigned</u>	<u>5,752,141</u>	<u>-</u>	<u>-</u>	<u>5,752,141</u>
Total Fund Balances	<u>\$ 5,752,141</u>	<u>\$ 5,821,111</u>	<u>\$ 173,338</u>	<u>\$ 11,746,590</u>

**18. TAX ABATEMENTS**

As of June 30, 2023, 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, 2023 for any program covered under GASB 77.

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and  
Major Fund Budgetary Basis Schedules



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**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, 2023**

**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
2023	\$ 201,064	\$ 4,802	\$ 3,820	\$ -	\$ (4,353)	\$ 2,301	\$ (48,411)	\$ 159,223	\$ 282,858	56.30%
2022	256,813	10,381	4,781	-	-	-	(70,911)	201,064	389,349	51.60%
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
2023	\$ 1,021,294	\$ 32,216	\$ 20,178	\$ -	\$ (47,068)	\$ (69,197)	\$ (174,229)	\$ 783,194	\$ 8,034,489	9.70%
2022	1,148,859	55,447	22,595	-	-	-	(205,607)	1,021,294	7,384,871	13.80%
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  
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

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
2023	0.054 %	\$ 8,228,132	\$ 7,916,893	103.9 %	84.5 %
2022	0.057	6,773,805	7,249,054	93.4	87.6
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.

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
2023	\$ 1,758,819	\$ 1,758,819	\$ -	\$ 8,064,178	21.8 %
2022	1,697,771	1,697,771	-	7,916,893	21.4
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.

FERN RIDGE SCHOOL DISTRICT  
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset/(liability)
2023	0.064 %	\$ 227,431	\$ 7,916,893	2.9 %	194.6 %
2022	0.059	202,882	7,249,054	2.8	183.9
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

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

	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
2023	\$ N/A	\$ N/A	\$ N/A	\$ 8,064,178	N/A %
2022	N/A	N/A	N/A	7,916,893	N/A
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

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. 42).

**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, 2023**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 5,293,416	\$ 5,293,416	\$ 5,702,578	\$ 409,162
Intermediate Sources	255,062	255,062	416,498	161,436
State Sources	10,953,550	10,953,550	11,068,058	114,508
Federal Sources	<u>57,350</u>	<u>57,350</u>	<u>61,750</u>	<u>4,400</u>
Total Revenues	<u>16,559,378</u>	<u>16,559,378</u>	<u>17,248,884</u>	<u>689,506</u>
EXPENDITURES:				
Instruction	9,503,789	9,503,789 (1)	8,823,417	680,372
Support Services	7,324,009	7,324,009 (1)	6,875,034	448,975
Contingency	<u>678,170</u>	<u>678,170 (1)</u>	<u>-</u>	<u>678,170</u>
Total Expenditures	<u>17,505,968</u>	<u>17,505,968</u>	<u>15,698,451</u>	<u>1,807,517</u>
Excess of Revenues Over, (Under) Expenditures	(946,590)	(946,590)	1,550,433	2,497,023
OTHER FINANCING SOURCES (USES):				
Sale of Fixed Assets	-	-	1,801	1,801
Transfers Out	<u>(1,488,500)</u>	<u>(1,488,500) (1)</u>	<u>(1,485,862)</u>	<u>2,638</u>
Total Other Financing	<u>(1,488,500)</u>	<u>(1,488,500)</u>	<u>(1,484,061)</u>	<u>4,439</u>
Net Change in Fund Balance	(2,435,090)	(2,435,090)	66,372	2,501,462
Beginning Fund Balance	<u>3,263,059</u>	<u>3,263,059</u>	<u>5,685,769</u>	<u>2,422,710</u>
Ending Fund Balance	<u>\$ 827,969</u>	<u>\$ 827,969</u>	<u>\$ 5,752,141</u>	<u>\$ 4,924,172</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, 2023**

