

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30th, 2024

BEND SENIOR HIGH SCHOOL
FUTURE CAMPUS MASTER PLAN



**Administrative School District No. 1
(Bend - La Pine Schools)
Deschutes County, Oregon**

**520 NW Wall Street
Bend, OR 97703**

**ADMINISTRATIVE SCHOOL DISTRICT NO. 1
(BEND – LA PINE SCHOOLS)
DESCHUTES COUNTY, OREGON**

520 NW Wall Street
Bend, OR 97703



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2024

Prepared by the Business Office
Dan Emerson – Chief Financial Officer
Nick Shein – Assistant Director of Finance – Budget
Matt Gayman – Assistant Director of Finance – Accounting

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INTRODUCTORY SECTION



“The only dreams impossible to reach are the ones you never pursue.”

-Michael Deckman



Business Office
Education Center
520 NW Wall Street
Bend, OR 97703

December 13, 2024

To the Board of Directors and citizens of Deschutes County Administrative School District No. 1 (Bend-La Pine Schools):

We are pleased to submit the Annual Comprehensive Financial Report of Administrative School District No. 1, Deschutes County, Oregon (Bend-La Pine Schools or the District), as of and for the year ended June 30, 2024. Oregon Revised Statutes 297.425 requires the accounts and fiscal affairs of the district be audited and reviewed at least once each fiscal year. This report is published to accomplish that requirement.

Audits and reviews required by Oregon Revised Statutes 297.425 shall inquire into:

- The principles of accounting and methods followed by Bend-La Pine Schools in recording, summarizing and reporting its financial transactions and financial condition;
- The accuracy and legality of the transactions, accounts, records, files and financial reports of the officers and employees of Bend-La Pine Schools as they relate to its fiscal affairs; and
- Compliance with requirements, orders and regulations of other public officials which pertain to the financial condition or financial operations of Bend-La Pine Schools.

The management of Bend-La Pine Schools assumes full responsibility for the completeness and reliability of the information contained in this report. The District maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Sensiba issued an unmodified (“clean”) opinion on Bend-La Pine Schools’ financial statements for the year ended June 30, 2024. Sensiba’s audit opinion report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget’s (OMB) Uniform Guidance. These standards require the independent auditor not only report on the fair presentation of the basic financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2024 can be found in the Audit Comments and Disclosures Section of this report.

Management’s discussion and analysis (MD&A) immediately follows Sensiba’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Bend-La Pine Schools Profile

Bend-La Pine Schools is the fifth largest school district in the State of Oregon. Constituted by 33 schools

and 2 charter schools across our 1,700 square miles across the communities of Bend, La Pine, and Sunriver. The District was formed in 1961 as the result of an election that consolidated five school districts.

Bend-La Pine Schools serves approximately 16,900 students in kindergarten through grade twelve and currently operates nineteen elementary schools, seven middle schools, and seven high schools. There are also two district-sponsored charter schools.

The District is governed by a seven-member board elected to four-year terms, five members by zones based on voter precincts and two at-large members. The Board is the governing body, and as such is exclusively responsible for its decisions and is accountable for the decisions it makes. The Board is focused on policies that elevate student achievement and create world class schools. The latitude afforded under state law allows the School Board to significantly influence operations. This authority includes, but is not limited to, adoption and appropriation of the budget, control over all assets, negotiating collective bargaining agreements, short-term borrowing, and contracting and developing the programs of the District. The Board of Directors together with seven appointed community members, comprises the fourteen-member Budget Committee. In addition, community members take an active role in the District's schools through volunteer programs, site committees and parent groups.

We are the second largest employer in Central Oregon, with 85% of our \$249 million operating budget focused on people. We celebrate an award-winning staff of over 2000, including Teachers of the Year, numerous Presidential Math and Science honorees, James Madison Fellowship winners, and School Nurses of the Year.

Visioning

Bend-La Pine Schools' strategic plan is built on a simple, but profound promise: every student in Bend-La Pine Schools is known by name, strengths, and needs, and graduates ready for college, career, community engagement and life.

At Bend-La Pine Schools we value the work of our teachers and staff, who help enrich our students' school experiences. Our schools are home to state and national award-winning activities, including journalism, band, speech and debate, robotics, DECA, Future Farmers of America, Future Business Leaders of America, and more. With over 33 career technical education programs and 60 courses available for both high school and college credit in our 7 high schools, we provide comprehensive and highly enriching opportunities for our students to access their passions and pathways to a successful future.

Each year, Bend-La Pine works to build upon our successes in order to deliver the best teaching and learning environment in Oregon. 1360 Bend-La Pine Schools students flipped their tassels in 2024, accepting high school diplomas and preparing for studies at prestigious universities and colleges around the world, or beginning post-high school training at hundreds of institutions. 428 of these students earned honors diplomas and 119 earned the Seal of Biliteracy.

The Board of Directors, in partnership with district leadership, has provided clear direction and focus towards this promise through the development of the Board's Goals:

1. Students are engaged and develop a **strong academic foundation**.
2. Students have a **passion, purpose, and plan** for their future.
3. Students, families, and staff **experience wellness, inclusion, and belonging** in our schools.
4. Operational systems align and support an academically effective and sustainable organization

These goals are also informed by the 2019-20 Excellence and Equity Review, where we engaged with

the community to identify focal points in how we deliver upon the goals identified above:

1. Empower student, family, and community voice.
2. Create safer, healthier, more equitable school environments for students and families.
3. Review and redesign curriculum to include anti-racist resources and diverse perspectives.
4. Focus on core curricula, instruction, and assessment practices that elevate learning for all students.
5. Diversify staff in all classifications.

At Bend-La Pine Schools we strive to connect students with meaningful experiences beyond academics. Through community service efforts and an emphasis on kindness, empathy and social emotional learning in the classroom, we are helping all of our students thrive on their respective paths toward limitless futures.

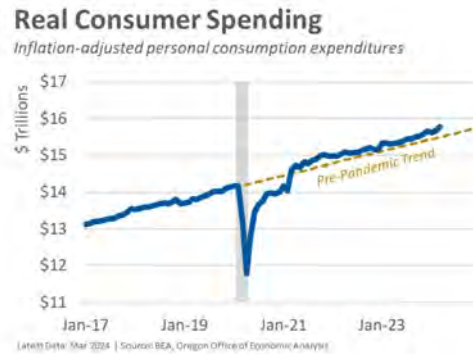
Local and State Economy

Bend-La Pine Schools is located entirely within Deschutes County. Deschutes County is the most populous county in the eastern part of Oregon with a 2024 population of approximately 210,500 people. With its varied topography, tourism is one of Deschutes County largest economic sectors. The Mount Bachelor ski resort and nearby Cascade Lakes are large draws for tourists. Recreational activities include downhill and cross-country skiing, hiking, biking, rafting, golfing, camping, fishing, picnicking, rock climbing, and general sightseeing. Oregon State University - Cascades (OSU-Cascades) is located in Bend and is the first public university to open in Oregon in more than 50 years. Bend is also home to the Deschutes Brewery, the 12th largest craft brewery in the nation in 2023 according to the Brewers Association, and the largest of over a thirty microbreweries in the city.

In FY2023-24, the taxable assessed value of property in Deschutes County increased by approximately 5.6 percent. The area's economic base has diversified significantly since 1980, when the region was known for its wood products. The top employers in the area are St. Charles Medical Center, a regional health service organization; Bend-La Pine Schools; Deschutes County; Mt. Bachelor, a ski resort; Sunriver Resort, a luxury resort community; Redmond School District; Central Oregon Community College; Safeway, a national grocery store chain; City of Bend; and Summit Medical Group, a regional health care organization. Due to its strong and healthy local economy, Bend-La Pine Schools has maintained a credit rating of Aa2 from Moody's Investor Service, the Aa2 rating is a little stronger than the US school districts median of Aa3. The key credit factors include an extensive tax base with a healthy wealth and income profile, a solid financial position, and mid-ranged debt and pension burdens.

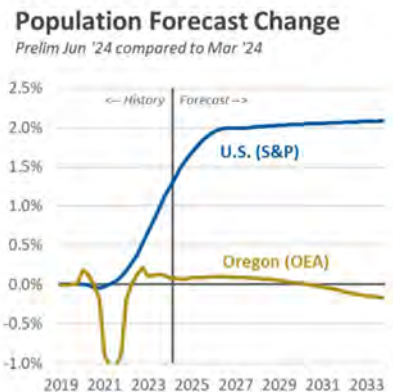
According to the June 2024 Oregon Economic and Revenue Forecast, economists continue to predict an inflationary boom as growth is still outpacing expectations and household income gains have generally kept pace with rising prices due to inflation. Fundamental indicators of economic health are positive, and the Federal Reserve is expected to reduce interest rates only after continued decreases in inflation show in economic data.

With all the turmoil of the last three and a half years, it is easy to lose sight of the fact that incomes are higher today than they were expected to be in pre-pandemic forecasts. All told, incomes continue to grow and consumer spending remains strong enough to keep the economy out of a recession.



Although inflation has fallen significantly, it remains higher than the Federal Reserve’s target of two percent. The challenge now will be to keep monetary policy tight enough to slow growth and cool inflation, but loose enough to avoid a recession. Most economists now see inflation stabilizing in years ahead without a recession, and for rate cuts in the second half of the year.

Another factor in the state and local economy is population. In an August 2022 update from the Oregon Office of Economic Analysis, for the first time in recorded history, there were more deaths than births in Oregon. While national populations have grown due to immigration, Oregon has yet to see migration trends counteract a shrinking population and longer term predicted population changes are negative. Without those migration trends, Oregon’s economic growth could be slower than anticipated.



The significance of this decline, is that Oregon is increasingly reliant upon in-migration to grow our economy and labor force. Without net in-migration, Oregon’s state-wide workforce will shrink in the decades ahead. Oregon economists had already been predicting a 6 percent decline for K-12 population from 2020 to 2030, even before the latest birth rates were made available.

In contrast to the state birth rates trends, the birth rates for the district in 2021 at 1,332 were the highest since 2009, and a growth of 5% over 2020 births. Overall, the population in Bend has increased by over 35,000 between 2010 and 2020, a growth rate of over 45 percent.

The District has made substantial investments in school facilities to keep pace with that growth. While some facilities are almost 100 years old, over 95 percent of the net book value of buildings are related to assets placed in service since the beginning of the 21st century.

The FY2024-25 projected enrollment for Bend-La Pine Schools is 16,940 a decrease of 194 students compared with enrollment of 17,134 on October 1, 2023. This represents slight reduction year over year,

with the projected enrollment still below the pre-pandemic measurement of 18,672 students on October 1, 2019.

State Support for Oregon Public Schools

Generally, Oregon public schools receive funding from two primary sources, local property taxes and a state school support grant, with the latter predominately from income taxes. The state's school support formula recognizes local property taxes as an offset to the payment due from the state.

Public schools, together with education service districts and community colleges, have had an aggregate maximum property tax rate for operations of \$5.00 per \$1,000 of real market valuation since the passage of Ballot Measure 5 in 1990. On May 20, 1997, Oregon voters approved Ballot Measure 50, which limited the annual increase in taxable property values. Under Measure 50, the legislature is required to continue to fund revenue lost by schools due to property tax limitations and established a permanent tax rate of \$4.7641 per \$1,000 of assessed value on property for our district.

Since Ballot Measure 5 passed in 1990, school districts across Oregon rely upon the state for the majority of their financing. Even though districts collect revenue locally through the property tax, school funding is essentially equalized through the allocations under the state school fund, which accounts for more than 50% of the District's general fund revenue. The State of Oregon is more dependent upon a single revenue source, state income tax, than any other state in the country. Accordingly, the financial outlook for the District is tied closely to the condition of the Oregon economy. The second most important source of revenue for the District, and the source of funds to pay its capital bonds, is local property taxes. Real estate values and associated assessed values of real property are the most important factor in the strength of this revenue source.

The 2023-25 Oregon's legislatively adopted budget included \$10.2 billion for the State School Fund (SSF) which makes up the state portion of the amount distributed to School Districts and Education Service Districts (ESDs) through the school funding formula. The 2023-25 budget represents an increase of almost \$900 million, or 9.68%, over the 2021-23 funding level. Funding from the SSF was split 49/51 between the two school years of the biennium. Overall, general purpose funding for School Districts and ESDs depends on both the state contribution through the SSF and the contributions of local revenue including property taxes, timber revenue, and distributions from the Common School Fund.

The FY2023-24 ending fund balance in the General Fund Operations subfund is \$27.58 million, which is approximately \$17.1 million more than the budgeted \$10.39 million.

Major Initiatives

In May 2017, voters approved a general obligation bond issue in the amount of \$268 million for the construction of Caldera High School, North Star Elementary School, and other capital projects. School bond projects will increase student and staff safety, improve access to school sites, and address chronic overcrowding through upgrades and updates made to schools and classrooms throughout the district. Caldera High School and North Star Elementary School will add more capacity to keep pace with the growing community.

- Caldera High School: Bend-La Pine's first new high school in two decades, opened its doors to students in the Fall of 2021. The new school includes nearly 60 classrooms, including several Career and Technical Education classrooms, a 600-seat auditorium, library, football stadium, sports fields and includes two secure main entries. 1 class of incoming freshman will be added each year until the school reaches full capacity in the 2024 school year.

In November 2022, voters approved a general obligation bond issue in the amount of \$247.9 million.

\$100 million in bonds were sold in March 2023 to fund the first phase. Nearly 100 individual projects are planned that will increase student and staff safety, improve access to school sites and upgrade technology. The primary construction project will be the renovation of the Bend High School campus.



Long-term Financial Planning

We forecast revenues, expenditures and fund balance in a five-year rolling plan. Revenue forecasts consider historical increases in formula revenue from the State with adjustments for current information, as well as increases tied to the consumer price index for other types of revenues. Forecasts for salary expenditures consider contracts with employee associations while forecasts for non-salary items consider the increase in the consumer prices index as well as other external factors. The long-term impact of adding additional schools is also considered.

Because approximately one-half of operational funding is derived from state income tax, the Board of Directors instituted an executive limit that prohibits management from proposing an ending fund balance less than five percent of total revenue in the general fund operations. The FY2023-24 adopted budget included an ending fund balance for general fund operations set at 5 percent of resources, in accordance with the executive limitation. The actual FY2023-24 ending fund balance for the General Fund Operations subfund is \$27.58 million.

Relevant Financial Policies and Information

Bend-La Pine Schools has adopted a comprehensive set of financial policies. District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Control

Bend-La Pine Schools maintains numerous budgetary controls. The objective of these budgetary controls is to ensure compliance with the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Board of Directors adopts the annual budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

The legal level of budgetary control is set at the major fund and major function level. At this level district and school administrators have discretion to reassign resources within major function levels.

The District also maintains an encumbrance accounting system to account for commitments for goods and services, which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for GAAP purposes.

Accounting Policies

Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 28-70, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information. Please note that totals may not precisely add up due to rounding. We consider the differences to be immaterial.

Charter Schools

Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District sponsors two charter schools; Bend International School and Desert Sky Montessori. The charter schools are not considered a component unit of the District under GASB 61.

Debt Administration

We have been very active in managing our debt over the last 30 years. Many general obligation issues have been "refunded" (refinanced), saving millions for taxpayers by locking in lower interest rates and shortening the maturity of the bonds. In November 2021, the District closed on a refunding of our 2013 Bonded debt. While savings from refunding do not directly impact the district's financial statements, the taxpayers will save approximately \$7.5 million dollars over the next 10 years.

In November 2002, the district joined a state-wide consortium to issue \$40.9 million of taxable pension bonds to finance a portion of the estimated 2001 unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS). In April 2003, the District participated in the second state-wide effort to issue \$25.3 million of taxable pension bonds to apply to the estimated unfunded actuarial liability with the PERS. In February 2004, the District participated in the third state-wide effort to issue \$5.9 million of taxable pension bonds to apply to the unfunded actuarial liability. As a result of these pension bond issuances the PERS employer rates will be lower than the rates assessed for the school district pool for the foreseeable future.

The statutory debt limit is established by Oregon law, specifically ORS 328.245(1) and (2), at 7.95 percent of the real market value of property within the taxing district's boundary. At June 30, 2024 our net bonded debt is approximately \$4.215 billion less than the statutory debt limit.

Independent Audit

The provisions of Oregon law, specifically ORS 297.425 through 297.555, require that an independent audit be made of all public school district funds within six months following the close of each fiscal year. The auditors, selected by the Board of Directors, have completed their audit of our financial statements and their opinion is included in the Financial Section of this report.

This report also includes Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules. In addition, the District is required to have an audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Compliance Supplement and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to the financial and compliance audits. A report on the District's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Compliance Supplement is included with this report beginning on page 146.

Awards

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2023. Receiving this award is recognition that we have met the highest standards of excellence in school financial reporting as adopted by the Association of School Business Officials International. We have received a Certificate of Excellence for the last 40 years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO for review.

GFOA Certificate of Achievement of Excellence

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We have received a Certificate of Achievement for the last 41 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

Acknowledgments

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We also wish to extend our appreciation to the members of the Board of Directors for their expectations of excellence, and their dedication to our financial operations.

Respectfully submitted,



Daniel Emerson
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Administrative School District #1,
Deschutes County**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Administrative School District No. 1
(Bend - La Pine Schools)
Deschutes County, Oregon**

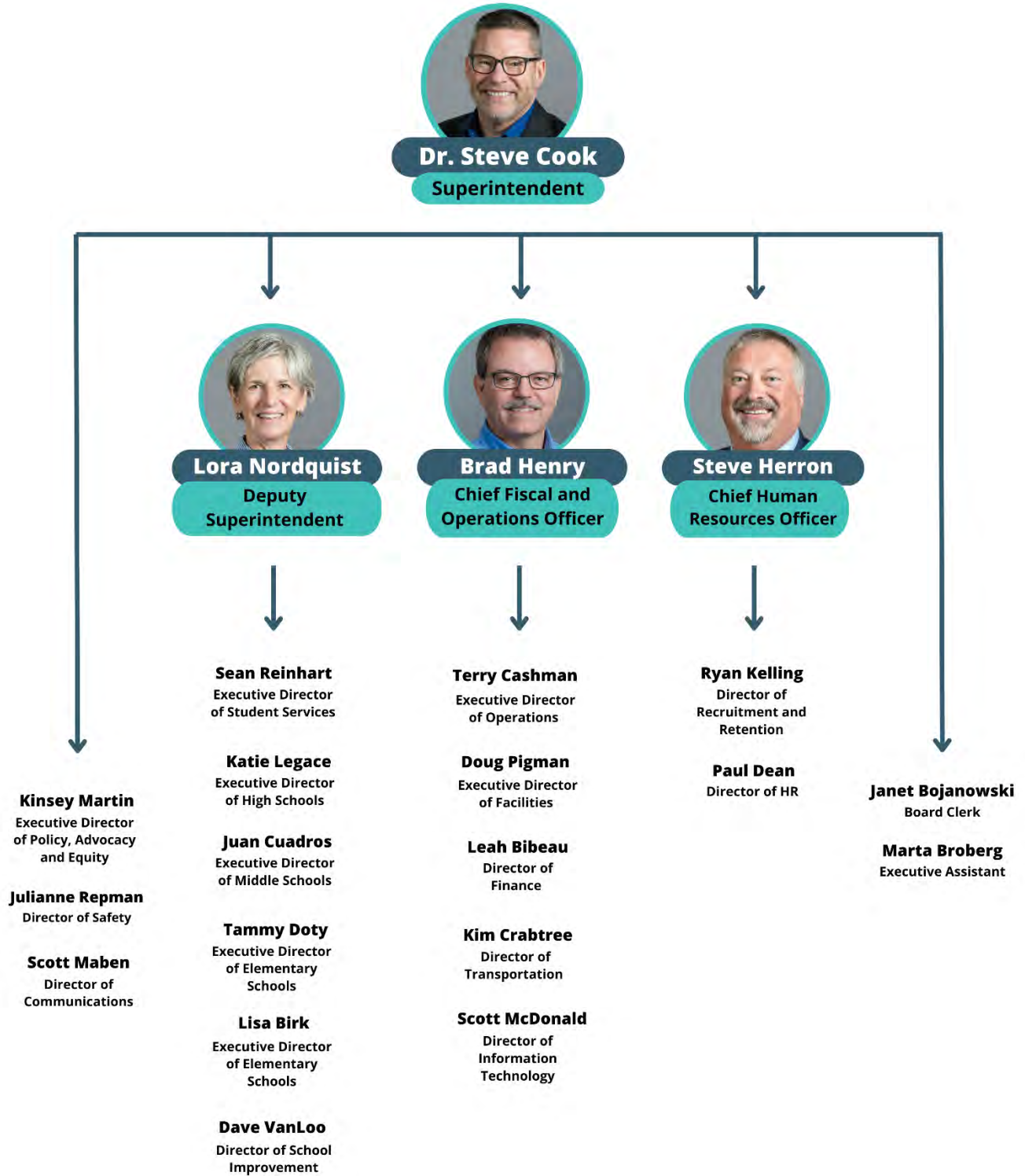
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Administrative School District No. 1
 Deschutes County, Oregon
 Organizational Chart
 June 30, 2024



Administrative School District No. 1
Deschutes County, Oregon
Principal Officials
June 30, 2024

BOARD OF DIRECTORS

	<u>Term Expires</u>
Marcus LeGrand – Chair Bend, Oregon	June 30, 2025
Carrie McPherson Douglass – Vice Chair Bend, Oregon	June 30, 2025
Kina Chadwick Bend, Oregon	June 30, 2025
Cameron Fischer Bend, Oregon	June 30, 2025
Amy Tatom Bend, Oregon	June 30, 2027
Shirley Olson Sunriver, Oregon	June 30, 2025
Zone 6 Position	Vacant

ADMINISTRATIVE STAFF

Dr. Steven Cook	Superintendent
Brad Henry	Chief Operations and Financial Officer

The above members of the Board and administrative staff can be reached by mail at 520 NW Wall Street, Bend, OR 97703



FINANCIAL SECTION



“All real education is the architecture of the soul.”

-William Bennett



Independent Auditor's Report

To the Board of Directors
Bend-La Pine Schools
Deschutes County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Bend-La Pine Schools (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bend-La Pine Schools, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – Retiree Health Insurance Account, schedule of changes in total OPEB liability and related ratios – medical benefit, and the schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds 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 management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios – medical benefit, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards 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 introductory sections as identified in the table of contents; combining schedule of assets, liabilities and fund balance – general fund sub funds; combining schedule of revenue, expenditures and changes in fund balance general fund sub funds; budgetary schedules for the general fund sub funds, the debt service, capital project, and the private purpose trust funds; the combining schedules of detailed revenues and expenditures – budgetary basis; schedules required by Oregon Department of Education as identified in the table of contents; and the statistical section as identified in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2024 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 2024 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 our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Brenda Bawlett

Sensiba LLP
Bend, Oregon

December 13, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

The management of Bend-La Pine Schools (District) presents this narrative overview to facilitate both a short and long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2024. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. We encourage readers to consider the information presented here in conjunction with additional information provided in the Transmittal Letter found on pages iv – xi of this report.

Financial Highlights

Key financial highlights for FY2023-24 are as follows:

- The District's net position of governmental activities increased by \$29.2 million, which represents a 25 percent increase from FY2022-23.
- For governmental activities, general revenues accounted for \$268.2 million, 81.9 percent of total revenues of \$327.6 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$59.3 million, 18.1 percent of total revenues.
- The District had \$298.3 million in expenses related to governmental activities; only \$59.3 million was offset by program specific charges for services, grants or contributions. General revenues of \$268.2 million were adequate to provide for the governmental activities of the District.
- The District's net proportionate share of the Oregon PERS pension liability increased by \$32.9 million.
- At the end of FY2023-24, the District's governmental funds reported a combined fund balance of \$160 million, a decrease of \$8.1 million from FY2022-23, the result of a reduction in cash and investments within the Capital Project Fund due to construction activity.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

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

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the District's net position changed during FY2023-24. 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 result in cash flows in a future fiscal period. Examples of such items include earned, but uncollected, property taxes and earned, but unused, compensated absences.

The governmental activities of the District include the following:

- Instruction
 - Regular instruction
 - Special programs including summer school
- Support Services
 - Students
 - Instructional staff
 - General administration
 - School administration
 - Business, transportation and maintenance
 - Central activities
 - Supplemental retirement program
- Enterprise and Community Services
 - Food services
 - Other enterprise and community services

The government-wide financial statements can be found on pages 20 and 21 in the basic financial statements.

Fund financial statements. 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 uses fund accounting to demonstrate transparency and ensure compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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 financial 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. These reconciliations can be found on pages 23 and 25 in the basic financial statements.

The District maintains four governmental funds. Information is presented separately in the governmental

fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The four governmental funds are:

- General
- Special Revenue
- Debt Service
- Capital Projects

Fiduciary fund. The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on page 26. These activities are excluded from the District's other financial statements because the assets cannot legally be utilized by the District to finance its operation.

The District adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the Special Revenue Fund on pages 77 and 78. Budgetary comparisons for the Debt Service Fund and Capital Projects Fund funds have been provided as supplementary information on pages 97 and 98. The District was fully compliant with Oregon Budget Law in FY2023-24.

The governmental fund financial statements can be found on pages 22 and 24 in the basic financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Supplementary information. The combining schedules of the General Fund subfunds and budgetary comparisons follow the required supplementary information in this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial health. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$146.2 million at the close of the fiscal year ending June 30, 2024, an increase of \$29.3 million.

A majority of the District's net position reflects its investment in capital assets (e. g. land, buildings, vehicles and equipment) less depreciation, amortization and any outstanding related debt used to acquire those assets. At June 30, 2024 this portion of the net position is positive which indicates the District has \$259.9 million more in capital assets, net of depreciation and amortization, than associated debt. The District uses 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 required to pay the debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, which consist of land, buildings, land improvements, construction in progress, vehicles, and equipment, represent about 75 percent of total assets. This percentage remained constant year over year.

The District's largest liability, accounting for 63 percent of total liabilities, is the long-term portion of general obligation bonds and other debt. The net pension liability is the next largest liability and accounts for approximately 26 percent of total liabilities. Together the long-term debt and net pension liability represent 89 percent of total liabilities. Current liabilities, representing about 10 percent of total liabilities, consist of payables on accounts, benefits, and the current portion of long-term debt. Information on long-term debt activity is presented on pages 64-67.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for June 30, 2024 and June 30, 2023.

	<u>Governmental Activities</u>		<u>Change</u>
	<u>2024</u>	<u>2023</u>	
Capital assets	\$ 579,085,000	\$ 572,368,000	\$ 6,717,000
Current and other assets	189,978,000	194,962,000	(4,984,000)
<u>Total assets</u>	<u>769,063,000</u>	<u>767,330,000</u>	<u>1,733,000</u>
<u>Deferred outflow of resources</u>	<u>64,534,000</u>	<u>67,421,000</u>	<u>(2,887,000)</u>
Long-term liabilities	640,910,000	641,893,000	(983,000)
Current liabilities	25,033,000	23,768,000	1,265,000
<u>Total liabilities</u>	<u>665,943,000</u>	<u>665,661,000</u>	<u>282,000</u>
Pension deferrals - inflows	21,394,000	52,119,000	(30,725,000)
Net Position			
Net investment in capital assets	248,816,000	237,355,000	11,461,000
Restricted	30,300,000	30,941,000	(641,000)
Unrestricted	(132,856,000)	(151,326,000)	18,470,000
<u>Total net position</u>	<u>\$ 146,260,000</u>	<u>\$ 116,970,000</u>	<u>\$ 29,290,000</u>

Rounded to nearest thousand

Governmental Activities

The District's net position increased by approximately \$29.3 million in FY2023-24. Capital assets increased by \$6.7 million and changes in pension related liabilities, deferred inflows and deferred outflows decreased net position by \$2.4 million. There was a net increase in the restriction for capital projects of approximately \$13.2 million.

The Statement of Activities shows the cost of program services, and offsetting those are charges for services, operating grants and contributions. The following table shows the changes in net position for governmental activities between FY2023-24 and FY2022-23.

Changes in Net Position, Fiscal Year Ended June 30

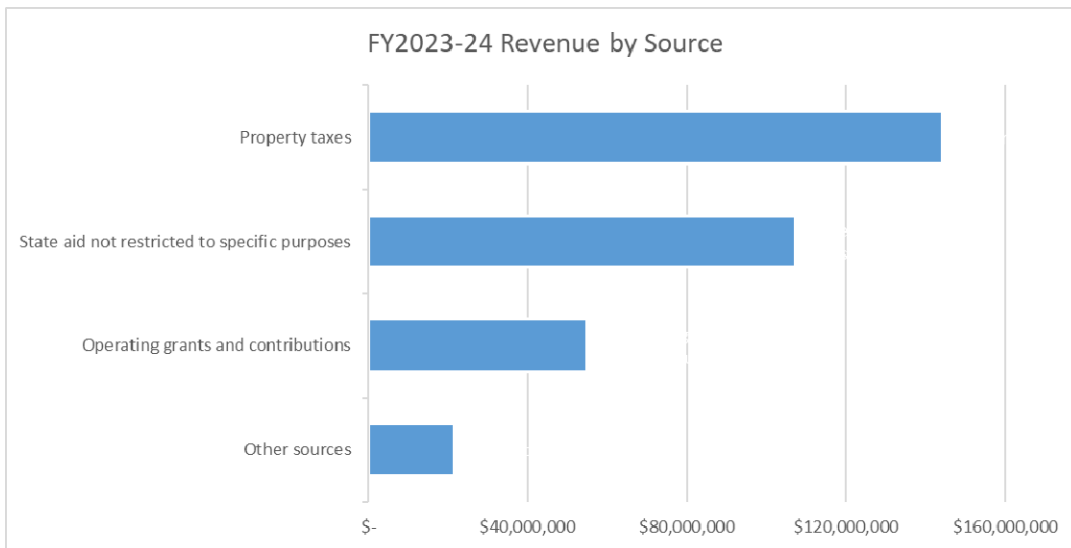
	<u>Governmental Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues			
Programs revenues			
Charges for services	\$ 3,613,000	\$ 3,998,000	\$ (385,000)
Operating grants and contributions	54,874,000	54,172,000	702,000
Capital grants and contributions	847,000	761,000	86,000
General revenues			
Property taxes	144,139,000	138,213,000	5,926,000
Federal aid not restricted to specific purposes	83,000	384,000	(301,000)
State aid not restricted to specific purposes	107,226,000	103,472,000	3,754,000
Intermediate aid not restricted to specific purpo	2,217,000	1,639,000	578,000
Earnings on investments	9,983,000	4,593,000	5,390,000
Other local revenue	4,583,000	5,530,000	(947,000)
<u>Total Revenues</u>	<u>327,565,000</u>	<u>312,762,000</u>	<u>14,803,000</u>
Expenses			
Instruction	160,307,000	151,827,000	8,480,000
Support services	110,219,000	102,237,000	7,982,000
Enterprise and community services	12,036,000	11,497,000	539,000
Interest on long-term liabilities	15,713,000	14,341,000	1,372,000
<u>Total Expenses</u>	<u>298,275,000</u>	<u>279,902,000</u>	<u>18,373,000</u>
Changes in net position	29,290,000	32,860,000	(3,570,000)
<u>Net position - beginning of year</u>	<u>116,970,000</u>	<u>84,110,000</u>	<u>32,860,000</u>
<u>Net position - end of year</u>	<u>\$ 146,260,000</u>	<u>\$ 116,970,000</u>	<u>\$ 29,290,000</u>

Rounded to nearest thousand

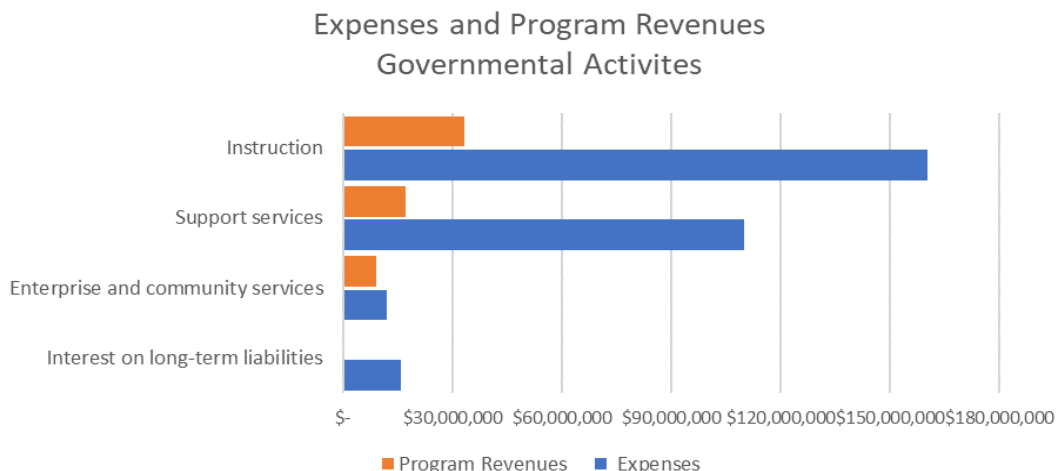
The increase in property taxes is the result of growth in assessed values within Deschutes County. The increase in State aid not restricted to specific purposes is a reflection of the increase in the District's proportional share of the State School fund. Increases on earnings from investments is a result of higher interest rates and a larger cash balance which resulted from a prior voter approved bond levy.

Net position of the District's governmental activities increased by \$29.2 million. Total governmental expenses of \$298.3 million were offset by program revenues of \$59.3 million and general revenues of \$268.2 million. Program revenues supported about 18.1 percent of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and state aid. Together these sources total \$251.4 million and represent 77 percent of total governmental revenue.



Overall expenses increased by \$18.4 million or about 6.6 percent. The increase in instruction and support services was driven by a combination of contractual increases, along with inflationary growth in the cost of supplies and materials. The increase in interest expense is a result of regular interest expense associated with District obligations.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a FY2023-24 combined fund balance of \$160 million, a decrease of \$8.1 million compared with the FY2022-23 combined fund balance of \$168.1 million. The primary reason for the decrease in combined fund balance was a reduction in cash and investments within the Capital Project Fund due to construction activity. The following schedule shows the fund balance and change in fund balance as of June 30, 2024 and 2023.

	Fund Balance June 30, 2024	Fund Balance June 30, 2023	Change	Percentage Change from June 30, 2023
General	40,753,000	33,529,000	7,224,000	22%
Special Revenue	11,943,000	13,070,000	(1,127,000)	-9%
Debt Service	5,460,000	5,387,000	73,000	1%
Capital Projects	101,863,000	116,160,000	(14,297,000)	-12%
Total fund balances	160,019,000	168,146,000	(8,127,000)	-5%

Rounded to nearest thousand

General Fund

The District's general fund balance increased by \$7.2 million. The increase is primarily attributable to an increase in the State School Fund Formula revenues.

The following table summarizes the revenues and expenditures for FY2023-24 and FY2022-23:

	FY2023-24	FY2022-23	Percentage change
Revenues			
Property taxes	\$ 104,201,000	\$ 99,009,000	5.24%
Tuition	15,000	19,000	-21.05%
Investment earnings	3,750,000	1,986,000	88.82%
Other local sources	6,025,000	6,582,000	-8.46%
Intermediate sources	2,217,000	1,639,000	35.27%
State sources	99,152,000	96,977,000	2.24%
Federal grant sources	294,000	412,000	-28.64%
Other financing sources	354,000	964,000	-63.28%
Total revenues & other financing sources	\$ 216,008,000	\$ 207,588,000	4.06%
Expenditures by function			
Instruction	\$ 117,295,000	\$ 118,159,000	-0.73%
Support services	83,782,000	78,527,000	6.69%
Community services	391,000	280,000	39.64%
Debt Service	1,369,000	839,000	63.17%
Capital outlay	5,944,000	4,827,000	23.14%
Other financing uses	-	-	100.00%
Total expenditures & other financing uses by function	\$ 208,781,000	\$ 202,632,000	3.03%

Rounded to nearest thousand

The increase in property taxes reflects the growth in assessed valuation in Deschutes County. Investment earnings have increased, mainly the result of higher interest rates and a larger cash balance due to a prior approved bond levy.

Support services expenditures increased over FY2022-23. These expenditures increased primarily due to contractual obligations with employees, and inflationary growth in the costs of supplies and services.

General Fund Budgeting Highlights

Original budget compared to final budget.

There were no changes to the FY2023-24 original budget.

Final budget compared to actual results.

The most significant differences between estimated revenues and actual revenues were as follows:

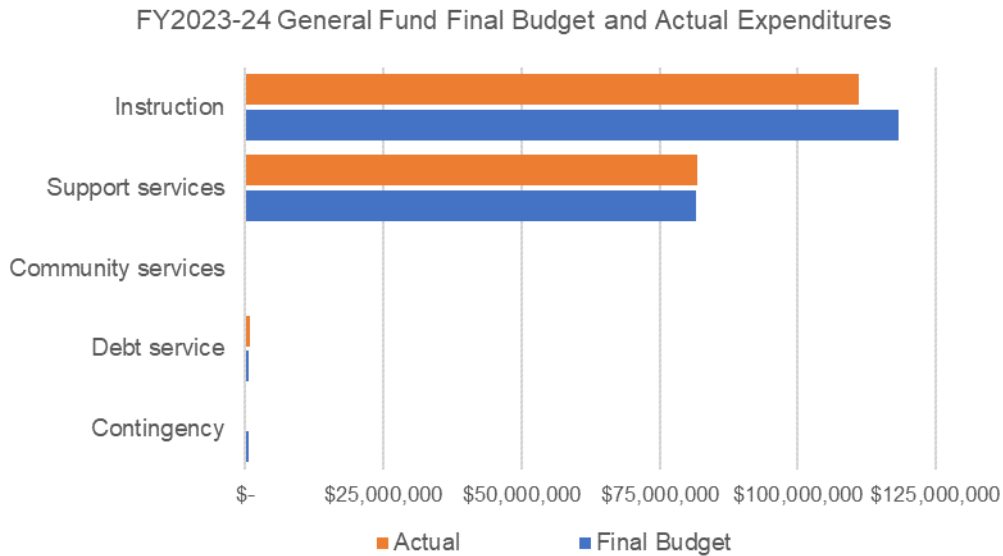
Revenue Source	Revenues - Final Budget	Actual Revenues	Difference	Difference from Final Budget
Property taxes	\$ 103,643,000	\$ 104,201,000	\$ 558,000	1%
Tuition	10,000	15,000	5,000	0%
Investment earnings	900,000	2,735,000	1,835,000	204%
Other local sources	2,760,000	3,184,000	424,000	15%
Intermediate sources	2,370,000	2,217,000	(153,000)	-6%
State sources	91,963,000	98,305,000	6,342,000	7%
Federal sources	310,000	294,000	(16,000)	-5%
Total revenues	201,956,000	210,951,000	8,995,000	4%

Rounded to nearest thousand

The differences in property taxes, state sources and other local sources are all components of the State School Fund formula. When property tax revenues and certain local sources like the County School Fund are more than estimated, state sources are reduced accordingly. The Federal Communications Commission's eRate program provides rebates and discounts for telecommunications, internet access and internal connections to eligible schools and libraries.

Administrative School District No. 1
 Deschutes County, Oregon
 Management's Discussion and Analysis
 June 30, 2024

A review of actual expenditures compared to appropriations in the final budget yields significant variances in the instruction function. This variance is due to a number of factors. Staffing costs were less than budgeted due to difficulties in recruiting and retention. Additionally, costs for supplies and materials were below budget due to supply chain issues.



Special Revenue Fund

The District's special revenue fund balance decreased over the 2023-24 school year by \$1.1 million. The following table summarizes the revenues and expenditures for FY2023-24 and FY2022-23.

	FY2023-24	FY2022-23	Percentage change
Revenues			
Investment earnings	\$ 425,000	\$ 367,000	15.80%
Food Service	1,614,000	2,018,000	-20.02%
Other local sources	6,316,000	6,871,000	-8.08%
Intermediate sources	395,000	395,000	0.00%
State sources:	24,058,000	26,635,000	-9.68%
Federal grant sources	24,224,000	18,856,000	28.47%
Total revenues & other financing sources	\$ 57,032,000	\$ 55,142,000	3.43%
Expenditures by function			
Instruction	\$ 28,707,000	\$ 24,297,000	18.15%
Support services	16,530,000	17,654,000	-6.37%
Community services	11,518,000	11,268,000	2.22%
Debt Service	-	542,000	-100.00%
Capital outlay	1,248,000	1,493,000	-16.41%
Other financing uses	157,000	182,000	-13.74%
Total expenditures & other financing uses by function	\$ 58,160,000	\$ 55,436,000	4.91%

The increase in federal grant sources was a result of final Elementary and Secondary School Emergency Relief (ESSER) allocations.

The increase in expenditures for instruction resulted from use of federal ESSER and state Student Investment Account grant funds to provide additional academic supports to historically underserved student groups, support student health and safety, reduce class size and increase student access to a well-rounded education.

Long-term Debt

At June 30, 2024, the District had total debt outstanding of \$427.9 million net of unamortized premium/discount and consisting of general obligation bonds, limited tax pension bonds, notes from direct borrowings and full faith and credit obligations.

During FY2023-24, the District's total debt decreased by \$32.1 million. The driving factor in the decreased debt was the District's 2013 general obligation bond matured and all debt obligations were settled.

The debt service fund had \$49.4 million in revenues and \$49.4 million in expenditures for regularly scheduled debt service payments. Overall fund balance increased by approximately \$73,000.

The following table summarizes the debt outstanding at June 30, 2023 and 2022.

	Governmental Activities		
	FY2023-24	FY2022-23	Change
General obligation bonds	\$ 395,810,000	\$ 420,200,000	\$ (24,390,000)
Limited tax pension obligation bonds	30,420,000	37,335,000	(6,915,000)
Full faith and credit bonds	-	545,000	(545,000)
Notes payable	1,709,000	1,973,000	(264,000)
Total outstanding debt	\$ 427,939,000	\$ 460,053,000	\$ (32,114,000)

Rounded to nearest thousand

The District's general obligation debt is issued with the Oregon School Bond Guaranty. The outstanding general obligations of the State are rated "AA+" by Fitch, "Aa1" by Moody's Investors Service and "AA+" by S&P Global Ratings. In February 2023, Moody's confirmed the District's Aa2 bond rating in its research credit opinion report.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market valuation. The current debt limitation of the District is approximately \$4.6 billion and the District is well within this limit. The current legal debt margin is approximately \$4.2 billion. More detailed information on long-term debt activity can be found in the notes to the basic financial statements beginning on page 28.

Capital Projects Fund

The District's capital projects fund balance decreased by \$14.3 million, reflecting increased Capital Outlay expenditures in 2023-2024. The following table summarizes the revenues and expenditures for FY2023-24 and FY2022-23.

	FY2023-24	FY2022-23	Percentage change
Revenues			
Investment earnings	\$ 5,220,000	\$ 1,498,000	248.46%
Other local sources	443,000	716,000	-38.13%
State sources	176,000	851,000	-79.32%
General obligation debt issued	-	100,000,000	-100.00%
Premium from general obligation debt	-	5,904,000	-100.00%
Other financing sources	17,000	212,000	-91.98%
Total revenues & other financing sources	\$ 5,856,000	\$ 109,181,000	-94.64%
Expenditures by function			
Facilities acquisition & construction	\$ 6,771,000	\$ 3,702,000	82.90%
Capital outlay	13,383,000	11,175,000	19.76%
Total expenditures by function	\$ 20,154,000	\$ 14,877,000	35.47%

Rounded to nearest thousand

Net capital assets increased by \$6.7 million in FY2023-24. See Note “D” on page 41 in the basic financial statements for further details on the District’s capital assets. Major capital asset events during the FY2023-24 included the following:

- Bend High School – Roof replacements, production kitchen modernization and instructional space modernization.
- REALMS Middle and High School – Phase 4 of the campus interior remodel.
- District wide improvements in classroom technology, security and technology infrastructure.

Economic Factors and FY2023-24 Budgets and Rates

The following economic factors currently affect the District and were considered in developing the FY2023-24 budget.

- FY2024-25 is the second year of the 2024-25 biennium. The operating budget was based a state funding level of \$10.2 billion with a 49/51 split between the first and second year of the biennium.
- The FY2024-25 ending fund balance for General Fund Operations was budgeted at 5 percent of revenues.
- Student enrollment was projected to be 16,940, a decrease of 194 students compared with the October 1, 2023 enrollment of 17,134.

- Funding from the State School Fund was estimated to be \$216.5 million.
- FY2024-25 budgeted salary decreased by 2.9 percent for our Certified staff and increased by 11.7 percent for Classified staff. The district's contribution to health insurance increased approximately 4.56% compared to FY2023-24 levels.
- FY2024-25 PERS employer rates are 16.48 percent for OPSRP and 19.32 percent for Tier1/Tier2 members.
- The District completed negotiating new agreements for wages and benefits with all employee groups in 2024
- During the 2019 legislative session, Oregon's leaders made a commitment to our children, our educators, our schools and our state with the passage of the Student Success Act. When fully implemented, the Student Success Act is expected to invest \$1 billion annually in early learning and K-12 education each year. At the heart of the SSA is a commitment to improving access and opportunities for students who have been historically underserved in the education system. In FY2024-25 the District expects to receive \$16.4 million from the Student Success Act.

New Accounting Standards Implemented

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about the financial report, need additional information or would like to request a copy, contact the Finance Director at Bend-La Pine Schools, 520 NW Wall Street, Bend, Oregon 97703.