<u>SPECIAL REVENUE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 637,998	\$ 637,998	\$ 657,194	\$ 19,196
State Sources	2,531,130	2,531,130	2,626,803	95,673
Federal Sources	7,012,015	7,012,015	2,499,403	(4,512,612)
Total Revenues	10,181,143	10,181,143	5,783,400	(4,397,743)
EXPENDITURES:				
Instruction	4,331,677	4,331,677 (1)	3,535,962	795,715
Support Services	6,480,814	6,480,814 (1)	2,177,984	4,302,830
Enterprise and Community Services	904,019	904,019 (1)	721,151	182,868
Facilities Acquisition and Construction	157,500	157,500 (1)	-	157,500
Transit	85,000	85,000 (1)	-	85,000
Contingency	2,993,624	2,993,624 (1)	-	2,993,624
Total Expenditures	14,952,634	14,952,634	6,435,097	8,517,537
Excess of Revenues Over, (Under) Expenditures	(4,771,491)	(4,771,491)	(651,697)	4,119,794
OTHER FINANCING SOURCES (USES):				
Note Receivable Payment	-	-	210,000	210,000
Sale of Capital Assets	-	-	209,808	209,808
Transfers In	1,488,500	1,488,500	1,485,862 (2)	(2,638)
Total Other Financing	1,488,500	1,488,500	1,905,670	417,170
Net Change in Fund Balance	(3,282,991)	(3,282,991)	1,253,973	4,536,964
Beginning Fund Balance	3,711,399	3,711,399	4,567,138	855,739
Ending Fund Balance	\$ 428,408	\$ 428,408	\$ 5,821,111	\$ 5,392,703

(1) Appropriation Level

(2) Included in these transfers is the required state revenue match of \$5,862 the District must expend for National School Lunch Support in order to meet the general cash assistance match.

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

SUPPLEMENTARY INFORMATION

Other Financial Schedules



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**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, 2023**

	<u>DEBT SERVICE FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	<u>\$ 3,167,575</u>	<u>\$ 3,167,575</u>	<u>\$ 3,270,131</u>	<u>\$ 102,556</u>
Total Revenues	<u>3,167,575</u>	<u>3,167,575</u>	<u>3,270,131</u>	<u>102,556</u>
EXPENDITURES:				
Debt Service:				
Debt Services	<u>3,151,420</u>	<u>3,151,420</u>	<u>3,181,753</u>	<u>(30,333)</u>
Total Expenditures	<u>3,151,420</u>	<u>3,151,420 (1)</u>	<u>3,181,753</u>	<u>(30,333)</u>
Excess of Revenues Over, (Under) Expenditures	16,155	16,155	88,378	72,223
Net Change in Fund Balance	16,155	16,155	88,378	72,223
Beginning Fund Balance	<u>46,175</u>	<u>46,175</u>	<u>84,960</u>	<u>38,785</u>
Ending Fund Balance	<u>\$ 62,330</u>	<u>\$ 62,330</u>	<u>\$ 173,338</u>	<u>\$ 111,008</u>

(1) Appropriation Level - Not a budget violation (bond issuance costs)

**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, 2023**

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2022</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OF UNSEGREGATED 6/30/2023</u>
<u>GENERAL FUND:</u>						
CURRENT:						
2022-23	\$ 5,361,379	\$ 143,422	\$ (6,987)	\$ 1,289	\$ 5,124,033	\$ 88,227
PRIOR YEARS:						
2021-22	88,123	510	(5,272)	2,542	47,822	37,060
2020-21	45,885	542	(4,002)	2,287	23,315	20,313
2019-20	29,243	514	(4,345)	2,703	19,819	7,268
2018-19	7,457	(40)	(3,071)	1,461	2,767	3,120
Prior	19,488	(4)	(1,526)	1,238	1,547	17,657
Total Prior	190,196	1,523	(18,216)	10,231	95,269	85,418
Total	<u>\$ 5,551,575</u>	<u>\$ 144,945</u>	<u>\$ (25,203)</u>	<u>\$ 11,520</u>	<u>5,219,303</u>	<u>\$ 173,645</u>

<u>RECONCILIATION OF REVENUE:</u>	<u>GENERAL FUND</u>
Cash Collections by County Treasurer Above	\$ 5,219,303
Cash Collections by Douglas County	16,878
June 30, 2022	(39,585)
June 30, 2023	18,261
Changes from Prior year Unavailable Revenue, see page 6	4,775
Taxes in Lieu	(1)
Total Revenue	<u>\$ 5,219,631</u>