Est. 1883

B E N D  L A P I N E
S c h o o l s

EDUCATING THRIVING STUDENTS

Basic Financial Statements

Administrative School District No. 1
 Deschutes County, Oregon
 Statement of Net Position
 June 30, 2024

	Governmental Activities
	<u>2024</u>
Assets:	
Cash and investments	\$ 157,039,512
Property taxes receivable	3,036,798
Accounts and other receivables	2,805,331
Intergovernmental receivables	21,071,921
Prepaid items	2,199,342
Inventories	590,882
Net OPEB RHIA asset	3,234,674
Capital assets, net of amortization and depreciation	
Land	36,876,933
Construction in progress	21,105,264
Site improvements	47,671,397
Buildings and improvements	451,060,223
Vehicles and equipment	16,816,912
Leased buildings	4,641,398
Leased equipment	121,940
Subscription based information technology	790,623
<u>Total assets</u>	<u>769,063,150</u>
Deferred outflow of resources:	
Pension related deferred outflows	56,865,439
OPEB - implicit subsidy deferred outflows	1,153,257
OPEB - RHI deferred outflows	22,996
Deferred charges on advanced refunding	6,491,955
<u>Total deferred outflows of resources</u>	<u>64,533,647</u>
Liabilities	
Accounts payable	7,230,283
Accrued payroll and related charges	16,282,933
Accrued interest	566,998
Unearned revenue	812,948
Retainage payable	444,087
Claims and judgements due within one year	677,767
Long-term liabilities due within one year	37,024,415
Rental deposits	3,250
Accrued compensated absences	49,108
Noncurrent liabilities due in more than one year	
Net pension liability	175,270,123
Other postemployment benefits, implicit rate subsidy	10,399,994
Claims and judgements due in more than one year	677,766
Long-term liabilities due in more than one year	416,503,850
<u>Total liabilities</u>	<u>665,943,522</u>
Deferred inflows of resources:	
PERS deferred inflows	18,778,604
OPEB - RHI deferred inflows	308,792
OPEB - implicit subsidy deferred inflows	2,306,547
<u>Total deferred inflows of resources</u>	<u>21,393,943</u>
Net investment in capital assets	248,815,616
Restricted for:	
Transportation	2,913,018
Federal, state, and private grants	5,589,283
Energy efficiency program	1,495,751
Debt service	5,459,984
Net OPEB RHIA asset	3,234,674
Capital projects	11,607,916
Unrestricted	(132,856,910)
<u>Total net position</u>	<u>\$ 146,259,332</u>

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
 Deschutes County, Oregon
 Statement of Activities
 Year Ended June 30, 2024

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities 2024
Governmental Activities					
Instruction					
Regular instruction	\$ 122,288,950	\$ 678,934	\$ 23,797,866	\$ -	\$ (97,812,150)
Special programs including summer school	38,018,189	-	7,892,149	-	(30,126,040)
Total direct classroom services	160,307,139	678,934	31,690,015	-	(127,938,190)
Support Services					
Students	24,804,250	-	9,408,379	-	(15,395,871)
Instructional staff	12,589,117	-	4,813,046	-	(7,776,071)
General administration	1,447,167	-	-	-	(1,447,167)
School administration	18,043,251	-	-	-	(18,043,251)
Business, transportation and maintenance	38,838,705	951,072	668,223	1,736,001	(35,483,409)
Central activities	14,494,577	-	289,075	-	(14,205,502)
Supplemental retirement program	2,052	-	-	-	(2,052)
Total classroom support services	110,219,119	951,072	15,178,723	1,736,001	(92,353,323)
Enterprise and Community Services					
Food services	9,510,537	1,614,226	5,080,550	-	(2,815,761)
Other enterprise and community services	2,525,323	369,095	2,035,592	-	(120,636)
Total enterprise and community services	12,035,860	1,983,321	7,116,142	-	(2,936,397)
Unallocated interest expense	15,712,664	-	-	-	(15,712,664)
Total school district	\$ 298,274,782	\$ 3,613,327	\$ 53,984,880	\$ 1,736,001	(238,940,574)
General revenues:					
Property taxes levied for general purposes					104,430,182
Property taxes levied for debt service					39,708,633
Federal aid not restricted to specific purposes					82,392
State aid not restricted to specific purposes					107,226,084
Intermediate aid not restricted to specific purposes					2,217,219
Earnings on investments					9,982,680
Other local revenue					4,497,396
Gain on sale of capital assets					85,603
Total general revenues					268,230,189
Change in net position					29,289,615
Net position - beginning					116,969,717
Net position - ending					\$ 146,259,332

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
 Deschutes County, Oregon
 Balance Sheet - Governmental Funds
 June 30, 2024

	Special Revenue				Totals
	General Fund	Fund	Debt Service Fund	Capital Projects Fund	
Assets					
Cash and investments	\$ 46,805,348	\$ -	\$ 5,243,393	\$ 105,146,858	\$ 161,045,510
Receivables:					
Due from other funds	3,693,824	-	-	-	3,693,824
Property taxes	2,189,634	-	847,164	-	3,036,798
Accounts and other receivables	1,431,832	622,825	-	750,674	2,805,331
Intergovernmental receivables	1,152,276	19,919,645	-	-	21,071,921
Prepaid items	2,159,342	40,000	-	-	2,199,342
Inventories	170,993	419,889	-	-	590,882
Total assets	\$ 57,603,249	\$ 21,002,359	\$ 6,090,557	\$ 105,897,532	\$ 190,593,697
Liabilities, deferred inflows and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 3,849,911	\$ -	\$ -	3,849,911
Accounts and interest payable	2,684,236	679,238	-	3,559,423	6,922,897
Accrued payroll and related charges	12,537,806	3,693,824	-	51,303	16,282,933
Unearned revenue	-	812,948	-	-	812,948
Rental deposits	-	-	-	3,250	3,250
Retainage payable	-	23,584	-	420,503	444,087
Total liabilities	15,222,042	9,059,505	-	4,034,479	28,316,026
Deferred inflows of resources					
Leases deferred inflows	-	-	-	-	-
Unavailable revenue - property taxes	1,627,754	-	630,573	-	2,258,327
Total deferred inflows of resources	1,627,754	-	630,573	-	2,258,327
Fund balances					
Nonspendable	2,330,335	459,889	-	-	2,790,224
Restricted	2,913,018	7,085,038	5,459,984	101,863,053	117,321,093
Assigned	21,940,448	4,397,927	-	-	26,338,375
Unassigned	13,569,652	-	-	-	13,569,652
Total fund balances	40,753,453	11,942,854	5,459,984	101,863,053	160,019,344
Total liabilities, deferred inflows and fund balances	\$ 57,603,249	\$ 21,002,359	\$ 6,090,557	\$ 105,897,532	\$ 190,593,697

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
 Deschutes County, Oregon
 Reconciliation of Governmental Funds
 Balance Sheet to Statement of Net Position
 June 30, 2024

Total fund balances, June 30, 2024 (page 22) \$ 160,019,344

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 790,628,356	
Accumulated depreciation and amortization	<u>(211,543,666)</u>	579,084,690

Deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the government funds

Deferred outflows of resources related to pensions	\$ 56,865,439	
Deferred outflows of resources related to OPEB Implicit	1,153,257	
Deferred outflow of resources related to OPEB - RHI	22,996	
Deferred inflow of resources related to pensions	(18,778,604)	
Deferred inflow of resources related to OPEB - RHI	(308,792)	
Deferred inflow of resources related to OPEB Implicit	<u>(2,306,547)</u>	36,647,749

A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current years' operations, and therefore, are not reported as revenue in the governmental funds.

2,258,327

Net OPEB-RHIA asset reported in the government wide statement of net position 3,234,674

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

These liabilities consist of:

Long-term debt	\$ (1,445,000)	
Accrued interest payable	(566,998)	
Arbitrage Rebate Payable, LT	(307,386)	
Bonds payable	(426,230,000)	
Proportionate share of the PERS net pension liability	(175,270,123)	
Net OPEB obligation-implicit rate subsidy	(10,399,994)	
Lease liability	(5,175,057)	
Subscription based technology agreement liability	(751,610)	
Compensated absences	(49,108)	
Accrued claims and judgments	(1,355,530)	
Early retirement benefits payable	<u>-</u>	(621,550,806)

Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Unamortized portion of bond issuance premium	\$ (19,926,600)	
Deferred outflow on refunding	<u>6,491,955</u>	<u>(13,434,645)</u>

Total net position (page 20) \$ 146,259,332

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
 Deschutes County, Oregon
 Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
 Year Ended June 30, 2024

	Special Revenue		Capital Projects		Totals
	General Fund	Fund	Debt Service Fund	Fund	
Revenues					
Property taxes	\$ 104,201,185	\$ -	\$ 39,708,632	\$ -	\$ 143,909,817
Tuition	14,552	-	-	-	14,552
Investment earnings	3,749,789	425,455	894,842	5,219,980	10,290,066
Other local sources:					
Food services	-	1,614,226	-	-	1,614,226
Print shop	887,923	-	-	-	887,923
Indirect costs charged to grants	435,859	-	-	-	435,859
Charges for services	1,905,791	-	-	-	1,905,791
Other local sources	2,795,172	6,316,302	-	443,355	9,554,829
Intermediate sources:					
County school funds	412,208	-	-	-	412,208
ESD apportionment	1,705,000	395,000	-	-	2,100,000
Other Intermediate sources	100,010	-	-	-	100,010
State sources:					
State school fund	96,862,720	56,779	8,864,519	-	105,784,018
Common school fund	2,289,066	-	-	-	2,289,066
Other state sources	-	24,000,732	-	176,476	24,177,208
Federal grant sources	293,846	24,223,627	-	-	24,517,473
Total revenues	215,653,121	57,032,121	49,467,993	5,839,811	327,993,046
Expenditures					
Current:					
Instruction	117,295,345	28,707,138	-	-	146,002,483
Support services	83,781,976	16,529,689	-	-	100,311,665
Community services	391,449	11,517,818	-	-	11,909,267
Facilities acquisition and construction	-	-	-	6,770,510	6,770,510
Debt service:					
Principal	1,102,659	-	31,850,000	-	32,952,659
Interest	266,585	-	17,545,013	95	17,811,693
Capital outlay	5,944,417	1,247,965	-	13,382,926	20,575,308
Total expenditures	208,782,431	58,002,610	49,395,013	20,153,531	336,333,585
Revenues over (under) expenditures	6,870,690	(970,489)	72,980	(14,313,720)	(8,340,539)
Other financing sources (uses)					
General obligation bonds issued	-	-	-	-	-
General obligation bonds issued - premium	-	-	-	-	-
Lease financing	-	-	-	-	-
Subscription based information technology financing	127,952	-	-	-	127,952
Sale of capital assets	85,603	-	-	-	85,603
Restitution	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
PERS UAL Payment	-	-	-	-	-
Transfer to general fund	-	(140,031)	-	-	(140,031)
Transfer to capital project fund	-	(16,500)	-	-	(16,500)
Transfer from special revenue fund	140,031	-	-	16,500	156,531
Total other financing sources (uses)	353,586	(156,531)	-	16,500	213,555
Net change in fund balances	7,224,276	(1,127,020)	72,980	(14,297,220)	(8,126,984)
Fund balances, beginning of year	33,529,177	13,069,874	5,387,004	116,160,273	168,146,328
Fund balances, end of year	\$ 40,753,453	\$ 11,942,854	\$ 5,459,984	\$ 101,863,053	\$ 160,019,344

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
 Deschutes County, Oregon
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balance of Governmental Funds to
 the Statement of Activities
 Year Ended June 30, 2024

Net change in fund balance (page 24) \$ (8,126,984)

Amounts reported for governmental activities in the statement of activities
 are different because:

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

Expenditures for capital and right of use assets and construction in progress	\$ 27,345,911	
Less current year amortization and depreciation	(20,605,910)	
Net (Loss)\Gain on asset disposal	(22,320)	6,717,681

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 repayments exceeded proceeds:

Debt issued	\$ -	
Lease financing	-	
Subscription based information technology financing	(127,952)	
Payment to escrow agent	-	
Debt principal repaid	32,952,659	32,824,707

In the statement of activities, pension expense is adjusted based on the actuarially
 determined contribution changes (3,076,902)

Governmental funds report the effect of issuance costs, premiums, and discounts
 when debt is first issued, whereas these amounts are deferred and amortized in
 the statement of activities. This amount is the net effect of these differences:

Amortization of deferred outflow on debt refunding	\$ (1,865,619)	
Amortization of premiums, net of discount amortization	2,611,643	
Premiums on long-term debt issued in current year	-	746,024

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.

Accreted interest on PERS UAL bonds	-	
Accrued interest on general obligation bonds and other long term debt	1,352,702	1,352,702

Property taxes that do not meet the measurable and available criteria are not
 recognized as revenue in the current year in the governmental funds. In the
 statement of activities property taxes are recognized as revenue when levied. 228,997

Arbitrage (307,386)

Certain expenses in the statement of activities do not require the use of current financial
 resources and, therefore, are not reported as expenditures in governmental funds

Estimated claims and judgments	\$ (736,217)	
Early retirement benefits	1,982	
Compensated absences	(3,678)	
OPEB RHIA	115,483	
OPEB - implicit subsidy	(446,794)	(1,069,224)

Change in net position (page 21) \$ 29,289,615

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
 Deschutes County, Oregon
 Statement of Fiduciary Net Position
 Fiduciary Fund - Private Purpose Trust Fund
 June 30, 2024

	<u>2024</u>
Assets	
Cash and investments	\$ 88,963
<u>Net position held in trust for scholarships</u>	<u>\$ 88,963</u>

Statement of Changes in Fiduciary Net Position
 Fiduciary Fund - Private Purpose Trust Fund
 Year Ended June 30, 2024

	<u>2024</u>
Additions:	
Donations	\$ 11,885
Investment earnings	6,102
Total revenues	17,987
Deductions:	
Scholarships	20,013
Change in net position	(2,026)
Net position - beginning	90,987
<u>Net position - ending</u>	<u>\$ 88,961</u>

See notes to basic financial statements

Notes to Basic Financial Statements

1. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

Bend La-Pine Schools was organized under provisions of the Oregon Statutes pursuant to ORS Chapter 332 and provides education services to children from grades K-12 located in Bend, La Pine and surrounding areas. The District has seven high schools, two K-8 schools, one K-8 charter school, seven middle schools, one K-5 charter school, and seventeen elementary schools with an approximate total enrollment of 17,000 students. The Average Daily Membership (ADMr) in FY2023-24 was 16,461 and the Weighted ADM (ADMw) was 19,057 from the Oregon Department of Education's June 20, 2024 ADMw Breakout . The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

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 service within the District's boundaries. However, none of these legally separate entities meet the criteria for inclusion in the financial reporting entity.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — governmental and fiduciary — are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

- a. General fund
Accounts for all general operating revenues and expenditures of the District, and for all financial resources not accounted for in another fund. Principal revenue sources are property taxes and state school support.
- b. Special Revenue fund
Accounts for revenues derived from specific grants and other earmarked revenue sources. Principal revenue sources are federal and state grants, student fundraising activities, and school lunch sales.
- c. Debt Service fund
Accounts for the accumulation of resources and payment of general obligation bond and limited tax pension obligation bond principal and interest from governmental resources such as property taxes and state school support.
- d. Capital Projects fund
Accounts for the acquisition and construction of major capital facilities or other improvements. Principal revenue sources are general obligation bond proceeds and interest earnings from cash and investments.

Additionally, the District reports the following fund type:

- e. Private Purpose Trust fund
This fund uses the economic resources measurement focus and accrual basis of accounting, and accounts for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the various trust agreements.

During the course of operations, the District has activity between funds for various purposes. Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned

and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The private-purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgetary information

a. Budgetary basis of accounting

Annual budgets are adopted on a basis "consistent with generally accepted accounting principles" for all funds consistent with Oregon Local Budget Law.

The appropriated budget is prepared and appropriated by fund and major function as required by Oregon Local Budget Law. The district's administrators may make transfers of appropriations within appropriation levels. Transfers between appropriation levels require the approval of the School Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the major appropriation level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and

control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated.

b. Excess of expenditures over appropriations

No expenditures exceeded appropriation for the fiscal year ending June 30, 2024

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

a. Cash and cash equivalents

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

State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bankers' acceptances and the State of Oregon Treasurer's Local Government Investment Pool (LGIP).

Investments are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the LGIP is the same as the fair value of the LGIP shares.

The State Treasurer's LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The state's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's LGIP are not required by law to be collateralized.

b. Investments

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

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

c. Inventories and prepaid items

Print Shop supplies, maintenance supplies, food and other cafeteria supplies are stated at average invoice cost. Donated commodities from the United States Department of Agriculture in the Nutrition Services Fund are included in the District's inventories at fair market wholesale value. Inventory items are charged to expenditures of user departments at the time of withdrawal from inventory (consumption method).

Prepaid items primarily consist of prepaid software support fees, and are reported using the consumption method, where items are charged to expenditure as the service is provided.

d. Capital assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. The District also follows GASB implementation guide 2021-1 which states “A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant.” Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Types</u>	<u>Estimated Lives</u>
Buildings and improvements	20 to 50 years
Equipment	5 to 10 years

e. Deferred outflows/inflows of resources

The statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The statement of net position reports one type related to the total PERS pension liability, one type related to bond refunding, and one type related to the total OPEB liability. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item in this category is related to the pension plan due to differences in expected and actual experiences, differences in expected and actual earnings, and contributions made after the actuary’s measurement date.

The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period so it will not be recognized as an inflow of resources (revenue) until that time. The District has four items that arise for reporting in this category. The balance sheet reports unavailable revenues from property taxes and deferred inflows from leases. The statement of net position reports one type related to the total PERS pension liability, one type related to the total OPEB liability and one type related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

f. Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

g. Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and

unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

h. Fund balance policies

In the fund financial statements, governmental funds are categorized by the nature of the resources within the fund. The district reports fund balance using the following categories:

- i. Nonspendable fund balance – indicates the portion of fund equity that cannot be spent as it is not in a spendable format, such as inventories and prepaid expenditures.
- ii. Restricted fund balance – indicates the portion of fund equity for which the use is externally restricted by grantors, creditors, or law.
- iii. Assigned fund balance – indicates the portion of fund equity that the District intends to use for a specific purpose imposed by the Superintendent or designee. The Governing Body delegated the authority to the Superintendent or designee to assign fund balance.
- iv. Unassigned fund balance – indicates the amount of general fund equity that is available for budgeting in future periods. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

H. Revenues and expenditures/expenses

a. Program revenues

Program revenues report grants and contributions that are restricted to meeting the operational or capital requirements of a particular function of the District. This includes state school fund grant money for bus replacement, federal reimbursement for bond interest payments, all reimbursable grants, money for the National School Lunch Program, and the portion of the state school fund for transportation representing 70% of allowable transportation expenditures. All taxes or other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Property taxes

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.

c. Compensated absences

District personnel currently work under an annual contract based upon the number of workdays in each year. Employees under such contracts have no vested vacation pay benefits. Beginning in FY2008-09, certain administrators were able to accrue unused vacation leave from year to year up to a total of 30 days. Upon resignation or termination of employment, these employees will receive pay for up to 20 of these accrued vacation days. Currently, accumulated compensatory benefits earned by employees are paid as of June 30 each year. Sick pay does not vest.

d. 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 total pension liability, pension related deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

The District's early retirement stipend plan ended during FY2023-24.

e. Postemployment benefits other than pensions (OPEB)

For the purpose of measuring the total OPEB liability, OPEB related deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, fiduciary net position of PERS and any changes thereto have been determined on the same basis as they are reported by PERS. For this purpose, PERS benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Capital assets are not financial resources and therefore are not reported in the governmental funds.” The details of this \$579,084,690 are as follows:

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Land	\$ 36,876,933
Construction in progress	21,105,264
Buildings and improvements	638,032,050
Less: Accumulated depreciation buildings and improvements	(186,971,827)
Site improvements	58,549,173
Less: Accumulated depreciation site improvements	(10,877,776)
Vehicles and equipment	28,083,700
Less: Accumulated depreciation vehicles and equipment	(11,266,788)
Right-of-use leased buildings	6,513,956
Less: Accumulated amortization right-of-use leased buildings	(1,872,558)
Right-of-use leased equipment	201,570
Less: Accumulated amortization right-of-use leased equipment	(79,630)
Right-of-use SBITA	1,265,708
Less: Accumulated amortization right-of-use SBITA	(475,085)
<u>Total capital assets</u>	<u>\$ 579,084,690</u>

Another element of the reconciliation is that other long-term assets “are not available soon enough to pay for the current year’s operations and, therefore, are not reported as revenue in the governmental funds.” The \$2,258,327 in long-term assets are comprised of property taxes collected after year-end but not soon enough to pay for current year operations.

Another element of that reconciliation is the net OPEB-RHIA asset is reported in the government wide statement. That asset is applicable to future periods and not a current year contribution, therefore it is not reported in the governmental funds. The asset totals \$3,234,674.

Another element of that reconciliation explains that “Long-term liabilities not payable in the current year are not reported as governmental fund liabilities.” These long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. The details of that \$(621,550,806) difference are as follows:

Long-term debt	\$ (1,445,000)
Accrued interest payable	(566,998)
Arbitrage Rebate Payable, LT	(307,386)
Bonds payable	(426,230,000)
Proportionate share of the PERS net pension liability	(175,270,123)
Net OPEB obligation-implicit rate subsidy	(10,399,994)
Lease liability	(5,175,057)
Subscription based technology agreement liability	(751,610)
Compensated absences	(49,108)
Accrued claims and judgments	(1,355,530)
<u>Total long term liabilities not payable in current year</u>	<u>\$ (621,550,806)</u>

Another element of that reconciliation explains that “deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods

and, therefore, are not reported in the government funds.” The details of that \$36,647,749 difference are as follows:

Deferred outflows of resources related to pensions	\$ 56,865,439
Deferred outflows of resources related to OPEB Implicit	1,153,257
Deferred outflow of resources related to OPEB - RHI	22,996
Deferred inflow of resources related to pensions	(18,778,604)
Deferred inflow of resources related to OPEB - RHI	(308,792)
Deferred inflow of resources related to OPEB Implicit	(2,306,547)
<u>Total deferred inflows/outflows related to pension plan</u>	<u>\$ 36,647,749</u>

The final element of that reconciliation explains that “Governmental funds report the effect of premiums, discounts and refunding and similar items when debt is first issued, whereas these amounts are deferred or amortized in the statement of activities”. The details of that \$(13,434,645) difference are as follows:

Unamortized portion of bond issuance premium	\$ (19,926,600)
Deferred outflow on refunding	6,491,955
<u>Total debt deferrals and amortizations</u>	<u>\$ (13,434,645)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$6,717,681 difference are as follows:

Outlay for capital and right-to-use assets	\$ 27,345,911
Depreciation and amortization expense	(20,605,910)
Net loss\gain on asset disposal	(22,320)
<u>Total capital outlay net of depreciation and amortization for the current period</u>	<u>\$ 6,717,681</u>

Another element of that reconciliation states “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 repayments exceeded proceeds.” The detail of this \$32,824,707 difference is as follows:

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Subscription based information technology financing	(127,952)
<u>Debt principal repaid</u>	<u>32,952,659</u>
<u>Net adjustment for issuance and payment of long-term debt</u>	<u>\$ 32,824,707</u>

Another element of that reconciliation states “Certain expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this \$(1,069,224) difference are as follows:

Claims and judgments	\$ (736,217)
Early retirement benefits	1,982
Compensated absences	(3,678)
Amortization of OPEB obligation - RHIA	115,483
<u>Amortization of OPEB obligation - implicit subsidy</u>	<u>(446,794)</u>
Net adjustment to decreases in net changes in fund balances - total	
<u>government funds to arrive at changes in net position of governmental activities</u>	<u>\$ (1,069,224)</u>

Another element of that reconciliation states that “Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$746,024 difference are as follows:

Amortization of deferred outflow in debt refunding	\$ (1,865,619)
<u>Amortization of premiums</u>	<u>2,611,643</u>
<u>Total components of debt issuance costs and adjustments</u>	<u>\$ 746,024</u>

Another element of that reconciliation states “Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds” whereas they are recognized as revenue when levied in the government wide statement. The property taxes that are not measurable and available total \$228,997.

Another element of that reconciliation states “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.” The details of this \$1,352,702 are as follows:

<u>Accrued interest on general obligation bonds</u>	<u>1,352,702</u>
<u>Total components of interest adjustments on long term debt</u>	<u>\$ 1,352,702</u>

The final element of the reconciliation is related to adjustments for the net pension asset and liability, allocations to expenses for net changes in deferred inflows due to the District’s share in the PERS system’s differences between projected and actual earnings, and contributions subsequent to the measurement date that are not recorded in the budgetary basis financial statements. The details of the \$(3,076,902) are as follows:

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Total pension liability	\$(32,911,417)
Deferred outflows - actual experience	1,660,877
Deferred outflows - changes in assumptions	(6,766,889)
Deferred outflows - actual earnings	3,150,322
Deferred outflows - actual change in proportionate share	(602,554)
Deferred outflows - change in employer contribution and proportionate share	(560,174)
Deferred outflows - contribution difference	2,417,136
Deferred outflows - contribution after measurement date	2,873,067
Deferred inflow - actual change in proportionate share	1,930,954
Deferred inflow - actual earnings	25,450,984
Deferred inflow - changes in assumptions	87,979
Deferred inflow - actual experience	192,813
<u>Total components of pension liability adjustments at measurement date</u>	<u>\$ (3,076,902)</u>

3. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

For the year ended June 30, 2024, no expenditures exceeded appropriations. There were no violations of legal or contractual provisions.

B. Deficit fund equity

The District did not have any funds with a negative fund balance.

4. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

In the case of deposits, and in the event of a bank failure, the district's deposits may not be returned. As of June 30, 2024, the district's bank balances were \$51,402,158, and \$50,649,156 of that amount was exposed to custodial credit risk because it was uninsured and collateralized by securities held by the pledging or financial institutions trust department or agent, but not in the government's name. All deposits were in bank depositories qualified by the Oregon State Treasury which maintains the collateral program for local governments.

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. Of these balances all were deposited in banking institutions covered by Federal depositor insurance. However, a portion of these deposits exceed the federal deposit insurance corporation limit and are not federally insured.

a. Cash balance

During the fiscal year ended 6/30/2024, Bend-La Pine Schools experienced a temporary negative cash balance of 3,849,911 in its Special Revenue Fund. This negative cash balance was due to the timing of the request for ESSER (Elementary and Secondary School Emergency Relief) funds, which resulted in a delay between disbursements made by the fund and the anticipated receipt of the federal funds.

The negative cash balance in the Special Revenue Fund was resolved after the fiscal year-end, when the ESSER funds were received and the cash balance was restored to a positive position. As of 6/30/2024 the total cash balance for Bend-La Pine Schools remained positive across all funds, and no overall liquidity concerns were identified.

Management does not anticipate any long-term financial impact as a result of this timing difference, and the Special Revenue Fund is expected to maintain a positive cash position going forward.

B. Investments

As of June 30, 2024, the District was invested as follows:

<u>Investment Type</u>	<u>Classification</u>	<u>Total</u>	<u>Moody's Aaa</u>
Local Government Investment Pool	N/A	\$ 21,714,237	N/A
US Treasury securities	Level 1	86,877,071	86,877,071
<u>Total</u>		<u>\$ 108,591,308</u>	<u>\$ 86,877,071</u>

a. Interest rate risk

Interest rate risk is lessened by generally matching investment maturities with cash requirements so that sales prior to maturities are minimized. The District's investment policy requires that only investments that can be held to maturity shall be purchased. At June 30, 2024 the District's investment holdings meet the requirement of this policy.

b. Credit risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. The District School Board annually approves a list of financial institutions with which the District will do business. All of the investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities, are held in safekeeping by the financial institution's counterparty in the financial institution's general customer account.

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, 2024. The LGIP seeks to exchange shares

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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. The pool is comprised of a variety of investments. As of June 30, 2024, the fair value of the position in the LGIP is 100.73 percent 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.

c. Concentration of credit risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. More than 5 percent of the School District’s total investments are in securities by the following insurers:

<u>Issuer</u>	<u>Percentage of Total</u>
Oregon Short Term Fund	20.00%
US Treasury Securities	<u>80.00%</u>
<u>Total</u>	<u>100.00%</u>

d. Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has a Third-Party Safekeeping Agreement (TPSA) with US Bank to hold certain securities in trust. All of the securities subject to the TPSA are held in trust in the District’s name. The District does not have a policy for custodial credit risk for certificates of deposit.

C. Receivables

The accounts and other receivables in the General Fund are primarily balances due from other government entities such as Oregon Department of Education and High Desert Education Service District for reimbursement of expenditures. The accounts and other receivables in Special Revenue Funds represent balances due from state and federal governments for special program grants.

Accounts and other receivables on the Statement of Net Position are comprised of the following as of June 30, 2024:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Accounts and other receivables	\$ 1,431,832	\$ 622,825	\$ 750,675	\$ 2,805,332
<u>Intergovernmental receivables</u>	<u>1,152,276</u>	<u>19,919,645</u>	<u>-</u>	<u>21,071,920</u>
<u>Total</u>	<u>\$ 2,584,108</u>	<u>\$ 20,542,470</u>	<u>\$ 750,675</u>	<u>\$ 23,877,252</u>

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D. Capital assets

Capital asset activity for the year-ended June 30, 2024 was as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 36,876,933			\$ 36,876,933
Construction in progress	33,330,029	21,178,134	33,402,899	21,105,264
<u>Total non-depreciable assets</u>	<u>70,206,962</u>	<u>21,178,134</u>	<u>33,402,899</u>	<u>57,982,197</u>
Capital assets being depreciated and amortized:				
Buildings and improvements	647,975,020	23,293	9,966,263	638,032,050
Right-of-use leased buildings	6,513,956			6,513,956
Site improvements	28,003,871	33,414,600	2,869,298	58,549,173
Vehicles and equipment	41,038,747	6,004,830	18,959,877	28,083,700
Right-of-use SBITA	1,270,779	127,952	133,022	1,265,708
Right-of-use leased equipment	201,570			201,570
<u>Total depreciable assets at cost</u>	<u>725,003,946</u>	<u>39,570,675</u>	<u>31,928,460</u>	<u>732,646,158</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(182,475,768)	14,462,322	9,966,263	(186,971,827)
Right-of-use leased buildings	(1,248,372)	624,186		(1,872,558)
Site improvements	(11,647,088)	2,099,986	2,869,298	(10,877,776)
Vehicles and equipment	(27,175,224)	3,029,121	18,937,557	(11,266,788)
Right-of-use SBITA	(255,441)	286,873	67,229	(475,085)
Right-of-use leased equipment	(42,002)	37,629		(79,630)
<u>Depreciation and amortization expense</u>	<u>(222,843,896)</u>	<u>20,540,116</u>	<u>31,840,347</u>	<u>(211,543,665)</u>
<u>Total depreciable assets, net</u>	<u>502,160,050</u>	<u>60,110,792</u>	<u>63,768,807</u>	<u>521,102,493</u>
<u>Total capital assets, net</u>	<u>\$572,367,012</u>	<u>\$81,288,926</u>	<u>\$97,171,706</u>	<u>\$579,084,690</u>

Depreciation expense for the year was charged to the following programs:

Program	Buildings	Equipment	Improvements	Total
Business, transportation and maintenance	\$ 1,122,234	\$2,030,173	\$ 192,589	\$ 3,344,996
Central Activities	3,900,519	700,879	240,063	4,841,461
Food Services	3,274	19,738		23,012
Students	10,060,481	602,832	1,657,370	12,320,684
Central	-	-	9,963	9,963
<u>Total depreciation and amortization expense</u>	<u>\$15,086,508</u>	<u>\$3,353,623</u>	<u>\$ 2,099,986</u>	<u>\$20,540,116</u>

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Net investment in capital assets is calculated as follows:

Invested in Capital Assets net of related debt

All capital assets net of depreciation

Land	36,876,933	
Construction in progress	21,105,265	
Buildings and improvements	451,060,223	
Right-of-use leased buildings	4,641,398	
Site improvements	47,671,398	
Vehicles and equipment	16,816,912	
Right-of-use SBITAs	790,622	
Right-of-use leased equipment	121,940	\$ 579,084,690

SBITAs Liability		(751,610)
Lease Liability		(5,175,056)
Short and long term debt		(395,810,000)
Loan for buses		(1,445,000)
Retainage payable		(420,503)
Accounts payable (capital construction)		(3,487,396)
Bond premium/discounts		(19,926,600)
Advanced refunding outflow		6,491,955
Unspent bond proceeds		90,255,137
<u>Investment in capital assets, net of related debt</u>		<u>248,815,616</u>

E. Leases: Lessee

Under GASB Statement No. 87, Leases, the District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements for each lease. The lease liability is measured as the present value of all expected payments during the lease term, reduced by the principal portion of lease payments made. The lease asset is the initial lease liability, adjusted lease payments made before the commencement date plus certain direct costs. The lease asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

a. Brinson Lease

On May 16, 2018, the District entered into a noncancelable lease for the Brinson building, which contains the REALMS Middle and High School programs. The lease terminates on May 15, 2031 and has an assumed interest rate is 3.25 percent based on our estimated borrowing rate.

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b. Twin Knolls Lease

On January 1, 2013 the District entered into a noncancelable lease for the Twin Knolls building, which contains our Transition Co-Op program. The lease terminates on June 30, 2034 and has an assumed interest rate of 3.25 percent based on our estimated borrowing rate.

c. Copier Lease

On March 31, 2022 the District entered into a noncancelable lease for printer and copier equipment. The lease terminates on March 30, 2027 and the interest rate of 7.62 percent is implicit to the lease.

d. Turf Tank Lease

On August 16, 2022 the District entered into a noncancelable lease for a robotic field painter for sports fields. The lease terminates on August 15, 2028 and the interest rate of 5.5 percent is implicit to the lease.

Lease liabilities are as follows:

	Balance at June 30,			Balance at June 30, Due within	
	2023	Increases	Decreases	2024	One Year
Brinson Lease	\$ 4,280,515		\$ 429,019	\$ 3,851,496	\$460,279
Twin Knolls Lease	1,292,224		91,021	1,201,203	95,805
Copier Lease	92,511		22,731	69,780	24,525
Turf Tank Lease	64,054		11,477	52,577	12,108
<u>Total</u>	<u>\$ 5,729,304</u>	<u>\$ -</u>	<u>\$ 554,248</u>	<u>\$ 5,175,056</u>	<u>\$592,717</u>

Debt service requirements on leases are as follows:

As of June	Brinson Lease		Twin Knolls Lease		Copier Lease		Turk Tank Lease	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
30								
2025	460,279	118,396	95,805	37,620	24,525	4,475	12,108	2,892
2026	493,083	102,953	100,748	34,434	26,462	2,538	12,774	2,226
2027	527,497	86,419	105,853	31,084	18,793	541	13,477	1,523
2028	563,592	68,742	111,127	27,565	-	-	14,218	782
2029	601,437	49,866	116,575	23,873	-	-	-	-
2030-2034	1,205,609	38,176	671,095	57,479	-	-	-	-
<u>Total</u>	<u>\$3,851,496</u>	<u>\$464,553</u>	<u>\$1,201,204</u>	<u>\$212,054</u>	<u>\$69,780</u>	<u>\$7,554</u>	<u>\$52,577</u>	<u>\$7,423</u>

F. Leases: Lessor

Under GASB Statement No. 87, Leases, the District recognizes a lease receivable and a deferred inflow of resources in the government-wide and government funds financial statements for each qualifying lease. The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. While there was lease activity during FY2023-24, due to lease expirations and changes in lease terms there are not any lease receivables or deferred inflows of resources to report.

G. Subscription based information technology arrangements

Under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) the District now recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements for each arrangement. The subscription liability is measured as the present value of all expected payments during the subscription term. The subscription asset is the initial subscription liability, payments made before the commencement date, and certain capitalizable implementation costs. The subscription asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of SBITAs, and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long term debt on the statement of net position.

a. CDW-G EMG

On November 23, 2022 the District entered into an arrangement for enterprise mobility management software. The arrangement terminated on December 28, 2023 and the interest rate of 6.95 percent was based on estimated lending rates. This arrangement was paid in full at commencement.

b. CVE Technologies

Prior to July 1, 2022 the District entered into an arrangement for phone software. The arrangement terminates on August 9, 2026 and the interest rate of 4.85 percent is based on estimated lending rates.

c. Instructure Canvas/Cloud

Prior to July 1, 2022 the District entered into an arrangement for digital classroom software. The arrangement terminated on June 30, 2024 and the interest rate of 4.85 percent was based on estimated lending rates.

d. Palo Alto Security

Prior to July 1, 2022 the District entered into an arrangement for security software. The arrangement terminates on June 30, 2025 and the interest rate of 4.85 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

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- e. PowerSchool
 Prior to July 1, 2022 the District entered into an arrangement for enterprise resource planning software. The arrangement terminates on June 30, 2028 and the interest rate of 7.82 percent is based on estimated lending rates.

- f. EZ Lease
 On September 29, 2023 the District entered into an arrangement for lease management software. The arrangement terminates on September 28, 2026 and the interest rate of 8.5 percent is based on estimated lending rates.

- g. Rosetta Stone
 On October 7, 2023 the District entered into an arrangement for foreign language software. The arrangement terminates on October 6, 2025 and the interest rate of 8.5 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

- h. Really Great Reading
 Prior to July 1, 2022 the District entered into an arrangement for reading curriculum software. The arrangement terminates on June 30, 2029 and the interest rate of 4.85 percent is based on estimated lending rates. The Really Great Reading arrangement has a variable payment schedule based on the number of classrooms and students supported, which can lead to differences between the actual outflow of resources and the estimated outflows used to calculate the subscription asset. For the fiscal year ending June 30, 2024 the variable payments not included in the Really Great Reading SBITA asset are as follows:

	Actual Payments	Estimated Payments Used in SBITA Calculation	Payments Excluded From SBITA Calculation
<u>Really Great Reading</u>	<u>\$136,326</u>	<u>\$ 52,059</u>	<u>\$ 84,267</u>

The schedule of subscription assets for all arrangements is as follows:

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	Balance at June			Balance at June
	30, 2023	Increases	Decreases	30, 2024
Instructure Canvas/Cloud	\$ 118,806	\$ -	\$ 118,806	\$ -
CDW-G EMG	14,216	-	14,216	-
PowerSchool Software	382,982	-	-	382,982
Palo Alto Security	147,581	-	-	147,581
Really Great Reading	297,233	-	-	297,233
CVE Technologies -	309,960	-	-	309,960
EZLease	-	8,313	-	8,313
Rosetta Stone	-	119,639	-	119,639
Total	\$ 1,270,779	\$ 127,952	\$ 133,022	\$ 1,265,708

The schedule of subscription amortization for all arrangements is as follows:

	Balance at June			Balance at June
	30, 2023	Increases	Decreases	30, 2024
Instructure Canvas/Cloud	\$ 59,403	\$ 59,403	\$ 118,806	\$ -
CDW-G EMG	7,826	6,390	14,216	-
PowerSchool Software	21,109	72,375	-	93,484
Palo Alto Security Software	49,194	49,194	-	98,388
Really Great Reading	42,462	42,462	-	84,924
CVE Technologies - Phone	75,447	75,447	-	150,893
EZLease	-	2,094	-	2,094
Rosetta Stone	-	43,867	-	43,867
Total	\$ 255,441	\$ 351,231	\$ 133,022	\$ 473,650

The schedule of subscription liability for all arrangements is as follows:

	Balance at June			Balance at June
	30, 2023	Increases	Decreases	30, 2024
PowerSchool Software	\$ 291,171	\$ -	\$ 59,148	\$ 232,022
Really Great Reading	226,326	-	41,082	185,244
CVE Technologies -	152,211	-	74,304	77,907
EZLease	-	5,313	2,548	2,765
Rosetta Stone	-	61,913	45,939	15,973
Total	\$ 669,708	\$ 67,226	\$ 223,022	\$ 513,912

The schedule of future subscription payments for all arrangements is:

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As of June 30	CVE Technologies		EZLease		PowerSchool		Really Great		Rosetta Stone	
	Liability	Interest	Liability	Interest	Liability	Interest	Liability	Interest	Liability	Interest
2025	74,304	7,382	2,548	452	59,148	22,770	41,082	10,977	60,615	4,185
2026	77,907	3,779	2,765	235	67,665	18,144	43,075	8,984	15,973	227
2027	-	-	-	-	77,032	12,853	45,164	6,895	-	-
2028	-	-	-	-	87,326	6,829	47,354	4,705	-	-
2029	-	-	-	-	-	-	49,651	2,408	-	-
Total Payments	\$152,211	\$11,161	\$5,313	\$ 687	\$291,171	\$60,595	\$226,326	\$33,969	\$76,589	\$4,411

H. Pension plan

a. PERS pension program

The District is participating in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by PERS. 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, and Internal Revenue Code Section 401(a). Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto 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. GASB Statements 68 and 71 were implemented as of July 1, 2014.

- i. Pension benefits – The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly 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 benefit result.
- 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 conditions are met:
 - The member was employed by PERS employer at the time of death,

- The member died within 120 days after termination of PERS covered employment,
 - The member died as a result of injury sustained while employed in a PERS-covered job, or
 - The 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 for General Service members 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 a variable account after retiring and may experience annual benefit fluctuations caused by changes in fair value of the underlying global equity investments of the account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.
- 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 retire under the police and fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or fire fighter. 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, or, if the pension program is terminated, the date on which termination becomes effective.
- ii. Death benefits – Upon the death of a nonretired 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.

- 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 from a 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.

c. Contributions

PERS members are required to contribute 6 percent of their salary and the employer makes contributions at an actuarially-determined rate as adopted by the PERS Board. The rate for Tier I and Tier II for the year ended June 30, 2024 was 19.32 percent of covered annual payroll. The rate for OPSRP for the year ended June 30, 2024 was 16.48 percent. The contribution requirements of plan members are established by state statute. The employer contribution is set and may be amended by the Retirement Board.

At June 30, 2024, the District reported a total pension liability of \$175,270,123 for its proportionate share of the total pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of December 31, 2021. The District’s proportion of the total 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. At the measurement date of June 30, 2023, the District’s proportion was .94 percent, an increase from June 30, 2022 when the District’s proportion was .93 percent. For the year ended June 30, 2024, the District recognized a pension expense of \$26,012,727.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 8,571,244	\$ 694,962
Changes of assumptions	15,569,961	116,091
Net difference between projected and actual earnings on investments	3,150,322	-
Changes in proportionate share	5,257,433	3,822,490
Differences between employer contributions and employer's proportionate share of the system contributions	1,344,416	14,145,061
<u>Subtotal-amortized deferrals</u>	<u>33,893,376</u>	<u>\$ 18,778,604</u>
District contributions subsequent to the measurement date	22,972,063	
<u>Total PERS deferred outflows</u>	<u>\$ 56,865,439</u>	

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District contributions subsequent to the measurement date but before June 30, 2024 will be recognized as a reduction of the total pension liability in the fiscal year ending June 30, 2025.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending	Amount
June 30, 2025	\$ 383,812
June 30, 2026	(7,162,357)
June 30, 2027	16,197,591
June 29, 2028	5,360,447
June 30, 2029	335,279
Total deferred outflow (inflow) of resources	\$ 15,114,772

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated June 30, 2023. Oregon PERS produces an independently audited ACFR which can be found in the following location: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>

d. Actuarial valuations

The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier I and Tier II 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 (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) 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

	Pension
Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>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.</p> <p>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.</p> <p>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.</p>

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

e. Discount rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and 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 was applied to all periods of projected benefit payments to determine the total pension liability.

f. Depletion Date Projection

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

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. This means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Detailed information about PERS' fiduciary net position is available in the separately issued financial report available online at the following website: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx> or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

g. Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions

developed by both Milliman’s Capital Market Assumptions Team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The table below shows Milliman’s assumptions for each asset class.

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

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

h. Sensitivity of the District’s proportionate share of the total pension liability to changes in the discount rate

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

	Discount rate	Proportionate share of total pension liability (asset)	
1% decrease	5.90%	\$	289,513,242
Current discount rate	6.90%		175,270,123
1% increase	7.90%		79,660,739

i. Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2024, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2023 - 5.4 years
- Fiscal Year ended June 30, 2022 - 5.5 years
- Fiscal Year ended June 30, 2021 - 5.4 years
- Fiscal Year ended June 30, 2020 - 5.3 years
- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years

The net difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

i. Other post-employment benefits (OPEB)

The District provides subsidized health benefits to retirees under age 65, as required by ORS 243.303. Retirees electing to remain on district-sponsored health plans must pay the entire premium in order to maintain coverage. However, while the District does not directly contribute to the cost of the premium for retirees, the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the “implicit rate subsidy” and is required to be valued under GASB Statement 75. The GASB 75 valuation is based on the following employee census:

<u>Employee Group</u>	<u>Employee Count</u>
Retirees receiving benefits	60
Retirees not receiving benefits	64
Active employees receiving benefits	1,584
Active employees not receiving benefits	493
<u>Total Employees</u>	<u>2,201</u>

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Currently, the District participates in the Oregon Educators Benefit Board, a statewide agent multiple-employer plan for health insurance benefits.

a. Other post-employment benefit health insurance subsidy

- i. Funding policy – These benefits are not funded at this time.
- ii. Total OPEB liability – The District’s total OPEB liability of 10,399,994 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.
- iii. Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 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	July 1, 2022 Data was collected as of March 2023, and benefits were valued as if the data was representative of data on July 1, 2022																
Measurement Date	June 30, 2024																
Fiscal Year Ends	June 30, 2024																
Actuarial Cost Method	Entry Age Normal, level percent of salary																
Interest Rate for Discounting Future Liabilities	4.00% per year, based on all years discounted at municipal bond rate based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2023, an increase from 3.75% in the previous valuation.																
Inflation Rate	2.5 percent per year																
Payroll Growth	3.5 percent per year																
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><u>Duration</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>0</td> <td>4.15%</td> </tr> <tr> <td>5</td> <td>2.98%</td> </tr> <tr> <td>10</td> <td>1.79%</td> </tr> <tr> <td>15</td> <td>0.72%</td> </tr> <tr> <td>20</td> <td>-0.11%</td> </tr> <tr> <td>25</td> <td>-0.55%</td> </tr> <tr> <td>30+</td> <td>-0.59%</td> </tr> </tbody> </table>	<u>Duration</u>	<u>Rate</u>	0	4.15%	5	2.98%	10	1.79%	15	0.72%	20	-0.11%	25	-0.55%	30+	-0.59%
<u>Duration</u>	<u>Rate</u>																
0	4.15%																
5	2.98%																
10	1.79%																
15	0.72%																
20	-0.11%																
25	-0.55%																
30+	-0.59%																

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<p>Annual Premium Increase Rate</p>	<p>The initial rates are based in part on the 2023 Segal Health Plan Cost Trend Survey, tempered by our expectation of the impact of ORS 243.866, as amended in 2017. Rates are trended down in accordance with prevalent actuarial practice based in part on the Society of Actuaries - Getzen Longer Term Healthcare Trends Resource Model, as updated October 2021.</p> <table border="1" data-bbox="852 590 1349 1039"> <thead> <tr> <th><u>Year</u></th> <th><u>Rate</u></th> <th><u>Year</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>4.00%</td> <td>2032-33</td> <td>5.40%</td> </tr> <tr> <td>2023-24</td> <td>4.50%</td> <td>2033-34</td> <td>5.30%</td> </tr> <tr> <td>2024-25</td> <td>5.00%</td> <td>2034-35</td> <td>5.20%</td> </tr> <tr> <td>2025-26</td> <td>5.50%</td> <td>2035-36</td> <td>5.10%</td> </tr> <tr> <td>2026-27</td> <td>6.00%</td> <td>2036-37</td> <td>5.00%</td> </tr> <tr> <td>2027-28</td> <td>5.90%</td> <td>2037-38</td> <td>4.90%</td> </tr> <tr> <td>2028-29</td> <td>5.80%</td> <td>2038-39</td> <td>4.80%</td> </tr> <tr> <td>2029-30</td> <td>5.70%</td> <td>2039-40</td> <td>4.70%</td> </tr> <tr> <td>2030-31</td> <td>5.60%</td> <td>2040-41</td> <td>4.60%</td> </tr> <tr> <td>2031-32</td> <td>5.50%</td> <td>2041+</td> <td>4.50%</td> </tr> </tbody> </table>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	2022-23	4.00%	2032-33	5.40%	2023-24	4.50%	2033-34	5.30%	2024-25	5.00%	2034-35	5.20%	2025-26	5.50%	2035-36	5.10%	2026-27	6.00%	2036-37	5.00%	2027-28	5.90%	2037-38	4.90%	2028-29	5.80%	2038-39	4.80%	2029-30	5.70%	2039-40	4.70%	2030-31	5.60%	2040-41	4.60%	2031-32	5.50%	2041+	4.50%
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<p>Mortality Rates</p>	<p>Active Employees: PUB-2010 Employee Tables for Teachers, sex-distinct, projected generationally, 125% of published rates for males, 100% of published rates for females.</p> <p>Retirees: PUB-2010 Retiree Tables for Teachers, sex distinct, projected generationally, 80% of published rates blended with 20% of PUB 2010 Retiree Tables for General Employees for males, 100% of published rates for females.</p> <p>Beneficiaries: Pub-2010 Employee and Retiree Table for General Employees, sex distinct, projected generationally, set back 12 months for males, no set back for females; 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females</p> <p>Improvement scale: Unisex Social Security Data Scale (60 year average), with data through 2017</p>																																												