**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, 2023**

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2022</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2023</u>
<b>DEBT SERVICE FUND:</b>						
<b>CURRENT:</b>						
2022-23	\$ 2,495,703	\$ 66,763	\$ (3,251)	\$ 600	\$ 2,385,231	\$ 41,059
<b>PRIOR YEARS:</b>						
2020-21	33,773	196	(2,021)	974	18,328	14,203
2020-21	19,073	225	(1,664)	951	9,691	8,444
2019-20	13,286	234	(1,974)	1,228	9,005	3,302
2018-19	3,322	(18)	(1,368)	651	1,233	1,390
Prior	8,835	(2)	(776)	555	694	7,921
Total Prior	78,289	635	(7,802)	4,359	38,950	35,260
Total	<u>\$ 2,573,992</u>	<u>\$ 67,398</u>	<u>\$ (11,054)</u>	<u>\$ 4,959</u>	<u>2,424,181</u>	<u>\$ 76,319</u>

<b>RECONCILIATION OF REVENUE:</b>	<b>DEBT SERVICE FUND</b>
Cash Collections by County Treasurer Above	\$ 2,424,181
Cash Collections by Douglas County	7,362
June 30, 2022	(15,171)
June 30, 2023	8,502
Changes from Prior year Unavailable Revenue, see page 6	4,699
Total Revenue	<u>\$ 2,429,573</u>

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

OTHER INFORMATION

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**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, 2023**

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**A.** Energy bills for heating, water and sewage - all funds:

Objects 325, 326 & 327

Function 2540	\$	437,846
Function 2550		91,845

**B.** Replacement of equipment - General Fund:

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

Exclude these functions:

Amount

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		



**DISTRICT AUDIT REVENUE SUMMARY**  
**FERN RIDGE SCHOOL DISTRICT**

<b>Revenue from Local Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
1110 Ad Valorem Taxes Levied by District	\$ 5,202,456	\$ -	\$ 2,419,558
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-
1130 Construction Excise Tax	-	51,221	-
1190 Penalties and Interest on Taxes	12,400	-	5,316
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	1,743	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-
1420 Summer School Transportation Fees	-	-	-
1500 Earnings on Investments	276,073	107,483	37,612
1600 Food Service	-	152,008	-
1700 Extracurricular Activities	4,290	372,407	-
1800 Community Services Activities	-	-	-
1910 Rentals	4,119	-	-
1920 Contributions and Donations From Private Sources	200	69,486	-
1930 Rental or Lease Payments From Private Contractors	17,400	-	-
1940 Services Provided other Local Education Agencies	6,165	1,896	-
1950 Textbook Sales and Rentals	-	-	-
1960 Recovery or Prior Years' Expenditure	2,193	-	30,342
1970 Services Provided Other Funds	-	-	778,017
1980 Fees Charged to Grants	136,424	-	-
1990 Miscellaneous	39,115	112,693	(714)
<b>Total Revenue from Local Sources</b>	<b>\$ 5,702,578</b>	<b>\$ 867,194</b>	<b>\$ 3,270,131</b>
<b>Revenue from Intermediate Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
2101 County School Funds	\$ 48,684	\$ -	\$ -
2102 General ESD Revenue	362,373	-	-
2103 Excess ESD Local Revenue	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-
2110 Intermediate "I" Tax	-	-	-
2199 Other Intermediate Sources	5,441	-	-
2200 Restricted Revenue	-	-	-
2600 Revenue in Lieu of Taxes	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>\$ 416,498</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue from State Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
3101 State School Fund - General Support	\$ 9,719,069	\$ 712,691	\$ -
3102 State School Fund - School Lunch Match	-	-	-
3103 Common School Fund	201,060	-	-
3104 State Managed County Timber	1,147,929	-	-
3106 State School Fund - Accrual	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-
3299 other Restricted Grants-in-Aid	-	1,914,112	-
3800 Revenue in Lieu of Taxes	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-
<b>Total Revenue from State Sources</b>	<b>\$ 11,068,058</b>	<b>\$ 2,626,803</b>	<b>\$ -</b>
<b>Revenue from Federal Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
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	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	2,424,868	-
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	-	74,535	-
4801 Federal Forest Fees	61,750	-	-
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	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>\$ 61,750</b>	<b>\$ 2,499,403</b>	<b>\$ -</b>
<b>Revenue from Other Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
5100 Long Term Debt Financing Sources	\$ -	\$ -	\$ -
5200 Interfund Transfers	-	1,485,862	-
5300 Sale of or Compensation for Loss of Fixed Assets	1,801	209,808	-
5400 Resources - Beginning Fund Balance	5,685,769	4,567,138	84,960
<b>Total Revenue from Other Sources</b>	<b>\$ 5,687,570</b>	<b>\$ 6,262,808</b>	<b>\$ 84,960</b>
<b>Grand Total</b>	<b>\$ 22,936,454</b>	<b>\$ 12,256,208</b>	<b>\$ 3,355,091</b>