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Turnover Rates	<p>As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the terminations are reflected in the census date provided.</p> <table border="1"> <thead> <tr> <th colspan="3"><u>Years of Service</u></th> </tr> <tr> <th><u>Service</u></th> <th><u>Male</u></th> <th><u>Female</u></th> </tr> </thead> <tbody> <tr> <td>0</td> <td>16.63%</td> <td>13.50%</td> </tr> <tr> <td>5</td> <td>6.86%</td> <td>7.13%</td> </tr> <tr> <td>10</td> <td>3.31%</td> <td>3.85%</td> </tr> <tr> <td>15</td> <td>2.30%</td> <td>2.68%</td> </tr> <tr> <td>20</td> <td>1.62%</td> <td>1.95%</td> </tr> <tr> <td>25</td> <td>1.20%</td> <td>1.50%</td> </tr> <tr> <td>30 +</td> <td>1.20%</td> <td>1.50%</td> </tr> </tbody> </table>	<u>Years of Service</u>			<u>Service</u>	<u>Male</u>	<u>Female</u>	0	16.63%	13.50%	5	6.86%	7.13%	10	3.31%	3.85%	15	2.30%	2.68%	20	1.62%	1.95%	25	1.20%	1.50%	30 +	1.20%	1.50%
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Participation	Of the active employees currently enrolled in the medical plan, 70% are assumed to remain enrolled at retirement until Medicare eligibility.																																																																																																																																																																														
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.																																																																																																																																																																														
Lapse	None assumed.																																																																																																																																																																														
Marital Status	40% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status and ages as of the valuation date are used for current retirees, if available																																																																																																																																																																														
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy																																																																																																																																																																														

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Health Care Claims Cost	2022-23 claims costs for an age 64 retiree or spouse are assumed range from 11,819 to 16,296 depending on the plan selected. The age specific claims costs were developed based on the OEGB health plans' overall demographics and total premiums, to the extent data was available
Aging Factors	Aging factors are used to adjust the age 64 per capita claims cost. Claims costs are reduced by 3.25% to 4.00% by age for those under 64.
Dental and Vision Costs	We have assumed no implicit subsidy due to dental or vision costs
Changes Since Prior Valuation	Premium increase rates were modified to better reflect the anticipated experience and current Oregon law. General inflation and payroll growth assumptions were increased to better reflect anticipated experience. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS

Changes in the Total OPEB Liability:

Balance at June 30, 2023	\$ 9,903,355
Changes for the year	
Service Cost	616,994
Interest	388,360
Changes in assumptions	(180,543)
Benefit payments	(328,172)
Net Changes	496,639
Total OPEB Liability at June 30, 2024	\$ 10,399,994

As of June 30, 2024, the deferred inflows and outflows were as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 1,073,400	\$ 1,006,994
Changes in assumptions or other input	79,857	1,299,553
Total	\$ 1,153,257	\$ 2,306,547

Amounts reported as deferred outflows of resources related to OPEB's will be recognized in OPEB expense as follows:

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Year ended June 30	OPEB Expense
2025	\$ (230,391)
2026	(293,470)
2027	(293,470)
2028	(293,467)
2029	(61,688)
Thereafter	19,196
<u>Total deferred outflows recognized as expense</u>	<u>\$ (1,153,290)</u>

- iv. Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.00 percent) or one percentage point higher (5.00 percent) than the current rate:

	1% Decrease 3.00%	Current discount rate 4.00%	1% Increase 5.00%
<u>Total OPEB liability</u>	<u>\$ 11,135,172</u>	<u>\$ 10,399,994</u>	<u>\$ 9,701,224</u>

- v. Sensitivity of the total OPEB liability to changes in the healthcare trend rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 3.00%, Graded Up to 5.00%, Then Back Down to 3.50%	Current Trend Rate 4.00%, Graded Up to 6.00%, Then Back Down to 4.50%	1% Increase 5.00%, Graded Up to 7.00%, Then Back Down to 5.50%
<u>Total OPEB liability</u>	<u>\$ 9,190,748</u>	<u>\$ 10,399,994</u>	<u>\$ 11,813,695</u>

- vi. Total OPEB Expense – The following presents the total OPEB expense of the District.

Change in Total OPEB Liability	496,639
Decrease in Deferred Outflows	337,643
Decrease in Deferred Inflows	(387,488)
<u>Employer Contributions</u>	<u>328,172</u>
<u>Total OPEB expense</u>	<u>774,966</u>

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- b. Other post-employment benefits, PERS Retiree Health Insurance Account (RHIA)
 Oregon Public Employees Retirement System (PERS or the system) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of the June 30, 2023 measurement date, there were 812 participating employers.

At June 30, 2023, the District reported a total OPEB asset of \$3,234,674 for its proportionate share of the total OPEB liability/asset. The measurement date was as of June 30, 2023 and the actuarial valuation date was as of December 31, 2021. As of the June 30, 2023 measurement date, the District's proportionate share was .88 percent, which is higher than .77 percent determined for the prior measurement period.

At June 30, 2024, the District also reported an OPEB related deferred outflow of \$(288,984) calculated as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 81,207
Changes of assumptions	-	34,877
Net difference between projected and actual earnings on investments	9,173	-
Changes in proportionate share	10,635	192,708
Differences between employer contributions and employer's proportionate share of system contributions	-	-
<u>Subtotal-amortized deferrals</u>	<u>19,808</u>	<u>\$ 308,792</u>
District contributions subsequent to the measurement date	3,188	
<u>Total deferred outflow and inflow</u>	<u>\$ 22,996</u>	

District contributions subsequent to the measurement date of June 30, 2023, but before June 30, 2024, will be recognized as an increase to the total OPEB asset in the fiscal year ending June 30, 2025.

Amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense/income as follows:

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Year ending June 30	Amount
2025	\$ (285,289)
2026	(166,111)
2027	119,542
2028	42,873
Total	\$ (288,984)

i. Actuarial methods and assumptions –

Actuarial Methods and Assumptions

	<u>RHIA</u>
Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15.0 %
Healthcare cost trend rate	Not applicable
Mortality	<p>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.</p> <p>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.</p> <p>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.</p>

- ii. Discount rate – The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90 percent, and remained unchanged from the previous valuation. 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.
- iii. 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 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>
- iv. Depletion date projection – GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the OPEBB plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.

- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

- v. Sensitivity of the District’s proportionate share of the total OPEB liability/asset to the changes in the discount rate – The following presents the District’s proportionate share of the total OPEB liability/asset calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or a 1-percentage-point higher (7.90 percent) than the current rate.

	Discount rate	Proportionate share of total pension liability (asset)
1% decrease	5.90%	\$ (2,940,325)
Current discount rate	6.90%	(3,234,674)
1% increase	7.90%	(3,487,223)

- vi. Deferred inflows of resources and deferred outflows of resources – Deferred inflows of resources and deferred outflow of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2023, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual earnings. One-year’s amortization is recognized in the employer’s total OPEB expense for the measurement period

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

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Fiscal Year ended June 30, 2023 - 2.3 years
 Fiscal Year ended June 30, 2022 - 2.5 years
 Fiscal Year ended June 30, 2021 - 2.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

vii. Total OPEB Expense – The following presents the total OPEB expense of the District.

Employer's proportionate share of OPEB income	(374,380)
Changes in proportionate share	263,570
<u>Total OPEB income</u>	<u>(110,810)</u>

viii. Combined OPEB Expense – The following presents the combined OPEB expense of the District.

Retiree Health Insurance Subsidy	774,966
PERS Retiree Health Insurance Account	(110,810)
<u>Total OPEB expense</u>	<u>664,156</u>

J. Commitments and contingencies

The District has contractual commitments for construction and improvement projects. As of June 30, 2024, those commitments are:

<u>Project</u>	<u>Commitment Remaining</u>
LaPine High Wrestling Room	80,285
Bear Creek Access	3,927
Buckingham Cafeteria	515,399
Education Center	269,444
Fire Alarm Systems	961,855
Door Hardware Replacement	754,543
Paving	397,820
LaPine Middle Roof	1,051,839
<u>Bend High Renovation</u>	<u>6,896,130</u>
<u>Total commitments remaining</u>	<u>\$ 10,931,243</u>

K. Risk management

The District is exposed 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.

The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not

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exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from prior years.

A liability for estimated unemployment claims is presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of unemployment claims during FY2023-24 that were unpaid as of June 30, 2024. The estimate was calculated based on district experience and actual claims paid after June 30, 2024. A reconciliation of the claims liability at the end of the year are as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 334,113	\$ 307,408
Claims incurred	722,164	79,918
Claims paid	<u>(91,245)</u>	<u>(53,213)</u>
Ending balance	<u>\$ 965,032</u>	<u>\$ 334,113</u>

A liability for estimated general liability claims is also presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of various general liability claims during FY2023-24 that were unpaid as of June 30, 2024. The liability was calculated using actual claims settled and paid after June 30, 2024. A reconciliation of the claims liability at the end of the year are as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 285,202	\$ 132,632
Claims incurred	360,534	315,933
Claims paid	<u>(255,235)</u>	<u>(163,363)</u>
Ending balance	<u>\$ 390,501</u>	<u>\$ 285,202</u>

Reimbursement claims under federal and state program grants may be subject to further audit and adjustment by grantor agencies. State school support from the Oregon Department of Education may also be subject to further audit and adjustment. Disallowed claims could become a liability of the General Fund. Any such amounts are not expected to be significant. Accordingly, management does not anticipate any material adverse consequences arising from such actions.

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. Because 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 District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

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a. Environmental matters

The District has complied with EPA standards for asbestos removal or encasement as well as maintenance of an asbestos management plan. In addition, the District's fuel storage facilities meet EPA standards including annual testing requirements. We are developing a healthy and safe schools plan outlined by the state, which includes items like lead and radon testing.

L. Long-term liabilities

The District has outstanding general obligation bonds, limited tax pension bonds and notes from direct borrowings related to governmental activities totaling \$395,810,000, \$30,420,000 and \$1,445,000 respectively. The District has pledged property taxes and all unobligated revenues from the general fund to the punctual payment of principal and interest in the notes from direct borrowings. The District's outstanding notes from direct borrowings provide that in the event of default all amounts payable under the agreement will become immediately due and payable. The District does not have any open or unused lines of credit.

The changes in long-term obligations for governmental activities for the year ended June 30, 2024 are as follows:

	Balance at June 30, 2023	Increases/ Accretion	Decreases	Balance at June 30, 2024	Due within One Year
General obligation bonds	\$420,200,000	\$ -	\$24,390,000	\$395,810,000	\$28,200,000
Full faith and credit bonds	545,000	-	545,000	-	-
Limited tax pension obligation bonds	37,335,000	-	6,915,000	30,420,000	7,730,000
Notes from direct borrowings	1,709,000	-	264,000	1,445,000	264,000
Unamortized bond premium	22,538,243	-	2,611,643	19,926,600	-
Early retiree program	1,982	-	1,982	(0)	-
Lease liability	5,729,304	-	554,248	5,175,056	592,717
SBITA liability	908,068	-	156,458	751,610	237,698
Total	\$488,966,596	\$ -	\$35,438,330	\$453,528,266	\$37,024,415

Debt service requirements on long-term debt at June 30, 2024, exclusive of the remaining issue discount for limited tax pension obligation bonds, are as follows:

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As of June 30	General Obligation Bonds		Limited Tax Pension Obligation Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	28,200,000	13,420,267	7,730,000	1,702,032	264,000	36,298
2026	23,885,000	12,649,617	8,610,000	1,269,533	264,000	29,608
2027	26,190,000	11,737,067	9,555,000	787,792	264,000	22,919
2028	28,555,000	10,711,637	4,525,000	253,176	264,000	16,231
2029	30,970,000	9,688,163	-	-	264,000	9,542
2030-2034	110,775,000	37,298,304	-	-	125,000	2,852
2035-2039	91,880,000	19,671,725	-	-	-	-
2040-2044	31,075,000	8,749,400	-	-	-	-
2045-2047	24,280,000	1,991,400	-	-	-	-
Total	395,810,000	125,917,577	30,420,000	4,012,534	1,445,000	117,450

a. General obligation bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities. The original amount of the general obligation bond issues are as follows:

<u>Issue</u>	<u>Original Amount</u>
2013 Refunding	81,050,000
2017 GO Bond	175,000,000
2019 GO Bond	93,300,000
2021 Refunding	80,795,000
2023 GO Bond	100,000,000
Total debt issued	\$ 530,145,000

Debt service on bond principal and bond interest is paid from the Debt Service Fund. The District is subject to statutory limitations on indebtedness. As of June 30, 2024, the District's net bonded debt is \$4,215,841,469 less than the statutory debt limit. Certain issues of the District's bonds are subject to federal arbitrage regulations. The District employs the services of an arbitrage rebate specialist to determine the amount of the arbitrage liability if applicable. For FY 2024 the District recorded a positive yield liability in the amount of \$307,385.92 for the 2019 GO Bond.

In February 2023, Moody's affirmed the District's Aa2 bond rating.

A summary of outstanding general obligation bonds is below:

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Issue	Issue Date	Maturity		Interest Rate	2024 Principal	2024 Interest
		Date	Date		Payments	Payments
2013 Refunding	3/7/2013	6/15/2024		4.25% - 5.00%	\$ 14,800,000	\$ 333,000
2017 GO Bond	8/31/2017	6/15/2037		2.82%	-	5,306,213
2019 GO Bond	7/24/2019	6/15/2039		3.00% - 5.00%	1,705,000	2,706,800
2021 Refunding	12/7/2021	6/15/2033		4.00% - 5.00%	2,335,000	1,261,354
2023 GO Bond	3/2/2023	6/15/2047		4.00% - 6.00%	5,550,000	5,828,656
Total General Obligation Bonds					\$ 24,390,000	\$ 15,436,022

b. Limited tax pension obligation bonds

The District participated in the Oregon School Board Association (OSBA) Pension Bond Pool for the purpose of funding the District's allocated portion of the PERS Unfunded Actuarial Liability (UAL). Bonds in the amount of \$40,926,720 were issued October 31, 2002, additional bonds in the amount of \$25,316,992 were issued April 21, 2003 and \$5,930,000 were issued February 19, 2004. The bonds are being amortized over 25-26 years. In February 2012 the District refinanced a portion of the 2002 Pension Bonds. This refinance was structured to save approximately \$45,000 per year in interest. Debt service on bond principal and interest is paid from the debt service fund. General fund resources typically have been used to liquidate the limited tax pension obligation bonds.

A summary of outstanding limited tax pension obligation bonds is below:

Issue	Issue Date	Maturity		Interest Rate	2024 Principal	2024 Interest
		Date	Date		Payments	Payments
PERS 10/02	10/31/2002	6/30/2028		5.55%	\$ 3,925,000	\$ 1,174,658
PERS 4/03	4/21/2003	6/30/2028		5.68%	2,480,000	760,237
PERS 4/04	2/19/2004	6/30/2028		3.25% - 5.528%	510,000	152,296
Total limited tax pension obligation bonds					\$ 6,915,000	\$ 2,087,191

c. Full faith and credit bonds

On March 21, 2011, the District issued full faith and credit bonds to refinance a long-term loan taken out in 2009 that was used to finance the repair of Summit High School athletic fields. The refunding was undertaken to reduce total debt service payments over the life of the debt by \$886,848 and resulted in an economic gain to the taxpayers of approximately \$740,000. The bonds matured in January 2024 and the interest rates range from 2 to 4%.

A summary of the full faith and credit bonds is below:

Issue	Issue Date	Maturity		Interest Rate	2024 Principal	2024 Interest
		Date	Date		Payments	Payments
Series 2011	3/22/2011	1/15/2024		2.00% - 4.00%	545,000	21,800
Total full faith and credit bonds					\$ 545,000	\$ 21,800

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d. Notes from direct borrowings

On March 21, 2019, the District financed \$1,390,000 to purchase 10 school buses. This loan matures in 2029 and the fixed interest rate is 2.76%. The interest rate will increase by 1.50% in an Event of Default that extends beyond 60 days after a written demand is made to the District to cure such failure. On May 20, 2020 the District financed \$1,250,000 to purchase additional school buses. The loan matures in 2030 and the fixed interest rate is 2.282%. The interest rate, at the option of the lender, shall increase to 5.282% in an occurrence and continuation of an Event of Default. The payments on these notes from direct borrowings are made from the general fund.

A summary of outstanding notes on direct borrowings is below:

<u>Issue</u>	<u>Issue Date</u>	<u>Maturity Year</u>	<u>Interest Rate</u>	<u>2024 Principal Payments</u>	<u>2024 Interest Payments</u>
2019 Bus Purchase	3/21/2019	2029	2.76%	139,000	23,018
2020 Bus Purchase	5/28/2020	2030	2.28%	125,000	19,968
<u>Total notes from direct borrowings</u>				<u>\$ 264,000</u>	<u>\$ 42,986</u>

e. Other long-term liabilities

The District carries the liabilities below. With the exception of early retirement, all listed liabilities are liquidated from the general fund. Early retirement is liquidated from the special revenue fund.

<u>Long-term liabilities</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2024</u>	<u>Due within one year</u>
Other post-employment benefits	\$ 9,903,355	\$ 824,811	\$ 328,172	\$ 10,399,994	\$ -
Total pension liability	142,358,706	32,911,417	-	175,270,123	-
Claims and judgments	619,316	736,216	-	1,355,532	677,766
Accrued compensated absences	45,430	49,108	45,430	49,108	49,108
Early retirement	1,982	-	1,982	-	-
<u>Total long-term liabilities</u>	<u>\$ 152,928,789</u>	<u>\$ 34,521,552</u>	<u>\$ 375,584</u>	<u>\$ 187,074,757</u>	<u>\$ 726,874</u>

M. Fund balances

The District categorizes its fund balance for major funds as nonspendable, restricted, assigned or unassigned. Nonspendable fund balance represents resources that can't be spent as they are not in a spendable format. Restricted fund balances represent resources whose use is constrained by restrictions imposed by law or externally imposed restrictions placed by creditors, grantors or contributors. Assigned fund balances represent amounts the district intends to use for specific purposes and are imposed by the Superintendent or designee. The authority for the Superintendent or designee to assign resources for specific purposes is granted by the School Board, the District's governing body.

For the classification of unrestricted ending fund balance the District first reduces assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which

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 Deschutes County, Oregon
 Notes to the Basic Financial Statements
 June 30, 2024

amounts in any of those unrestricted fund balance classifications could be used. At times when restricted and unrestricted amounts can be used, the District uses restricted amounts first.

Details of fund balance classifications displayed in the aggregate:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	June 30, 2024	June 30, 2023
Nonspendable:						
Inventory	\$ 170,989	\$ 419,893	\$ -	\$ -	\$ 590,882	\$ 627,007
Prepaid items	2,159,343	40,000	-	-	2,199,343	1,526,278
Total Nonspendable	2,330,332	459,893	-	-	2,790,225	2,153,285
Restricted for:						
Capital projects	-	-	-	101,863,053	101,863,053	116,160,274
Debt service	-	-	5,459,984	-	5,459,984	5,387,006
Energy efficiency program	-	1,495,751	-	-	1,495,751	1,304,775
Federal, state, and private grants	-	5,589,283	-	-	5,589,283	6,338,670
Transportation equipment	2,913,019	-	-	-	2,913,019	2,689,734
Total Restricted	2,913,019	7,085,034	5,459,984	101,863,053	117,321,090	131,880,459
Assigned to:						
Appropriated fund balance	11,812,441	-	-	-	11,812,441	9,227,482
Student athletics	367,374	-	-	-	367,374	516,367
Facility usage	1,096,583	-	-	-	1,096,583	1,039,491
Instructional materials	2,139,655	-	-	-	2,139,655	3,564,696
Maintenance equipment replacement	1,344,187	-	-	-	1,344,187	1,758,395
Technology replacement	2,358,174	-	-	-	2,358,174	3,775,642
Print shop equipment	285,876	-	-	-	285,876	380,557
Insurance and risk reserves	2,536,158	-	-	-	2,536,158	2,253,615
Student activities	-	3,076,073	-	-	3,076,073	3,009,340
Early retirement program	-	402,826	-	-	402,826	404,878
Student and staff safety	-	736,259	-	-	736,259	701,487
Other programs	-	182,769	-	-	182,769	812,255
Total Assigned	21,940,448	4,397,927	-	-	26,338,375	27,444,205
Unassigned	13,569,654	-	-	-	13,569,654	6,668,382
Total fund balances	\$40,753,453	\$11,942,854	\$5,459,984	\$101,863,053	\$160,019,344	\$168,146,331

N. Interfund transfers

Transfers are comprised of the following:

	Transfers In	Transfers Out
Maintenance Replacement Fund	\$ 140,031	\$ -
Capital Projects Fund	16,500	-
Special Revenue Fund	-	156,531
Total	\$ 156,531	\$ 156,531

Transfers between funds were used for SB 1149 energy efficiency projects.

O. Tax abatements

GASB 77, Tax Abatement Disclosures became effective for those periods beginning after December 15, 2015. All such abatement programs are authorized by Oregon Revised Statutes or by local resolution or ordinance. Some programs are initiated by the County and others by other local governments and state agencies. For the year ended June 30, 2024, the District's revenues were estimated to be reduced by the following amounts for each program:

Program	Estimated Tax Exempted/Abated to District
Construction in process in Enterprise Zone	\$ 13,698
Enterprise zones	167,284
Housing for low income rental	598,138
Solar projects	908
Total exempted/abated	\$ 780,028

P. Termination benefits

Special termination benefits were made available to employees who met guidelines of a plan adopted by the Board on May 3, 1983 and revised in 2009. On May 27, 2009, the School Board voted to implement a phasing out of the program. All employees participating in the plan before the effective date of the phase out period will receive benefits as anticipated when they retire. Beginning in FY2009-10, benefits for retirees under the plan were reduced each year by 10 percent and on June 30, 2013, the plan closed to new retirees.

The maximum monthly benefit paid by the District is equal to .1667 times the base salary divided by 12. Base salary is the average of the scheduled annual gross regular salary for the three highest completed paid contract years before retirement, but shall not exceed \$36,000. Employees do not contribute to the plan and accrue no vested benefits prior to their acceptance in the program.

The District's liability under the program is reported in the government-wide statements. The plan is funded by an assessment charged against payroll in all funds. The assessed charges are accumulated and stipends paid from the special revenue fund. The intent of this assessment is to fund the plan on a "pay-as-you-go" basis and not to accumulate resources in the special revenue fund for this plan.

These benefits are in addition to benefits that may become available under the pension plan administered under the State of Oregon Public Employees Retirement System. The expenditures incurred under the post-employment benefit plan during the current fiscal year totaled \$1,966 and covered 2 retirees.

The program concluded on June 30, 2024.

Est. 1883

B E N D  L A P I N E
S c h o o l s

EDUCATING THRIVING STUDENTS

Required Supplementary Information

Administrative School District No. 1
 Deschutes County, Oregon
 Required Supplementary Information
 Schedule of Changes in Total OPEB Liability and Related Ratios-Medical Benefit
 June 30, 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 616,994	\$ 568,049	\$ 670,411	\$ 560,806	\$ 541,842	\$ 501,534	\$ 489,301
Interest	388,360	321,962	214,438	423,167	401,158	346,262	325,807
Difference between expected and actual experience	-	1,209,153	-	(2,013,990)	-	1,165,745	-
Changes in assumptions	(180,543)	(694,512)	(827,579)	159,713	-	(724,174)	-
Benefit payments	(328,172)	(264,319)	(308,851)	(266,944)	(556,520)	(512,221)	(540,824)
Net change in total OPEB liability	496,639	1,140,333	(251,581)	(1,137,247)	386,480	777,146	274,284
Total OPEB Liability - beginning	9,903,355	8,763,022	9,014,603	10,151,850	9,765,371	8,988,225	8,713,941
Total OPEB Liability - ending	<u>\$ 10,399,994</u>	<u>\$ 9,903,355</u>	<u>\$ 8,763,022</u>	<u>\$ 9,014,603</u>	<u>\$ 10,151,851</u>	<u>\$ 9,765,371</u>	<u>\$ 8,988,225</u>
Estimated covered payroll	\$128,943,181	\$124,582,784	\$112,344,992	\$109,072,808	\$103,269,319	\$99,777,120	\$91,648,023
Total OPEB Liability as a percentage of covered payroll	8.07%	7.95%	7.80%	8.26%	9.83%	9.79%	9.81%

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

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 Deschutes County, Oregon
 Required Supplementary Information
 Schedule of the Proportionate Share of the Net Pension Liability for PERS
 June 30, 2024

Year ended June 30	(a) Employers proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employers covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.94%	\$ 175,270,123	\$ 125,426,366	139.74%	81.70%
2023	0.93%	\$ 142,358,706	\$ 118,966,841	119.66%	84.50%
2022	0.89%	106,176,637	109,277,918	97.16%	87.60%
2021	0.93%	203,590,516	103,024,521	197.61%	75.80%
2020	0.95%	162,784,846	98,767,292	164.82%	80.23%
2019	0.95%	144,280,577	94,269,442	153.05%	82.07%
2018	0.94%	126,760,591	89,909,286	140.99%	83.10%
2017	0.95%	142,785,408	85,328,728	167.34%	80.50%
2016	0.94%	54,255,989	80,204,296	67.65%	91.90%
2015	0.88%	(19,970,972)	76,452,742	-26.12%	103.60%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

Administrative School District No. 1
 Deschutes County, Oregon
 Required Supplementary Information
 Schedule of Employer Contributions for PERS
 June 30, 2024

Year ended June 30	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2024	\$ 22,628,048	\$ 22,628,048	-	\$ 131,946,661	17.15%
2023	\$ 19,805,335	\$ 19,805,335	-	\$ 125,426,366	15.79%
2022	18,917,828	18,917,828	-	\$ 118,966,841	15.90%
2021	20,763,856	20,763,856	-	109,277,918	19.00%
2020	19,809,362	19,809,362	-	103,024,521	19.23%
2019	14,469,727	14,469,727	-	98,767,292	14.65%
2018	13,898,819	13,898,819	-	94,269,442	14.74%
2017	8,751,328	8,751,328	-	89,909,286	9.73%
2016	8,379,165	8,379,165	-	85,328,728	9.82%
2015	10,122,605	10,122,605	-	80,204,296	12.62%
2014	9,674,212	9,674,212	-	76,452,742	12.65%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

Administrative School District No. 1
 Deschutes County, Oregon
 Required Supplementary Information
 Schedule of the Proportionate Share of the Net OPEB Liability - RHIA
 June 30, 2024

Year ended June 30	(a) Employer's proportion of net OPEB asset (NOA)	(b) Employer's proportionate share of net OPEB asset (NOA)	(c) Employers covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of total OPEB asset
2024	0.88%	\$ (3,234,674)	\$ 125,426,366	-2.58%	201.6%
2023	0.77%	\$ (2,747,616)	\$ 118,966,841	-2.31%	194.6%
2022	0.79%	(2,727,253)	109,277,918	-2.50%	183.9%
2021	1.57%	(3,194,226)	103,024,521	-3.10%	150.1%
2020	0.90%	(1,740,207)	98,767,292	-1.76%	144.4%
2019	0.90%	(999,849)	94,269,442	-1.06%	124.0%
2018	0.87%	(363,209)	89,909,286	-0.40%	108.9%
2017	0.88%	240,400	85,328,728	0.28%	94.2%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1
 Deschutes County, Oregon
 Required Supplementary Information
 Schedule of Employer Contributions for OPEB - RHIA
 June 30, 2024

Year ended June 30	Statutorily required contribution	Contributions in the relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2024	\$ 18,894	\$ 18,894	-	\$131,946,661	0.01%
2023	\$ 19,010	\$ 19,010	-	\$125,426,366	0.02%
2022	23,535	23,535	-	118,966,841	0.02%
2021	99,696	99,696	-	109,277,918	0.09%
2020	446,816	446,816	-	103,024,521	0.43%
2019	429,920	429,920	-	98,767,292	0.44%
2018	433,280	433,280	-	94,269,442	0.46%
2017	394,714	394,714	-	89,909,286	0.44%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund
 Year Ended June 30, 2024

	General Fund					
	Budgeted Amounts		Variance with	Actuals		
	Adopted	Final	Final Budget Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 103,643,000	\$ 103,643,000	\$ 558,185	\$ 104,201,185	\$ -	\$ 104,201,185
Tuition	10,493	10,493	4,059	14,552	-	14,552
Investment earnings	960,400	960,400	2,789,389	3,749,789	-	3,749,789
Other local sources	7,453,848	7,453,848	(1,429,104)	6,024,744	-	6,024,744
Intermediate sources	2,370,000	2,370,000	(152,781)	2,217,219	-	2,217,219
State sources	92,821,213	92,821,213	6,330,573	99,151,786	-	99,151,786
Federal sources	310,000	310,000	(16,154)	293,846	-	293,846
Total revenues	207,568,954	207,568,954	8,084,167	215,653,121	-	215,653,121
Expenditures						
Current:						
Instruction	127,952,678	125,452,678 (1)	(6,934,586)	118,518,092	(1,222,747)	117,295,345
Support services	88,532,343	91,002,643 (1)	(2,626,949)	88,375,694	(4,593,718)	83,781,976
Community services	538,467	538,467 (1)	(147,018)	391,449	-	391,449
Debt service	1,422,948	1,452,648 (1)	(83,404)	1,369,244	(1,369,244)	-
Principal	-	-	-	-	1,102,659	1,102,659
Interest	-	-	-	-	266,585	266,585
Capital outlay	-	-	-	-	5,944,417	5,944,417
Contingency	500,000	500,000 (1)	(500,000)	-	-	-
Total expenditures	218,946,436	218,946,436	(10,291,957)	208,654,479	127,952	208,782,431
Revenues over (under) expenditures	(11,377,482)	(11,377,482)	18,376,124	6,998,642	(127,952)	6,870,690
Other financing sources (uses)						
Lease financing	100,000	100,000	(100,000)	-	-	-
Subscription based information technology financing	-	-	-	-	127,952	127,952
Sale of capital assets	-	-	85,603	85,603	-	85,603
Restitution	-	-	-	-	-	-
Issuance of long-term debt	1,550,000	1,550,000	(1,550,000)	-	-	-
Transfer from special revenue fund	500,000	500,000	(359,969)	140,031	-	140,031
Total other financing sources (uses)	2,150,000	2,150,000	(1,924,366)	225,634	127,952	353,586
Net change in fund balances	(9,227,482)	(9,227,482)	16,451,758	7,224,276	-	7,224,276
Fund balance, beginning of year	24,183,213	24,183,213	9,345,964	33,529,177	-	33,529,177
Fund balance, end of year	\$ 14,955,731	\$ 14,955,731	\$ 25,797,722	\$ 40,753,453	\$ -	\$ 40,753,453

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 Special Revenue Fund
 Year Ended June 30, 2024

	Special Revenue Fund					
	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 123,429	\$ 123,429	\$ 302,026	\$ 425,455	\$ -	\$ 425,455
Other local sources	8,517,931	8,517,931	(587,403)	7,930,528	-	7,930,528
Intermediate sources	400,000	400,000	(5,000)	395,000	-	395,000
State sources	26,931,690	26,931,690 ⁽²⁾	(2,874,179)	24,057,511	-	24,057,511
Federal sources	27,220,585	27,220,585	(2,996,958)	24,223,627	-	24,223,627
Total revenues	63,193,635	63,193,635	(6,161,514)	57,032,121	-	57,032,121
Expenditures						
Current						
Instruction	32,304,480	32,304,480 ⁽¹⁾	(3,437,731)	28,866,749	(159,611)	28,707,138
Support services	20,254,305	20,254,305 ⁽¹⁾	(2,815,634)	17,438,671	(908,982)	16,529,689
Community services	11,959,285	11,959,285 ⁽¹⁾	(262,095)	11,697,190	(179,372)	11,517,818
Debt service	550,000	550,000 ⁽¹⁾	(550,000)	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,247,965	1,247,965
Total expenditures	65,068,070	65,068,070	(7,065,460)	58,002,610	-	58,002,610
Revenues over (under) expenditures	(1,874,435)	(1,874,435)	903,946	(970,489)	-	(970,489)
Other financing sources (uses)						
Transfer to general fund	(900,000)	(900,000)	743,469	(156,531)	-	(156,531)
Total other financing sources (uses)	(900,000)	(900,000) ⁽¹⁾	743,469	(156,531)	-	(156,531)
Net change in fund balance	(2,774,435)	(2,774,435)	1,647,415	(1,127,020)	-	(1,127,020)
Fund balance, beginning of year	6,279,656	6,279,656	6,790,218	13,069,874	-	13,069,874
Fund balance, end of year	\$ 3,505,221	\$ 3,505,221	\$ 8,437,633	\$ 11,942,854	\$ -	\$ 11,942,854

Totals may not precisely add due to rounding

(1) Appropriation level

(2) Included in this State Revenue is the required match of \$56,779.27 for National School Lunch Support.

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

See notes to basic financial statements

Supplementary Information

Description of Fund Types

General Fund

This fund accounts for general operating revenues, expenditures and transfers of the District. The principal sources of revenue are from the local tax levy and state school support.

Subfund account groupings are used to separate accounting records for management purposes. The subfund account groupings are as follows:

- General Operations
- Athletics and Activities
- Instructional Materials
- Transportation Equipment
- Print Shop Equipment
- Facility Usage
- Technology Reserve
- Maintenance Replacement
- Insurance Reserve

Special Revenue Fund

The special revenue fund accounts for revenue sources that are set aside for specific purposes or have legal restrictions that determine how and on what the funds may be disbursed.

The District accounts for grant funds, student body funds and nutritional services activities in special revenue funds. The grant funds include Title grants, IDEA (special education), Family Advocate Network and various other grants received from federal, state or other sources.

Debt Service Fund

The debt service fund is used to account for all sources and uses related to the general obligation debt, PERS UAL refunding debt, and Summit High Athletic field project debt of the District.

The main source used to pay for the general obligation debt of the District is property taxes levied at a rate to cover the debt for the current period. The source used to pay for the PERS UAL refunding debt of the District is a portion of the State School Fund. The source used to pay the long-term debt for the Summit High Athletic field project is general resources of the district.

Capital Projects Fund

The capital projects fund is used to account for the transactions related to projects funded through the issuance of general obligation bonds. The major source of revenue for this fund is proceeds from the issuance of bonds.

Private Purpose Trust Fund

The private purpose trust fund accounts for revenues and expenses of individual bequests and grants held by the District. The fund assets have been contributed by individuals and are subject to restrictions set forth in the trust agreements.

Combining Statements of General Fund Subfunds

Administrative School District No. 1
 Deschutes County, Oregon
 Combining Statements of Assets, Liabilities and Fund Balance
 General Fund - Subfunds
 (GAAP Basis)
 June 30, 2024

	General Operations	Athletics and Activities	Instructional Materials
Assets			
Cash and investments	\$ 37,500,715	\$ 367,375	\$ 2,139,653
Receivables:		-	
Property taxes	2,189,634	-	-
Accounts and other receivables	1,389,264	-	-
Intergovernmental receivables	1,152,276	-	-
Prepaid items	2,159,342	-	-
Inventories	45,102	-	-
Total assets	\$ 44,436,333	\$ 367,375	\$ 2,139,653
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts and interest payable	\$ 2,684,236	\$ -	\$ -
Accrued payroll and related charges	12,537,806	-	-
Total liabilities	15,222,042	-	-
Deferred inflows of resources			
Leases deferred inflows	-	-	-
Unavailable revenue - property taxes	1,627,754	-	-
Total deferred inflows of resources	1,627,754	-	-
Fund balances			
Nonspendable	2,204,444	-	-
Restricted	-	-	-
Assigned	11,812,441	367,375	2,139,653
Unassigned	13,569,652	-	-
Total fund balances	27,586,537	367,375	2,139,653
Total liabilities, deferred inflows and fund balances	\$ 44,436,333	\$ 367,375	\$ 2,139,653

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2024
\$ 2,913,018	\$ 284,127	\$ 1,055,762	\$ 2,358,175	\$ 1,344,187	\$ 2,536,160	\$ 50,499,172
-	-	-	-	-	-	2,189,634
-	1,746	40,822	-	-	-	1,431,832
-	-	-	-	-	-	1,152,276
-	-	-	-	-	-	2,159,342
-	125,891	-	-	-	-	170,993
<u>\$ 2,913,018</u>	<u>\$ 411,764</u>	<u>\$ 1,096,584</u>	<u>\$ 2,358,175</u>	<u>\$ 1,344,187</u>	<u>\$ 2,536,160</u>	<u>\$ 57,603,249</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,684,236
-	-	-	-	-	-	12,537,806
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,222,042</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	1,627,754
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,627,754</u>
-	125,891	-	-	-	-	2,330,335
2,913,018	-	-	-	-	-	2,913,018
-	285,873	1,096,584	2,358,175	1,344,187	2,536,160	21,940,448
-	-	-	-	-	-	13,569,652
<u>2,913,018</u>	<u>411,764</u>	<u>1,096,584</u>	<u>2,358,175</u>	<u>1,344,187</u>	<u>2,536,160</u>	<u>40,753,453</u>
<u>\$ 2,913,018</u>	<u>\$ 411,764</u>	<u>\$ 1,096,584</u>	<u>\$ 2,358,175</u>	<u>\$ 1,344,187</u>	<u>\$ 2,536,160</u>	<u>\$ 57,603,249</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Combining Statements of Revenues, Expenditures and Changes in Fund Balance
 General Fund Subfunds
 (GAAP Basis)
 Year Ended June 30, 2024

	General Operations	Athletics and Activities	Instructional Materials
Revenues			
Property taxes	\$ 104,201,185	\$ -	\$ -
Tuition	14,552	-	-
Investment earnings	2,735,469	98,823	180,392
Print shop	-	-	-
Indirect costs charged to grants	435,859	-	-
Charges for services	1,905,791	-	-
Other local sources	841,939	556,470	-
County school funds	412,208	-	-
ESD apportionment	1,705,000	-	-
Other Intermediate sources	100,010	-	-
State school fund	96,015,720	-	-
Common school fund	2,289,066	-	-
Other state sources	-	-	-
Federal grant sources	293,846	-	-
Total revenues	210,950,645	655,293	180,392
Expenditures			
Current:			
Instruction	109,961,887	4,442,507	2,832,191
Support services	81,425,986	223,372	290,665
Community services	193,075	-	-
Debt service:			
Principal	675,310	-	140,618
Interest	196,071	-	21,259
Capital outlay	1,695,978	26,355	-
Total expenditures	194,148,307	4,692,234	3,284,733
Revenues over (under) expenditures	16,802,338	(4,036,941)	(3,104,341)
Other financing sources (uses)			
Subscription based information technology financing	127,952	-	-
Lease financing	-	-	-
Sale of capital assets	1,525	-	-
Restitution	-	-	-
Issuance of long-term debt	-	-	-
PERS UAL Payment	-	-	-
Transfer from special revenue fund	-	-	-
Transfers	(6,784,379)	3,885,549	1,679,300
Total other financing sources (uses)	(6,654,902)	3,885,549	1,679,300
Net change in fund balances	10,147,436	(151,392)	(1,425,041)
Fund balances, beginning of year	17,439,101	518,767	3,564,694
Fund balances, end of year	\$ 27,586,537	\$ 367,375	\$ 2,139,653

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,201,185
-	-	-	-	-	-	14,552
163,031	25,529	68,295	210,072	109,129	159,049	3,749,789
-	887,923	-	-	-	-	887,923
-	-	-	-	-	-	435,859
-	-	-	-	-	-	1,905,791
179,846	-	369,095	199,603	170,859	477,360	2,795,172
-	-	-	-	-	-	412,208
-	-	-	-	-	-	1,705,000
-	-	-	-	-	-	100,010
847,000	-	-	-	-	-	96,862,720
-	-	-	-	-	-	2,289,066
-	-	-	-	-	-	-
-	-	-	-	-	-	293,846
<u>1,189,877</u>	<u>913,452</u>	<u>437,390</u>	<u>409,675</u>	<u>279,988</u>	<u>636,409</u>	<u>215,653,121</u>
-	-	87,459	-	-	(28,699)	117,295,345
-	962,425	131,376	-	365,589	382,563	83,781,976
-	-	198,374	-	-	-	391,449
-	-	-	-	-	-	-
264,000	22,731	-	-	-	-	1,102,659
42,986	6,269	-	-	-	-	266,585
<u>1,402,839</u>	<u>-</u>	<u>173,465</u>	<u>2,177,142</u>	<u>468,638</u>	<u>-</u>	<u>5,944,417</u>
<u>1,709,825</u>	<u>991,425</u>	<u>590,674</u>	<u>2,177,142</u>	<u>834,227</u>	<u>353,864</u>	<u>208,782,431</u>
(519,948)	(77,973)	(153,284)	(1,767,467)	(554,239)	282,545	6,870,690
-	-	-	-	-	-	127,952
-	-	-	-	-	-	-
84,078	-	-	-	-	-	85,603
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	140,031	-	140,031
<u>659,154</u>	<u>-</u>	<u>210,376</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>743,232</u>	<u>-</u>	<u>210,376</u>	<u>350,000</u>	<u>140,031</u>	<u>-</u>	<u>353,586</u>
223,284	(77,973)	57,092	(1,417,467)	(414,208)	282,545	7,224,276
<u>2,689,734</u>	<u>489,737</u>	<u>1,039,492</u>	<u>3,775,642</u>	<u>1,758,395</u>	<u>2,253,615</u>	<u>33,529,177</u>
<u>\$ 2,913,018</u>	<u>\$ 411,764</u>	<u>\$ 1,096,584</u>	<u>\$ 2,358,175</u>	<u>\$ 1,344,187</u>	<u>\$ 2,536,160</u>	<u>\$ 40,753,453</u>

Est. 1883

B E N D  L A P I N E
S c h o o l s

EDUCATING THRIVING STUDENTS

Budgetary Comparisons

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Operations Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 103,643,000	\$ 103,643,000	\$ 558,185	\$ 104,201,185	\$ -	\$ 104,201,185
Tuition	10,493	10,493	4,059	14,552	-	14,552
Investment earnings	900,000	900,000	1,835,469	2,735,469	-	2,735,469
Other local sources	2,760,000	2,760,000	423,588	3,183,588	-	3,183,588
Intermediate sources	2,370,000	2,370,000	(152,781)	2,217,219	-	2,217,219
State sources	91,963,462	91,963,462	6,341,324	98,304,786	-	98,304,786
Federal sources	310,000	310,000	(16,154)	293,846	-	293,846
Total revenues	201,956,955	201,956,955	8,993,690	210,950,645	-	210,950,645
Expenditures						
Current						
Instruction	120,645,800	118,145,800	(6,991,261)	111,154,539	(1,192,652)	109,961,887
Support services	79,117,449	81,617,449	183,911	81,801,360	(375,374)	81,425,986
Community services	162,083	162,083	30,992	193,075	-	193,075
Debt service	651,667	651,667	219,714	871,381	(871,381)	-
Principal	-	-	-	-	675,310	675,310
Interest	-	-	-	-	196,071	196,071
Capital outlay	-	-	-	-	1,695,978	1,695,978
Contingency	500,000	500,000	(500,000)	-	-	-
Total expenditures	201,076,999	201,076,999	(7,056,644)	194,020,355	127,952	194,148,307
Revenues over (under) expenditures	879,956	879,956	16,050,334	16,930,290	(127,952)	16,802,338
Other financing sources (uses)						
Sale of capital assets	-	-	1,525	1,525	-	1,525
Lease financing	-	-	-	-	-	-
Subscription based information technology financing	-	-	-	-	127,952	127,952
PERS UAL Payment	-	-	-	-	-	-
Transfers to general subfunds	(6,387,108)	(6,387,108)	(397,271)	(6,784,379)	-	(6,784,379)
Total other financing sources (uses)	(6,387,108)	(6,387,108)	(395,746)	(6,782,854)	127,952	(6,654,902)
Net change in fund balance	(5,507,152)	(5,507,152)	15,654,588	10,147,436	-	10,147,436
Fund balance, beginning of yea	15,900,000	15,900,000	1,539,101	17,439,101	-	17,439,101
Fund balance, end of year	\$ 10,392,848	\$ 10,392,848	\$ 17,193,689	\$ 27,586,537	\$ -	\$ 27,586,537

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Athletics and Activities Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 98,823	\$ 98,823	\$ -	\$ 98,823
Other local sources	\$ 520,000	\$ 520,000	\$ 36,470	\$ 556,470	\$ -	\$ 556,470
State sources	-	-	-	-	-	-
Total revenues	520,000	520,000	135,293	655,293	-	655,293
Expenditures						
Current						
Instruction	4,019,528	4,019,528	449,334	4,468,862	(26,355)	4,442,507
Support services	768,232	768,232	(544,860)	223,372	-	223,372
Capital outlay	-	-	-	-	26,355	26,355
Total expenditures	4,787,760	4,787,760	(95,526)	4,692,234	-	4,692,234
Revenues over (under) expenditures	(4,267,760)	(4,267,760)	230,819	(4,036,941)	-	(4,036,941)
Other financing sources						
Transfers from general fund operations	3,885,549	3,885,549	-	3,885,549	-	3,885,549
Net change in fund balance	(382,211)	(382,211)	230,819	(151,392)	-	(151,392)
Fund balance, beginning of year	422,211	422,211	96,556	518,767	-	518,767
Fund balance, end of year	\$ 40,000	\$ 40,000	\$ 327,375	\$ 367,375	\$ -	\$ 367,375

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Instructional Materials Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 180,392	\$ 180,392	\$ -	\$ 180,392
Other local sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Total revenues	-	-	180,392	180,392	-	180,392
Expenditures						
Current						
Instruction	2,677,350	2,677,350	154,841	2,832,191		2,832,191
Support services	7,300	7,300	283,365	290,665		290,665
Debt service	87,550	87,550	74,327	161,877	(161,877)	-
Principal	87,550	87,550	(87,550)		140,618	140,618
Interest	-	-			21,259	21,259
Total expenditures	2,859,750	2,859,750	424,983	3,284,733	-	3,284,733
Revenues over (under) expenditures	(2,859,750)	(2,859,750)	(244,591)	(3,104,341)	-	(3,104,341)
Other financing sources						
Transfers from general fund operations	1,679,300	1,679,300	-	1,679,300	-	1,679,300
Net change in fund balance	(1,180,450)	(1,180,450)	(244,591)	(1,425,041)	-	(1,425,041)
Fund balance, beginning of year	1,092,900	1,092,900	2,471,794	3,564,694	-	3,564,694
Fund balance, end of year	\$ (87,550)	\$ (87,550)	\$ 2,227,203	\$ 2,139,653	\$ -	\$ 2,139,653

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Transportation Equipment Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 25,000	\$ 25,000	\$ 138,031	\$ 163,031	\$ -	\$ 163,031
Other local sources	-	-	179,846	179,846	-	179,846
State sources	857,751	857,751	(10,751)	847,000	-	847,000
Total revenues	882,751	882,751	307,126	1,189,877	-	1,189,877
Expenditures						
Current						
Support services	1,425,000	1,425,000	(22,161)	1,402,839	(1,402,839)	-
Debt service	551,731	551,731	(244,745)	306,986	(306,986)	-
Principal	-	-	-	-	264,000	264,000
Interest	-	-	-	-	42,986	42,986
Capital outlay	-	-	-	-	1,402,839	1,402,839
Total expenditures	1,976,731	1,976,731	(266,906)	1,709,825	-	1,709,825
Revenues over (under) expenditures	(1,093,980)	(1,093,980)	574,032	(519,948)	-	(519,948)
Other financing sources (uses)						
Issuance of long-term debt	1,550,000	1,550,000	(1,550,000)	-	-	-
Sale of capital assets	-	-	84,078	84,078	-	84,078
Transfers from general fund operations	372,259	372,259	286,895	659,154	-	659,154
Total other financing sources	1,922,259	1,922,259	(1,179,027)	743,232	-	743,232
Net change in fund balance	828,279	828,279	(604,995)	223,284	-	223,284
Fund balance, beginning of year	650,011	650,011	2,039,723	2,689,734	-	2,689,734
Fund balance, end of year	\$ 1,478,290	\$ 1,478,290	\$ 1,434,728	\$ 2,913,018	\$ -	\$ 2,913,018