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

**Fund: 100 General Fund**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
1111	Elementary, K-5 or K-6	\$ 2,825,663	\$ -	\$ 1,294,764	\$ -	\$ 1,530,899	\$ -	\$ -	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	1,449,974	-	1,449,974	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-	-	-
1131	High School Programs	2,017,566	-	-	-	-	-	-	2,017,566	-	-
1132	High School Extracurricular	4,778	-	-	-	-	-	-	4,778	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	70	70	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	1,229,804	-	-	-	-	1,229,804	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	975,795	-	-	-	-	975,795	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-	-	-
1280	Alternative Education	261,529	-	210,263	-	-	-	-	51,266	-	-
1291	English Second Language Programs	58,238	-	36,503	-	21,735	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>\$ 8,823,417</b>	<b>\$ 70</b>	<b>\$ 2,991,504</b>	<b>\$ -</b>	<b>\$ 1,552,634</b>	<b>\$ 2,205,599</b>	<b>\$ -</b>	<b>\$ 2,073,610</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
2110	Attendance and Social Work Services	\$ 135	\$ -	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120	Guidance Services	158,052	-	65,519	-	-	-	-	92,533	-	-
2130	Health Services	882	180	364	-	252	-	-	86	-	-
2140	Psychological Services	200,264	-	-	-	-	200,264	-	-	-	-
2150	Speech Pathology and Audiology Services	187,709	-	-	-	-	187,709	-	-	-	-
2160	Other Student Treatment Services	15,058	-	-	-	-	15,058	-	-	-	-
2190	Service Direction, Student Support Services	257,159	-	-	-	-	257,159	-	-	-	-
2210	Improvement of Instruction Services	138	-	138	-	-	-	-	-	-	-
2220	Educational Media Services	128,282	-	63,777	-	7,812	-	-	56,693	-	-
2230	Assessment & Testing	1,757	1,428	-	-	-	-	-	329	-	-
2240	Instructional Staff Development	28,144	20,238	2,174	-	652	4,653	-	427	-	-
2310	Board of Education Services	60,077	60,077	-	-	-	-	-	-	-	-
2320	Executive Administration Services	365,720	365,720	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	1,420,488	-	657,650	-	241,578	-	-	521,260	-	-
2490	Other Support Services - School Administration	1,774	-	-	-	-	-	-	1,774	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-	-	-
2520	Fiscal Services	585,968	585,088	880	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	1,566,765	1,174,122	151,331	-	36,436	2,089	-	202,787	-	-
2550	Student Transportation Services	1,423,920	-	-	-	-	608,307	815,613	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant V	-	-	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-	-	-
2660	Technology Services	472,742	438,698	9,679	-	20,808	756	-	2,801	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>\$ 6,875,034</b>	<b>\$ 2,645,551</b>	<b>\$ 951,647</b>	<b>\$ -</b>	<b>\$ 307,538</b>	<b>\$ 1,275,995</b>	<b>\$ 815,613</b>	<b>\$ 878,690</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
3100	Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200	Other Enterprise Services	-	-	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
4110	Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
5100	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	Transfers of Funds	1,485,862	-	-	-	-	-	-	230,000	-	1,255,862
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>\$ 1,485,862</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 230,000</b>	<b>\$ -</b>	<b>\$ 1,255,862</b>
<b>Grand Total</b>		<b>\$ 17,184,313</b>	<b>\$ 2,645,621</b>	<b>\$ 3,943,151</b>	<b>\$ -</b>	<b>\$ 1,860,172</b>	<b>\$ 3,481,594</b>	<b>\$ 815,613</b>	<b>\$ 3,182,300</b>	<b>\$ -</b>	<b>\$ 1,255,862</b>