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Print Shop Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 25,529	\$ 25,529	\$ -	\$ 25,529
Other local sources	865,000	865,000	22,923	887,923	-	887,923
Total revenues	865,000	865,000	48,452	913,452	-	913,452
Expenditures						
Current						
Support services	893,300	893,300	69,125	962,425	-	962,425
Debt service	161,700	161,700	(132,700)	29,000	(29,000)	-
Principal	-	-	-	-	22,731	22,731
Interest	40,100	-	-	-	6,269	6,269
Capital outlay	-	-	-	-	-	-
Total expenditures	1,095,100	1,055,000	(63,575)	991,425	-	991,425
Revenues over (under) expenditures	(230,100)	(190,000)	112,027	(77,973)	-	(77,973)
Other financing sources (uses)						
Lease financing	100,000	100,000	(100,000)	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources	100,000	100,000	(100,000)	-	-	-
Net change in fund balances	(130,100)	(90,000)	12,027	(77,973)	-	(77,973)
Fund balance, beginning of year	375,000	375,000	114,737	489,737	-	489,737
Fund balance, end of year	\$ 244,900	\$ 285,000	\$ 126,764	\$ 411,764	\$ -	\$ 411,764

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Facility Usage Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 68,295	\$ 68,295	\$ -	\$ 68,295
Other local sources	411,000	411,000	(41,905)	369,095	-	369,095
Total revenues	411,000	411,000	26,390	437,390	-	437,390
Expenditures						
Current						
Instruction	310,000	310,000	(218,801)	91,199	(3,740)	87,459
Support services	420,000	420,000	(118,899)	301,101	(169,725)	131,376
Community services	376,384	376,384	(178,010)	198,374	-	198,374
Capital outlay	-	-	-	-	173,465	173,465
Total expenditures	1,106,384	1,106,384	(515,710)	590,674	-	590,674
Revenues over (under) expenditures	(695,384)	(695,384)	542,100	(153,284)	-	(153,284)
Other financing sources (uses)						
Transfers from General Fund Operations	100,000	100,000	110,376	210,376	-	210,376
Net change in fund balance	(595,384)	(595,384)	652,476	57,092	-	57,092
Fund balance, beginning of year	877,290	877,290	162,202	1,039,492	-	1,039,492
Fund balance, end of year	\$ 281,906	\$ 281,906	\$ 814,678	\$ 1,096,584	\$ -	\$ 1,096,584

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Technology Reserve Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 210,072	\$ 210,072	\$ -	\$ 210,072
Other local sources	2,241,280	2,241,280	(2,041,677)	199,603	-	199,603
State sources	-	-	-	-	-	-
Total revenues	2,241,280	2,241,280	(1,831,605)	409,675	-	409,675
Expenditures						
Current						
Instruction	-	-	-	-	-	-
Support services	4,117,138	4,117,138	(1,939,996)	2,177,142	(2,177,142)	-
Capital outlay	-	-	-	-	2,177,142	2,177,142
Total expenditures	4,117,138	4,117,138	(1,939,996)	2,177,142	-	2,177,142
Revenues over (under) expenditures	(1,875,858)	(1,875,858)	108,391	(1,767,467)	-	(1,767,467)
Net change in fund balance	(1,525,858)	(1,525,858)	108,391	(1,417,467)	-	(1,417,467)
Fund balance, beginning of year	1,821,176	1,821,176	1,954,466	3,775,642	-	3,775,642
Fund balance, end of year	\$ 295,318	\$ 295,318	\$ 2,062,857	\$ 2,358,175	\$ -	\$ 2,358,175

Totals may not precisely add due to rounding

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Maintenance Replacement Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 109,129	\$ 109,129	\$ -	\$ 109,129
Other local sources	256,568	256,568	(85,709)	170,859	-	170,859
State sources	-	-	-	-	-	-
Total revenues	256,568	256,568	23,420	279,988	-	279,988
Expenditures						
Current						
Support services	980,703	980,703	(146,476)	834,227	(468,638)	365,589
Capital outlay	-	-	-	-	468,638	468,638
Total expenditures	980,703	980,703	(146,476)	834,227	-	834,227
Revenues over (under) expenditures	(724,135)	(724,135)	169,896	(554,239)	-	(554,239)
Other financing sources (uses)						
Transfer from special revenue fund	500,000	500,000	(359,969)	140,031	-	140,031
Total other financing sources (uses)	500,000	500,000	(359,969)	140,031	-	140,031
Net change in fund balance	(224,135)	(224,135)	(190,073)	(414,208)	-	(414,208)
Fund balance, beginning of year	1,034,455	1,034,455	723,940	1,758,395	-	1,758,395
Fund balance, end of year	\$ 810,320	\$ 810,320	\$ 533,867	\$ 1,344,187	\$ -	\$ 1,344,187

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 General Fund - Insurance Reserve Subfund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 35,400	\$ 35,400	\$ 123,649	\$ 159,049	\$ -	\$ 159,049
Other local sources	400,000	400,000	77,360	477,360	-	477,360
Total revenues	435,400	435,400	201,009	636,409	-	636,409
Expenditures						
Current						
Instruction	300,000	300,000	(328,699)	(28,699)	-	(28,699)
Support services	773,521	773,521	(390,958)	382,563	-	382,563
Capital outlay	-	-	-	-	-	-
Total expenditures	1,073,521	1,073,521	(719,657)	353,864	-	353,864
Revenues over (under) expenditures	(638,121)	(638,121)	920,666	282,545	-	282,545
Net change in fund balance	(638,121)	(638,121)	920,666	282,545	-	282,545
Fund balance, beginning of year	2,010,170	2,010,170	243,445	2,253,615	-	2,253,615
Fund balance, end of year	\$ 1,372,049	\$ 1,372,049	\$ 1,164,111	\$ 2,536,160	\$ -	\$ 2,536,160

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 Debt Service Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 39,028,538	\$ 39,028,538	\$ 680,094	\$ 39,708,632	\$ -	\$ 39,708,632
Investment earnings	50,000	50,000	844,842	894,842	-	894,842
State sources	9,002,191	9,002,191	(137,672)	8,864,519	-	8,864,519
Total revenues	48,080,729	48,080,729	1,387,264	49,467,993	-	49,467,993
Expenditures						
Current:						
Support services	3,000	3,000	(1) (3,000)	-	-	-
Debt service	49,395,014	49,395,014	(1) (1)	49,395,013	(49,395,013)	-
Principal	-	-	-	-	31,850,000	31,850,000
Interest	-	-	-	-	17,545,013	17,545,013
Total expenditures	49,398,014	49,398,014	(3,001)	49,395,013	-	49,395,013
Revenues over (under) expenditures	(1,317,285)	(1,317,285)	1,390,265	72,980	-	72,980
Net change in fund balance	(1,317,285)	(1,317,285)	1,390,265	72,980	-	72,980
Fund balance, beginning of year	4,564,485	4,564,485	822,519	5,387,004	-	5,387,004
Fund balance, end of year	\$ 3,247,200	\$ 3,247,200	\$ 2,212,784	\$ 5,459,984	\$ -	\$ 5,459,984

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 Capital Projects Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 523,500	\$ 523,500	\$ 4,696,480	\$ 5,219,980	\$ -	\$ 5,219,980
Other local sources	-	-	443,355	443,355	-	443,355
State sources	-	-	176,476	176,476	-	176,476
Total revenues	523,500	523,500	5,316,311	5,839,811	-	5,839,811
Expenditures						
Current						
Facilities acquisition and construction	47,500,000	47,500,000 (1)	(27,346,564)	20,153,436	(13,382,926)	6,770,510
Capital outlay	-	-	-	-	13,382,926	13,382,926
Debt service	10,000	10,000	(9,905)	95	(95)	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	95	95
Total expenditures	47,510,000	47,510,000	(27,356,469)	20,153,531	-	20,153,531
Revenues over (under) expenditures	(46,986,500)	(46,986,500)	32,672,780	(14,313,720)	-	(14,313,720)
Other financing sources						
General obligation bonds issued - premium	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfer from special revenue fund	400,000	400,000	(383,500)	16,500	-	16,500
Total other financing sources	400,000	400,000	(383,500)	16,500	-	16,500
Net change in fund balance	(46,586,500)	(46,586,500)	32,289,280	(14,297,220)	-	(14,297,220)
Fund balance, beginning of year	117,814,000	117,814,000	(1,653,727)	116,160,273	-	116,160,273
Fund balance, end of year	\$ 71,227,500	\$ 71,227,500	\$ 30,635,553	\$ 101,863,053	\$ -	\$ 101,863,053

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
 Private Purpose Trust Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 6,105	\$ 6,105	\$ -	\$ 6,105
Donations	20,000	20,000	(8,115)	11,885	-	11,885
Total revenues	20,000	20,000	(2,010)	17,990	-	17,990
Expenditures						
Current						
Community services	25,000	25,000 (1)	(4,987)	20,013	-	20,013
Total expenditures	25,000	25,000	(4,987)	20,013	-	20,013
Revenues over (under) expenditures	(5,000)	(5,000)	2,977	(2,023)	-	(2,023)
Net change in fund balances	(5,000)	(5,000)	2,977	(2,023)	-	(2,023)
Fund balance, beginning of year	90,879	90,879	108	90,987	-	90,987
Fund balance, end of year	\$ 85,879	\$ 85,879	\$ 3,085	\$ 88,964	\$ -	\$ 88,964

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

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Other Information

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Revenues (Budgetary Basis) by ODE Object
 Year Ended June 30, 2024

	<u>100 - General Funds</u>
Revenue from Local Sources	
1110 - Ad Valorem Taxes	\$ 104,201,185
1311 - Tuition from Individuals	14,252
1330 - Tuition Summer School	300
1411 - Transportation Fees Individual	11,508
1412 - Trans Dist in Oregon	29,772
1500 - Earnings on Investments	3,749,788
1600 - Food Service	-
1700 - Extracurricular Activities	556,470
1910 - Rentals	369,095
1920 - Private Source Donatn Contrib	-
1960 - Recovery Prior Yr Expenditure	3,848
1970 - Services Provided Other Funds	1,864,510
1980 - Fees Charged to Grants	435,859
1990 - Miscellaneous	2,753,679
<u>Revenue from Local Sources Total</u>	<u>113,990,268</u>
Revenue from Intermediate Sources	
2101 - County School Funds	412,208
2199 - Other Intermediate Sources	100,010
2102 - Education Svc Dist Apporntment	1,705,000
<u>Revenue from Intermediate Sources Total</u>	<u>2,217,219</u>
Revenue from State Sources	
3101 - State School Fund Gen Support	96,015,720
3102 - State School Fund Lunch Match	-
3199 - Other Unrestrictd Grants n Aid	-
3222 - St School Fund Transp Equip	847,000
3299 - Other Restricted Grants in Aid	-
<u>Revenue from State Sources Total</u>	<u>99,151,786</u>
4200 - Unrestr Fed Rev Thru State	-
4202 - Fed Rev Thru State Medicaid	82,392
4300 - Restricted Fed Revenue Direct	-
4500 - Restr Federal Rev Thru State	211,453
4801 - Federal Forest Fees	-
<u>Revenue from Federal Sources Total</u>	<u>293,846</u>
Revenue from Other Sources	
5100 - Long term Debt Financing	-
5200 - Interfund Transfers	140,031
5300 - Sale of Fixed Assets	85,603
5400 - Fund Balance	33,529,177
<u>Revenue from Other Sources Total</u>	<u>33,754,811</u>
<u>Total Revenues</u>	<u>\$ 249,407,929</u>

200 - Special Revenue Funds	300 - Debt Service Funds	400 - Capital Projects Funds	700 - Trust and Agency Funds	Totals
\$ -	\$ 39,708,633	\$ -	\$ -	\$ 143,909,817
-	-	-	-	14,252
-	-	-	-	300
-	-	-	-	11,508
-	-	-	-	29,772
425,455	894,841	5,219,982	6,103	10,296,168
1,614,226	-	-	-	1,614,226
3,315,074	-	-	-	3,871,544
-	-	41,938	-	411,032
489,552	-	-	11,885	501,437
884	-	-	-	4,732
-	-	-	-	1,864,510
-	-	-	-	435,859
2,510,789	-	401,417	-	5,665,885
<u>8,355,981</u>	<u>40,603,474</u>	<u>5,663,336</u>	<u>17,988</u>	<u>168,631,046</u>
-	-	-	-	412,208
-	-	-	-	100,010
395,000	-	-	-	2,100,000
<u>395,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,612,219</u>
-	8,864,519	-	-	104,880,239
56,779	-	-	-	56,779
-	-	-	-	-
-	-	-	-	847,000
24,000,731	-	176,476	-	24,177,207
<u>24,057,510</u>	<u>8,864,519</u>	<u>176,476</u>	<u>-</u>	<u>132,250,291</u>
-	-	-	-	-
-	-	-	-	82,392
99,795	-	-	-	99,795
24,123,830	-	-	-	24,335,283
-	-	-	-	-
<u>24,223,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,517,470</u>
-	-	-	-	-
-	-	16,500	-	156,531
-	-	-	-	85,604
13,069,874	5,387,004	116,160,274	90,987	168,237,317
<u>13,069,874</u>	<u>5,387,004</u>	<u>116,176,774</u>	<u>90,987</u>	<u>168,479,452</u>
<u>\$ 70,101,988</u>	<u>\$ 54,854,998</u>	<u>\$ 122,016,586</u>	<u>\$ 108,975</u>	<u>\$ 496,490,477</u>

Administrative School District No. 1
 Deschutes County, Oregon
 General Fund Schedule of Expenditures by Function (Budgetary Basis)
 Year Ended June 30, 2024

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	\$ 27,645,976	\$ 14,623,578
1113 - Elementary Extracurricular	-	-
1121 - Middle School Programs	11,534,706	6,071,771
1122 - Middle School Extracurricular	574,239	145,008
1131 - High School Programs	10,984,826	5,771,436
1132 - High School Extracurricular	2,280,611	638,616
1210 - Talented and Gifted Programs	324,180	168,571
1220 - Restrictive Prog Fr Disability	6,594,599	3,740,825
1250 - Less Restrictive Prog Disabled	3,757,629	2,097,028
1272 - Title I	8,512	3,106
1280 - Alternative Education	828,985	438,071
1291 - English Second Language	1,495,759	804,509
1292 - Teen Parent Programs	121,459	56,663
1400 - Summer School Programs	31,203	9,507
Instruction Total	66,182,684	34,568,689
Support Services		
2110 - Attendance and Social Work	322,152	192,020
2120 - Guidance Services	3,847,398	1,979,996
2130 - Health Services	1,508,360	723,717
2140 - Psychological Services	1,202,427	573,432
2150 - Speech Pathology and Audiology	1,896,482	943,932
2190 - Service Dir, Stu Support Svcs	874,527	461,375
2210 - Improvement of Instruction Svc	1,605,523	675,730
2220 - Educational Media Services	1,259,777	782,898
2230 - Assessment and Testing	287,893	144,830
2240 - Instructional Staff Developmnt	77,588	27,658
2310 - Board of Education Services	111,336	45,668
2320 - Executive Administration Svcs	383,410	152,530
2410 - Office of the Principal Svcs	11,360,707	5,567,218
2490 - Other Support Services	67,588	33,771
2510 - Business Support Services	52,527	22,806
2520 - Fiscal Services	1,150,583	524,468
2540 - Oper/Maint of Plant Services	7,782,008	4,293,715
2550 - Student Transportation Svcs	5,157,131	2,841,971
2570 - Internal Services	562,072	288,292
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	88,007	46,543
2630 - Information Services	242,703	97,747
2640 - Staff Services	1,377,112	1,041,263
2660 - Technology Services	2,450,730	1,225,823
2680 - Interp and Translation	61,086	30,911
Support Services Total	43,729,125	22,718,316
Enterprise and Community Services		
3300 - Community Services	231,845	149,288
Enterprise and Community Services Total	231,998	149,288
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
Other Uses/Expenditures Total	-	-
Total General Fund	\$ 110,143,807	\$ 57,436,293

Object 300	Object 400	Object 500	Object 600	Totals
\$ 1,948,126	\$ 1,978,287	\$ 972,857	\$ 2,911	\$ 47,171,735
368	39	-	-	407
817,733	643,963	222,558	9,787	19,300,517
69,219	87,459	9,633	9,570	895,128
835,329	1,079,889	226,298	22,303	18,920,079
1,334,851	352,890	16,721	48,680	4,672,369
12,185	-	-	-	504,937
385,736	34,916	-	77	10,756,152
199,536	20,843	-	-	6,075,035
-	-	-	-	11,618
6,492,594	14,861	-	-	7,774,513
105,794	24,275	-	950	2,431,289
8,173	2,384	-	-	188,678
-	244	-	-	40,955
<u>12,209,645</u>	<u>4,240,050</u>	<u>1,448,068</u>	<u>94,278</u>	<u>118,743,413</u>
379,784	1,700	-	-	895,655
72,449	90,819	-	50	5,990,713
16,273	25,903	-	3,601	2,277,855
15,020	17,829	-	600	1,809,307
76,437	9,712	-	351	2,926,914
106,484	76,474	-	900	1,519,759
398,760	42,394	-	1,013	2,723,420
56,109	170,394	-	1,979	2,271,158
263,103	714	-	-	696,540
230,386	72,791	-	6,506	414,929
356,706	30,629	-	16,121	560,460
244,222	78,953	-	8,350	867,463
210,162	236,178	24,218	7,491	17,405,974
-	298	-	-	101,657
4,699	326	-	993	81,350
65,089	237,162	-	1,614,119	3,591,421
5,377,800	1,253,583	756,630	9,283	19,473,018
1,006,436	1,076,468	1,402,839	278,541	11,763,385
144,759	178,379	-	175,195	1,348,697
-	-	-	-	134,549
100,912	13,489	-	2,710	457,561
300,766	76,038	-	67,744	2,862,923
762,209	1,259,678	2,184,711	300	7,883,450
-	218	-	-	92,215
<u>10,188,563</u>	<u>4,950,128</u>	<u>4,368,397</u>	<u>2,195,845</u>	<u>88,150,373</u>
6,318	3,844	-	-	391,296
<u>6,318</u>	<u>3,844</u>	<u>-</u>	<u>-</u>	<u>391,449</u>
-	-	-	1,369,243	1,369,243
-	-	-	1,369,243	1,369,243
<u>\$ 22,404,526</u>	<u>\$ 9,194,022</u>	<u>\$ 5,816,465</u>	<u>\$ 3,659,366</u>	<u>\$ 208,654,479</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Special Revenue Funds Schedule of Expenditures by Function (Budgetary Basis)
 Year Ended June 30, 2024

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	\$ 1,174,330	\$ 711,362
1113 - Elementary Extracurricular	2,368	931
1121 - Middle School Programs	513,591	346,415
1122 - Middle School Extracurricular	4,445	1,043
1131 - High School Programs	7,371,447	4,127,848
1132 - High School Extracurricular	39,121	9,402
1210 - Talented and Gifted Programs	-	-
1220 - Restrictive Prog Fr Disability	224,313	135,431
1250 - Less Restrictive Prog Disabled	2,864,043	1,642,974
1271 - Remediation	12,884	3,973
1272 - Title I	1,287,141	743,708
1280 - Alternative Education	504,900	325,506
1291 - English Second Language	508,299	291,000
1292 - Teen Parent Programs	31,421	17,239
1299 - Other Special Ed Programs	-	-
1400 - Summer School Programs	54,010	20,246
Instruction Total	14,592,314	8,377,077
Support Services		
2110 - Attendance and Social Work	493,401	330,573
2120 - Guidance Services	3,895,724	2,363,250
2130 - Health Services	371,550	251,111
2140 - Psychological Services	45,690	20,799
2150 - Speech Pathology and Audiology	74,355	42,552
2190 - Service Dir, Stu Support Svcs	-	-
2210 - Improvement of Instruction Svc	2,988,742	1,639,685
2220 - Educational Media Services	77,545	46,721
2230 - Assessment and Testing	-	-
2240 - Instructional Staff Developmnt	513,123	283,612
2310 - Board of Education Services	-	-
2320 - Executive Administration Svcs	-	-
2410 - Office of the Principal Svcs	12,831	7,746
2490 - Other Support Services	117,106	61,777
2510 - Business Support Services	-	72
2520 - Fiscal Services	78,272	34,405
2540 - Oper/Maint of Plant Services	38,214	14,096
2550 - Student Transportation Svcs	-	-
2570 - Internal Services	-	-
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-
2630 - Information Services	-	-
2640 - Staff Services	141,527	71,029
2660 - Technology Services	-	-
2680 - Interp and Translation	22,363	24,776
2700 - Supplemental Retirement Progm	1,966	86
Support Services Total	8,872,408	5,192,286
Enterprise and Community Services		
3100 - Food Services	3,586,179	1,930,056
3300 - Community Services	393,117	297,369
3500 - Custody and Care of Children	-	-
Enterprise and Community Services Total	3,979,296	2,227,425
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
5200 - Transfers of Funds	-	-
Other Uses/Expenditures Total	-	-
Total Special Revenue Funds	\$ 27,444,019	\$ 15,796,788

	Object 300	Object 400	Object 500	Object 600	Object 700	Totals
\$	538,404	\$ 142,446	\$ 40,245	\$ -	\$ -	\$ 2,606,786
	43,727	176,928	23,037	-	-	246,990
	143,186	141,323	-	615	-	1,145,130
	37,601	99,411	-	532	-	143,031
	471,449	768,054	38,925	7,972	-	12,785,694
	620,636	1,431,739	41,454	4,494	-	2,146,847
	-	-	-	-	-	-
	57,206	86,398	-	4,448	-	507,796
	200,998	152,939	15,950	-	-	4,876,904
	29,946	2,064	-	-	-	48,868
	78,366	14,444	-	-	-	2,123,660
	407,662	8,789	-	-	-	1,246,857
	20,251	234	-	-	-	819,785
	1,668	100	-	-	-	50,428
	2,412	13,989	-	23	-	16,424
	4,084	23,206	-	-	-	101,546
	<u>2,657,597</u>	<u>3,062,064</u>	<u>159,610</u>	<u>18,085</u>	<u>-</u>	<u>28,866,745</u>
	109,085	55,701	78,767	7,664	-	1,075,190
	813,215	27,547	-	-	-	7,099,736
	33,515	2,898	-	-	-	659,074
	56,620	-	-	-	-	123,109
	31,443	106	-	-	-	148,456
	-	-	-	-	-	-
	178,912	67,747	-	8,247	-	4,883,334
	236	32,013	-	115	-	156,629
	50,774	-	-	-	-	50,774
	387,045	43,071	-	1,181	-	1,228,032
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,963	12,525	-	-	-	39,065
	30,363	1,877	-	-	-	211,123
	-	-	-	253,020	-	253,092
	-	-	-	-	-	112,677
	147,425	74,533	830,215	-	-	1,104,483
	9,284	1,559	-	-	-	10,843
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	212,556
	-	20,950	-	-	-	20,950
	-	-	-	-	-	47,138
	-	-	-	-	-	2,052
	<u>1,853,880</u>	<u>340,526</u>	<u>908,981</u>	<u>270,227</u>	<u>-</u>	<u>17,438,312</u>
	311,224	3,567,325	179,372	4,379	-	9,578,535
	1,376,813	50,993	-	718	-	2,119,010
	-	-	-	-	-	-
	<u>1,688,037</u>	<u>3,618,317</u>	<u>179,372</u>	<u>5,098</u>	<u>-</u>	<u>11,697,545</u>
	-	-	-	-	-	-
	-	-	-	-	156,531	156,531
	-	-	-	-	156,531	156,531
\$	<u>6,199,514</u>	<u>7,020,908</u>	<u>1,247,963</u>	<u>293,410</u>	<u>156,531</u>	<u>58,159,133</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Debt Service Funds Schedule of Expenditures by Function (Budgetary Basis)
 Year Ended June 30, 2024

	Object 300	Object 600	Totals
Support Services			
2520 - Fiscal Services	\$ -	\$ -	\$ -
<u>Support Services Total</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Uses/Expenditures Total			
5100 - Debt Service	-	49,395,013	49,395,013
<u>Other Uses/Expenditures Total</u>	<u>-</u>	<u>49,395,013</u>	<u>49,395,013</u>
<u>Total Debt Service Funds</u>	<u>\$ -</u>	<u>\$ 49,395,013</u>	<u>\$ 49,395,013</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Capital Project Funds Schedule of Expenditures by Function (Budgetary Basis)
 Year Ended June 30, 2024

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Totals
Facilities Acquisition and Conststruction							
4110 - Constr Service Area Direction	\$972,993	\$509,479	\$ 12,676	\$ 8,718	\$ 71,182	\$ -	\$ 1,575,047
4120 - Site Acquisition and Development Services	-	-	123,545	-	1,299	-	124,844
4150 - Building Acquisition, Construction, and Improvement Services	9,520	3,565	5,112,544	16,548	13,310,446	904	18,453,528
4190 - Other Facilities and Construction Services	-	-	-	-	-	112	112
<u>Facilities Acquisition and Conststruction Total</u>	<u>982,513</u>	<u>513,044</u>	<u>5,248,765</u>	<u>25,266</u>	<u>13,382,927</u>	<u>1,017</u>	<u>20,153,531</u>
<u>Total Capital Project Funds</u>	<u>\$982,513</u>	<u>\$513,044</u>	<u>\$5,248,765</u>	<u>\$25,266</u>	<u>\$13,382,927</u>	<u>\$ 1,017</u>	<u>\$20,153,531</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Trust and Agency Funds Schedule of Expenditures by Function (Budgetary Basis)
 Year Ended June 30, 2024

	Object 300	Totals
Enterprise and Community Services		
3300 - Community Services	20,013	20,013
<u>Enterprise and Community Services Total</u>	<u>20,013</u>	<u>20,013</u>
<u>Total Trust and Agency Funds</u>	<u>\$ 20,013</u>	<u>\$ 20,013</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Supplemental Information as Required by the Oregon Department of Education
 for the Year Ended June 30, 2024

A. Energy Bill for Heating - All Funds

Please enter your expenditures for electricity and heating fuel for these Functions and Objects.