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

**Fund: 200 Special Revenue Fund**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ 487,067	\$ 2,923	\$ 120,401	\$ -	\$ 295,742	\$ 68,001	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	84,008	35,217	26,577	-	22,214	-	-	-	-
1121	Middle/Junior High Programs	193,989	514	193,475	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	18,844	1,116	17,728	-	-	-	-	-	-
1131	High School Programs	230,837	514	1,206	-	-	-	-	229,117	-
1132	High School Extracurricular	550,560	-	-	-	-	-	-	550,560	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	10,554	-	2,746	-	6,010	-	-	1,798	-
1220	Restrictive Programs for Students with Disabilities	142,595	-	-	-	-	142,595	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	271,206	-	-	-	-	271,206	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-	-
1272	Title I	436,388	-	32,006	-	32,005	372,377	-	-	-
1280	Alternative Education	950,109	4,468	825,072	-	-	-	-	120,569	-
1291	English Second Language Programs	906	906	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-
1400	Summer School Programs	158,899	158,899	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>\$ 3,535,962</b>	<b>\$ 204,557</b>	<b>\$ 1,219,211</b>	<b>\$ -</b>	<b>\$ 355,971</b>	<b>\$ 854,179</b>	<b>\$ -</b>	<b>\$ 902,044</b>	<b>\$ -</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	\$ 3,309	\$ -	\$ 101	\$ -	\$ 224	\$ 368	\$ -	\$ 2,616	\$ -
2120	Guidance Services	390,459	16,877	63,388	-	42,647	-	-	267,547	-
2130	Health Services	103,965	103,333	227	-	105	-	-	300	-
2140	Psychological Services	5,961	-	-	-	-	5,961	-	-	-
2150	Speech Pathology and Audiology Services	1,205	-	-	-	-	1,205	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	11,101	-	-	-	-	11,101	-	-	-
2210	Improvement of Instruction Services	99,631	99,368	263	-	-	-	-	-	-
2220	Educational Media Services	1,548	490	1,058	-	-	-	-	-	-
2230	Assessment & Testing	1,868	1,868	-	-	-	-	-	-	-
2240	Instructional Staff Development	46,701	34,636	5,313	-	3,888	1,909	-	955	-
2310	Board of Education Services	-	-	-	-	-	-	-	-	-
2320	Executive Administration Services	14,984	14,984	-	-	-	-	-	-	-
2410	Office of the Principal Services	32,152	-	17,722	-	7,874	-	-	6,556	-
2490	Other Support Services - School Administration	20,327	-	-	-	-	20,327	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-	-
2520	Fiscal Services	70,565	70,565	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	911,410	119,183	48,063	-	69,818	-	-	107,205	567,141
2550	Student Transportation Services	88,783	-	-	-	241	42,323	46,219	-	-
2570	Internal Services	-	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant V	24,842	24,842	-	-	-	-	-	-	-
2630	Information Services	7,788	7,788	-	-	-	-	-	-	-
2640	Staff Services	32,371	31,635	736	-	-	-	-	-	-
2660	Technology Services	153,845	126,859	26,944	-	-	-	-	42	-
2670	Records Management Services	-	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	4,302	4,302	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	150,867	150,867	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>\$ 2,177,984</b>	<b>\$ 807,597</b>	<b>\$ 163,815</b>	<b>\$ -</b>	<b>\$ 124,797</b>	<b>\$ 83,194</b>	<b>\$ 46,219</b>	<b>\$ 385,221</b>	<b>\$ 567,141</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	\$ 547,958	\$ 11,900	\$ -	\$ -	\$ -	\$ -	\$ 536,058	\$ -	\$ -
3200	Other Enterprise Services	-	-	-	-	-	-	-	-	-
3300	Community Services	173,193	151,958	-	-	-	3,401	-	17,834	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>\$ 721,151</b>	<b>\$ 163,858</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,401</b>	<b>\$ 536,058</b>	<b>\$ 17,834</b>	<b>\$ -</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	Transfers of Funds	-	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>		<b>\$ 6,435,097</b>	<b>\$ 1,176,012</b>	<b>\$ 1,383,026</b>	<b>\$ -</b>	<b>\$ 480,768</b>	<b>\$ 940,774</b>	<b>\$ 582,277</b>	<b>\$ 1,305,099</b>	<b>\$ 567,141</b>

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

**Fund: 300 Debt Service Fund**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
1111	Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
2110	Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120	Guidance Services	-	-	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant V	-	-	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
3100	Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200	Other Enterprise Services	-	-	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
4110	Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 000</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>Object 900</b>
5100	Debt Service	\$ 3,181,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,181,753
5200	Transfers of Funds	-	-	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		\$ 3,181,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,181,753
<b>Grand Total</b>		\$ 3,181,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,181,753

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

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

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December 7, 2023

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of Fern Ridge School District No. 28-J (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 7, 2023. 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 the basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, for the year ended June 30, 2023, except for:

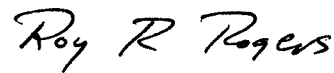
1. Expenditures were within authorized appropriations except as noted on page 13.



### **OAR 162-10-0230 Internal Control**

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

This report is intended solely for the information and use of the Board 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.

A handwritten signature in cursive script that reads "Roy R Rogers".

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

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

GRANT COMPLIANCE REVIEW

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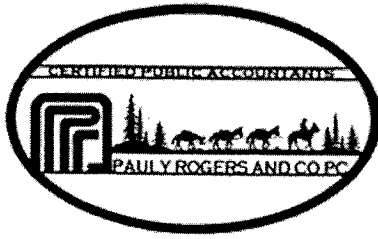
**FERN RIDGE SCHOOL DISTRICT NO. 28-J**  
**LANE COUNTY, OREGON**  
**SCHEDULE OF FEDERAL AWARDS**  
**For the year Ended June 30, 2023**

<b>Program Title</b>	<b>Pass Through Organization</b>	<b>Federal Agency Prefix</b>	<b>Three Digit Exit</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Number</b>	<b>Period Covered</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Education</b>								
Title I Grants to Local Educational Agencies	Oregon Department of Education	84	10	84.010	66969	7/1/2021-9/30/2022	\$ 189,016	\$ -
	Oregon Department of Education	84	10	84.010	67964	7/1/2022-9/30/2023	204,044	-
<b>Total Title I Grants to Local Education Agencies</b>							<b>393,060</b>	<b>-</b>
Title IIA - Teacher Quality	Oregon Department of Education	84	367	84.367	67402	7/1/2021-9/30/2022	1,927	-
	Oregon Department of Education	84	367	84.367	72706	7/1/2022-9/30/2023	68,081	-
<b>Total Title IIA - Teacher Quality</b>							<b>70,008</b>	<b>-</b>
IDEA Part B, Section 611	Oregon Department of Education	84	27	84.027	60654	7/1/2021-9/30/2022	1,976	-
IDEA Part B, Section 611	Oregon Department of Education	84	27	84.027	69147	7/1/2021-9/30/2023	1,310	-
IDEA Part B, Section 619					74205	7/1/2022-9/30/2024	1,469	-
IDEA Part B, Section 611 ARP	Oregon Department of Education	84	27	84.027	68368	7/1/2021-9/30/2023	69,838	-
Pathways for Recovery and Return	Oregon Department of Education	84	27	84.027	74013	7/1/2022-9/30/2024	305,551	-
<b>Total Special Education Cluster</b>							<b>380,144</b>	<b>-</b>
COVID-19 Education Stabilization Fund (ESSER II)	Oregon Department of Education	84	425	84.425D	64577	3/13/2020-9/30/2023	83,876	-
COVID-19 Education Stabilization Fund (ESSER III)	Oregon Department of Education	84	425	84.425U	64882	3/13/2021-9/30/2024	1,016,087	84,563
COVID-19 Education Stabilization Fund (ARP-Homeless Child)	Oregon Department of Education	84	425	84.425W	69343	4/23/2021-9/30/2024	994	-
<b>Total ESSER Cluster</b>							<b>1,100,957</b>	<b>84,563</b>
Title IV-A - Student Support and Academic Enrichment	Oregon Department of Education	84	424	84.424	66758	7/1/2021-9/30/2022	15,163	-
		84	424	84.424	72903	7/1/2022-9/30/2023	20,199	-
							<b>35,362</b>	<b>-</b>
PERKINS	Lane Education Service District	84	48	84.048	ESD-1	7/1/2021-6/30/2022	24,185	-
<b>Total Perkins</b>							<b>24,185</b>	<b>-</b>
YOUTH TRANSITION PROGRAM	Lane Education Service District	84	126A	84.126A	ESD-1	7/1/2021-6/30/2022	42,351	-
<b>Total Youth Transition Program</b>							<b>42,351</b>	<b>-</b>
FAMILY SUPPORT SERVICES	United Way	93	556	93.556	UnitedWay-1	7/1/2021-6/30/2022	32,184	-
<b>Total Family Support Services</b>							<b>32,184</b>	<b>-</b>
<b>Total U.S. Department of Education</b>							<b>2,078,251</b>	<b>84,563</b>
<b>U.S. Department of Agriculture:</b>								
Child Nutrition Cluster:								
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	10	553/555	10.553/555			50,030	-
School Breakfast Program	Oregon Department of Education	10	553	10.553			71,681	-
National School Lunch Program	Oregon Department of Education	10	555	10.555			299,439	-
<b>Total Child Nutrition Cluster</b>							<b>421,150</b>	<b>-</b>
<b>Total U.S. Department of Agriculture</b>							<b>421,150</b>	<b>-</b>
<b>TOTAL FEDERAL REVENUE</b>							<b>\$ 2,499,401</b>	<b>\$ 84,563</b>

**Reconciliation to Federal Revenue:**

Total Federal Awards Expended, above	2,499,401
Accruals/Deferrals	61,752
Total Federal Revenue Recognized	<u>\$ 2,561,153</u>

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December 7, 2023

To the Board of Directors  
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 (the District) as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 7, 2023.

**Report on 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) as a basis for designing 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 weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

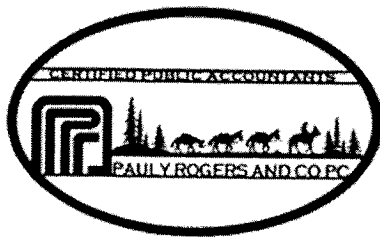
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

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

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



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December 7, 2023

To the Board of Directors  
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**

***Opinion on Each Major Federal Program***

We have audited Fern Ridge School District No. 28-J (the District)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

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.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

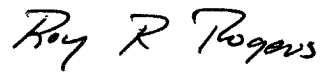
### **Report on Internal Control over Compliance**

*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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered  
to be material weaknesses?

☐ yes

☒ none reported

Noncompliance material to financial statements noted?

☐ yes

☒ no

Any GAGAS audit findings disclosed that are required to be reported in  
accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes

☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered  
to be material weaknesses?

☐ yes

☒ none reported

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance  
with section 200.516(a) of the Uniform Guidance?

☐ yes

☒ no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

**IDENTIFICATION OF MAJOR PROGRAMS**

**AL NUMBER**

**NAME OF FEDERAL PROGRAM CLUSTER**

COVID-19, 84.425D,  
COVID-19 84.425U,  
COVID-19 84.425W

American Rescue Plan – Elementary & Secondary School Emergency Relief

\$750,000

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

☒ yes ☐ no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

**NOTES TO THE 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 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 not elected 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 the Oregon Department of Education, and thus is not allowed to use the de minimis rate.

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