Function	Objects 325 & 326
2540	\$ 2,692,116
2550	-

B. Replacement of Equipment - General Fund

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

Fund	Amount
General	None

Exclude these functions:

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

Est. 1883

B E N D  L A P I N E
S c h o o l s

EDUCATING THRIVING STUDENTS

STATISTICAL SECTION



“Education is all about being excited about something. Seeing passion and enthusiasm helps push an educational message.”

-Steve Irwin

Statistical Section Contents

This part of Bend-La Pine School's statistical comprehensive annual financial report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

Financial Trends 119-125

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity 126-131

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity 132-135

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information..... 136-137

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information 138-145

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Est. 1883

B E N D  L A P I N E
S c h o o l s

EDUCATING THRIVING STUDENTS

Administrative School District No. 1
 Deschutes County, Oregon
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities Net Position
	Net Investment in Capital Assets	Restricted	Unrestricted	
2024	\$ 260,918,628	\$ 44,159,750	\$ (158,819,000)	\$ 146,259,000
2023	237,355,000	30,941,000	(151,326,000)	116,970,000
2022, as restated	223,516,000	24,068,000	(163,474,000)	84,110,000
2021, as restated	191,764,000	22,246,000	(162,034,000)	51,976,000
2020, as restated	165,268,000	25,434,000	(143,980,000)	46,722,000
2019, as restated	155,762,000	18,840,000	(132,977,000)	41,625,000
2018, as restated	146,069,000	15,323,000	(131,121,000)	30,272,000
2017, as restated	127,031,000	18,345,000	(126,579,000)	18,795,000
2016	118,403,000	25,671,000	(116,242,000)	27,832,000
2015, as restated	111,248,000	8,557,000	(58,038,000)	61,767,000

Note:

Fiscal years ending June 30, 2018 through June 30, 2022 were restated in fiscal year 2023 to move the Net OPEB RHIA asset from Unrestricted to Restricted to accurately report the asset as Restricted Net Position

Administrative School District No. 1
 Deschutes County, Oregon
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

	2015, as restated	2016	2017, as restated
Expenses			
Governmental activities			
Regular instruction	\$ 74,280	\$ 81,791	\$ 81,756
Special programs including summer school	23,932	23,739	25,782
Students	10,070	10,740	11,461
Instructional staff	6,066	6,012	6,244
General administration	740	737	746
School administration	9,478	10,640	10,450
Business, transportation and maintenance	3,232	75,610	50,235
Central activities	3,968	6,261	7,015
Supplemental retirement program	676	507	394
Food services	5,804	6,344	6,217
Other enterprise and community services	1,606	1,713	1,767
Interest on long-term liabilities	12,965	12,304	12,416
Total governmental activities expenses	152,817	236,398	214,484
Program revenues			
Governmental activities			
Charges for services			
Regular instruction	3,634	3,985	834
Business, transportation and maintenance	932	965	927
Food services	1,443	1,633	1,869
Other enterprise and community services	350	340	315
Operating grants and contributions	19,425	18,203	18,776
Capital grants and contributions	636	662	713
Total governmental activities program revenues	26,420	25,788	23,433
Total governmental net expense	(126,397)	(210,610)	(191,051)
General revenues and other changes in net position			
Governmental activities			
Property taxes levied for:			
General purposes	63,524	67,577	71,211
Debt service	20,383	21,312	22,118
Federal aid not restricted to specific purposes	190	242	-
State aid not restricted to specific purposes	75,139	82,316	84,340
Intermediate aid not restricted to specific purposes	2,003	2,198	2,497
Earnings on investments	470	390	610
Other local revenue	2,349	2,639	4,618
Gain/loss on sale of capital assets	-	-	-
Restitution	-	-	-
Insurance proceeds	-	-	-
Total governmental activities general revenues and other	164,058	176,674	185,394
Change in net position governmental activities	\$ 37,661	\$ (33,936)	\$ (5,657)

	2018	2019	2020	2021	2022	2023	2024
\$	99,305	\$ 104,943	\$ 111,703	\$ 121,073	\$ 110,116	\$ 113,989	\$ 122,289
	31,563	31,741	33,961	37,374	36,281	37,838	38,018
	14,906	15,651	17,402	18,753	20,705	22,783	24,804
	7,600	7,786	8,468	9,413	9,032	10,885	12,589
	859	915	916	914	909	1,108	1,447
	12,930	13,366	15,348	15,951	13,989	16,377	18,043
	29,153	31,022	31,698	31,370	31,821	35,865	38,839
	6,460	6,635	7,404	7,996	12,349	15,209	14,495
	276	189	125	70	34	9	2
	7,536	7,497	7,363	7,434	8,836	9,180	9,511
	2,041	2,115	2,363	2,282	1,859	2,317	2,525
	15,757	15,787	17,648	16,681	8,876	14,341	15,713
	<u>228,386</u>	<u>237,647</u>	<u>254,399</u>	<u>269,311</u>	<u>254,807</u>	<u>279,902</u>	<u>298,275</u>
	809	784	630	113	588	687	679
	921	925	800	605	842	887	951
	2,063	2,321	1,857	23	224	2,018	1,614
	343	618	311	104	264	406	369
	20,958	22,117	22,602	40,577	49,933	54,172	54,874
	873	746	654	792	815	761	847
	<u>25,967</u>	<u>27,511</u>	<u>26,854</u>	<u>42,214</u>	<u>52,666</u>	<u>58,931</u>	<u>59,334</u>
	<u>(202,420)</u>	<u>(210,136)</u>	<u>(227,544)</u>	<u>(227,097)</u>	<u>(202,141)</u>	<u>220,971</u>	<u>(238,941)</u>
	75,808	80,353	86,058	88,715	93,725	99,210	104,430
	30,655	32,546	34,796	36,019	37,659	39,003	39,709
	1,292	215	169	167	442	384	82
	92,740	94,700	100,478	103,024	97,396	103,472	107,226
	2,718	2,795	2,765	2,529	2,324	1,639	2,217
	1,850	5,557	6,335	400	549	4,593	9,983
	3,374	1,721	1,984	1,521	2,137	5,499	4,497
	19	1	56	(24)	41	30	86
	-	-	-	-	2	-	-
	5,441	3,602	1	-	-	-	-
	<u>213,895</u>	<u>221,490</u>	<u>232,642</u>	<u>232,351</u>	<u>234,275</u>	<u>253,831</u>	<u>268,230</u>
\$	<u>11,475</u>	<u>\$ 11,353</u>	<u>\$ 5,097</u>	<u>\$ 5,254</u>	<u>\$ 32,134</u>	<u>\$ 32,860</u>	<u>\$ 29,289</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund				
Nonspendable	\$ 1,397,000	\$ 1,010,000	\$ 1,740,000	\$ 1,040,000
Restricted	815,000	905,000	117,000	530,000
Assigned	5,664,000	6,160,000	6,003,000	9,625,000
Unassigned	<u>3,926,000</u>	<u>5,454,000</u>	<u>3,758,000</u>	<u>5,877,000</u>
Total general fund	<u>\$ 11,802,001</u>	<u>\$ 13,529,001</u>	<u>\$ 11,618,000</u>	<u>\$ 17,072,000</u>
All other governmental funds				
Nonspendable, reported in				
Special revenue fund	\$ 331,000	\$ 376,000	\$ 415,000	\$ 475,000
Restricted, reported in				
Special revenue fund	3,076,000	3,360,000	4,221,000	4,513,000
Debt service fund	2,272,000	2,511,000	1,937,000	2,385,000
Capital project fund	34,888,000	18,895,000	8,764,000	175,098,000
Assigned, reported in				
Special revenue fund	<u>2,212,000</u>	<u>2,710,000</u>	<u>2,890,000</u>	<u>3,175,000</u>
Total all other governmental funds	<u>\$ 42,779,000</u>	<u>\$ 27,852,000</u>	<u>\$ 18,227,000</u>	<u>\$ 185,646,000</u>

2019	2020	2021	2022	2023	2024
\$ 1,400,000	\$ 1,171,000	\$ 1,971,000	\$ 1,518,000	\$ 1,655,000	\$ 2,330,000
1,623,000	2,356,000	2,240,000	1,485,000	2,690,000	2,913,000
12,380,000	13,367,000	16,669,000	19,991,000	22,516,000	21,940,000
4,480,000	6,993,000	8,910,000	5,580,000	6,668,000	13,570,000
<u>\$ 19,883,000</u>	<u>\$ 23,887,000</u>	<u>\$ 29,790,000</u>	<u>\$ 28,574,000</u>	<u>\$ 33,529,000</u>	<u>\$ 40,753,000</u>
\$ 373,000	\$ 576,000	\$ 667,000	\$ 455,000	\$ 498,000	\$ 460,000
4,980,000	3,232,000	4,659,000	8,627,000	7,643,000	6,499,000
3,585,000	4,032,000	4,694,000	4,662,000	5,387,000	5,460,000
123,285,000	145,228,000	51,115,000	21,857,000	116,160,000	101,863,000
3,087,000	4,619,000	5,903,000	4,281,000	4,928,000	4,983,000
<u>\$ 135,310,000</u>	<u>\$ 157,687,000</u>	<u>\$ 67,038,000</u>	<u>\$ 39,882,000</u>	<u>\$ 134,617,000</u>	<u>\$ 119,266,000</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (in thousands)

	2015	2016	2017
Revenues			
Property taxes	\$ 84,294	\$ 88,977	\$ 93,175
Tuition	931	8	3
Investment earnings	376	390	610
Other local sources	12,263	13,021	15,446
Intermediate sources	2,303	2,642	2,866
State sources	77,342	85,964	86,094
Federal sources	14,579	12,613	11,419
Total revenues	192,088	203,615	209,612
Expenditures			
Current			
Instruction	97,324	101,799	103,774
Support services	55,626	59,016	63,011
Community services	7,969	8,545	8,492
Facilities acquisition and construction	-	-	727
Debt service:			
Principal	14,339	15,617	17,465
Interest	13,644	13,315	12,979
Capital outlay	50,817	22,696	14,699
Total expenditures	239,719	220,988	221,146
Revenues over (under) expenditures	(47,631)	(17,373)	(11,534)
Other financing sources (uses)			
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Premium on bonds issued	-	-	-
General obligation bonds issued	-	4,175	-
PERS UAL Payment	-	-	-
General obligation bonds issued-premium	-	-	-
Insurance proceeds	-	-	-
Lease financing	-	-	-
Subscription based information technology financing	-	-	-
Sale of capital assets	272	-	-
Restitution	-	-	-
Lease purchase / long term loan proceeds	-	-	-
Total other financing sources (uses)	272	4,175	-
Net change in fund balances	\$ (47,359)	\$ (13,198)	\$ (11,534)
Ratio of total debt service to noncapital expenditures	15%	15%	15%

Note: The figures in this chart include all funds presented on page 24 of the basic financial statements.

	2018	2019	2020	2021	2022	2023	2024
\$	106,499	\$ 112,924	\$ 120,726	\$ 125,177	\$ 131,348	\$ 138,012	\$ 143,910
	6	19	26	24	18	19	15
	1,850	5,557	6,335	400	549	4,593	10,290
	13,753	12,574	11,326	7,602	10,528	16,186	14,399
	3,395	3,590	3,160	2,924	2,719	2,034	2,612
	97,036	101,165	107,666	115,966	121,160	133,026	132,250
	12,519	10,869	11,158	24,350	22,738	19,268	24,517
	<u>235,058</u>	<u>246,698</u>	<u>260,397</u>	<u>276,443</u>	<u>289,060</u>	<u>313,137</u>	<u>327,993</u>
	112,662	117,178	121,838	131,611	139,140	142,456	146,002
	65,657	69,673	72,652	75,299	87,400	96,182	100,312
	9,278	9,251	9,037	9,041	10,825	11,548	11,909
	2,416	1,569	2,156	1,832	1,510	3,702	6,771
	21,030	22,135	21,871	25,913	29,813	33,822	32,953
	17,668	18,558	21,167	19,108	15,760	15,140	17,812
	26,746	60,853	87,822	97,721	31,785	17,495	20,575
	<u>255,458</u>	<u>299,217</u>	<u>336,543</u>	<u>360,524</u>	<u>316,233</u>	<u>320,345</u>	<u>336,334</u>
				0			
	(20,400)	(52,519)	(76,146)	(84,081)	(27,175)	(7,207)	(8,341)
	-	-	-	-	80,795	-	-
	-	-	-	-	(82,245)	-	-
	12,809	-	7,920	-	31	-	-
	175,000	-	93,300	-	-	100,000	-
	-	-	-	(1,000)	-	-	-
	-	-	-	-	-	5,904	-
	5,441	3,602	1	-	-	-	-
	-	-	-	-	121	673	-
	-	-	-	-	-	-	128
	21	1	56	334	99	242	86
	-	-	-	-	2	-	-
	-	1,390	1,250	-	-	-	-
	<u>193,271</u>	<u>4,993</u>	<u>102,527</u>	<u>(665)</u>	<u>(1,197)</u>	<u>106,897</u>	<u>214</u>
\$	<u>172,871</u>	<u>\$ (47,526)</u>	<u>\$ 26,381</u>	<u>\$ (84,746)</u>	<u>\$ (28,372)</u>	<u>\$ 99,690</u>	<u>\$ (8,127)</u>
	17%	17%	17%	17%	16%	16%	16%

Administrative School District No. 1
 Deschutes County, Oregon
 Assessed Value and Estimated Value of Taxable Property in Deschutes County
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended June 30	Real Property		Personal Property		Manufactured Homes		Public
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value
2024	\$ 30,423,785	\$ 78,521,799	\$ 890,105	\$ 890,105	\$ 97,682	\$ 239,833	\$ 852,663
2023	28,853,678	71,360,846	735,632	735,632	92,994	210,014	853,781
2022	27,365,201	54,432,055	627,551	627,551	90,106	173,790	834,257
2021	25,896,554	46,294,856	586,141	586,165	84,899	147,202	803,586
2020	24,642,529	43,452,590	524,739	524,739	81,184	131,478	710,117
2019	23,380,813	39,872,595	508,792	508,792	78,182	112,683	668,084
2018	22,107,667	35,571,219	482,975	482,975	74,665	103,958	600,475
2017	20,943,309	31,302,357	451,004	451,007	65,759	79,422	560,616
2016	19,847,234	27,721,055	415,663	415,679	60,520	70,526	652,906
2015	18,803,090	24,717,972	393,213	393,227	53,660	58,261	475,914

Source:

Valuation information has been obtained from the Deschutes County Assessor, and includes all property within Deschutes County.

Note:

Total Direct Rate column represents the District Direct rate

<u>Utilities</u>	<u>Exemptions</u>	<u>Total</u>				Assessed Value as a
Estimated	Assessed	Taxable	Estimated Actual	Total Direct		Percentage of Estimated
<u>Actual Value</u>	<u>Value</u>	<u>Assessed Value</u>	<u>Value</u>	<u>Rate</u>		<u>Actual Value</u>
\$ 919,209	\$ 60,873	\$ 32,203,361	\$ 80,510,072	\$ 6.55		40.075%
938,116	59,461	30,476,624	73,185,145	6.61		41.724%
910,502	58,719	28,858,395	56,085,178	6.65		51.559%
887,767	57,288	27,313,792	47,858,703	6.66		57.191%
784,443	54,658	25,903,911	44,838,592	6.67		57.893%
736,374	51,211	24,584,663	41,179,234	6.67		59.826%
628,510	47,457	23,218,324	36,739,204	6.67		63.327%
582,833	45,078	21,975,610	32,370,540	6.22		68.027%
677,075	43,032	20,933,290	28,841,302	6.23		72.730%
492,477	39,804	19,686,343	25,322,403	6.26		77.900%

Administrative School District No. 1
 Deschutes County, Oregon
 Property Tax Rates - All Direct and Overlapping Governments
 Last Ten Fiscal Years Ended June 30th

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Administrative School District No. 1	\$ 6.26	\$ 6.23	\$ 6.22	\$ 6.67
High Desert ESD	0.10	0.10	0.10	0.10
Central Oregon Community College	0.75	0.74	0.74	0.74
Deschutes County	4.70	4.76	4.75	4.80
City of Bend	3.22	3.20	3.19	3.18
Bend Parks & Recreation	1.66	1.63	1.63	1.62
City of La Pine	1.98	1.98	1.98	1.98
La Pine Park & Recreation	0.30	0.30	0.30	0.30
Sunriver Service District	3.31	3.31	3.31	3.31
La Pine RFPD	2.41	2.47	2.41	2.41
Sunriver Library CSD	0.05	0.04	-	-
<u>Total</u>	<u>\$ 24.74</u>	<u>\$ 24.76</u>	<u>\$ 24.63</u>	<u>\$ 25.11</u>

Source:

Property tax rates have been obtained from the Deschutes County Assessor;
 rates are per \$1,000 of assessed value.

Notes:

The tax rates for all districts include the amount needed to service bonded long-term debt.
 The District's operating tax rate is set by Oregon State Statute and cannot be
 increased by the District.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 6.67	\$ 6.67	\$ 6.66	\$ 6.65	\$ 6.61	\$ 6.55
0.10	0.10	0.10	0.10	0.10	0.10
0.73	0.73	0.72	0.72	0.70	0.70
4.19	4.19	4.19	4.16	4.25	4.94
3.17	3.16	3.16	3.15	3.30	3.28
1.62	1.61	1.61	1.59	1.59	1.59
1.98	1.98	1.98	1.98	1.98	1.98
0.30	0.30	0.30	0.30	0.30	0.30
3.31	3.31	3.31	3.31	3.78	3.78
2.41	2.41	2.41	2.41	2.41	3.05
-	-	-	-	-	-
<u>\$ 24.48</u>	<u>\$ 24.46</u>	<u>\$ 24.44</u>	<u>\$ 24.37</u>	<u>\$ 25.02</u>	<u>\$ 26.27</u>

Bend-La Pine Schools

Taxpayer	Type of Business	2023-2024				2014-2015			
		Tax	Assessed Value	Percent of Value	Rank	Tax	Assessed Value	Percent of Value	
Crowdstrike Inc	Cybersecurity technology	\$ 2,347,103	\$ 150,504,520	0.66%		\$ -	\$ -	-	
TDS Baja Bendbroadband LLC	Telecommunications	1,781,021	114,839,959	0.50%		-	-	-	
Pacificorp (P P&I)	Electrical utility	1,752,118	115,553,484	0.51%	2	847,425	59,309,000	0.42%	
Lonza Bend Inc	Biotechnology services	1,034,963	65,869,980	0.29%		-	-	-	
Deschutes Brewery Inc.	Brewery and restaurant	1,007,054	64,178,020	0.28%	7	538,285	36,254,180	0.26%	
Cascade Natural Gas Corp	Natural gas utility	1,003,849	65,218,168	0.29%	5	586,619	40,671,000	0.29%	
Touchmark at Mount Bachelor Village	Retirement community	900,510	56,328,370	0.25%	3	677,049	44,393,000	0.32%	
Suterrria LLC	Pest control products	835,129	53,551,460	0.23%	8	477,156	36,206,060	0.26%	
CVSC LLC	Retail stores	799,370	49,981,000	0.22%	6	550,568	37,108,420	0.27%	
Gas Transmission NW Corp.	Natural gas utility	754,831	60,176,597	0.26%	4	667,930	57,271,400	0.41%	
Bend Cable Communications	Telecommunications	-	-	-	1	885,498	60,151,000	0.43%	
Sunriver Resort Limited Partnership	Real Estate Development	-	-	-	9	429,671	32,110,280	0.23%	
Dechutes Properties	Real Estate Development	-	-	-	10	399,061	26,490,386	0.19%	
Subtotal top ten of District's major taxpayers			796,201,558	3.48%		6,059,262	429,964,726	3.07%	
All other District's taxpayers			22,082,120,452	96.52%			13,565,595,520	96.93%	
Total District			\$ 22,878,322,010	100.00%			\$ 13,995,560,246	100.00%	

Deschutes County

Taxpayer	Type of Business	2023-2024				2014-2015			
		Tax	Assessed Value	Percent of Value	Rank	Tax	Assessed Value	Percent of Value	
Pacificorp (P P&I)	Electrical utility	\$ 2,594,053	\$ 165,071,483	0.51%	1	\$ 1,285,493	\$ 86,338,000	0.44%	
Crowdstrike Inc	Cybersecurity technology	2,347,103	150,504,520	0.47%		-	-	-	
TDS Baja Bendbroadband LLC	Telecommunications	2,092,117	132,582,625	0.41%		-	-	0.00%	
Cascade Natural Gas Corp.	Natural gas utility	1,336,228	83,375,075	0.26%	4	766,056	51,236,000	0.26%	
Lonza Bend Inc	Biotechnology services	1,233,304	79,640,120	0.25%		-	-	-	
Deschutes Brewery Inc.	Brewery and restaurant	1,007,054	64,178,020	0.20%	7	538,285	36,254,180	0.18%	
Gas Transmission NW Corp.	Natural gas utility	949,916	72,792,854	0.23%	3	844,801	69,580,600	0.35%	
Touchmark at Mount Bachelor Village, LLC	Retirement community	900,510	56,328,370	0.17%	5	677,049	44,393,000	0.23%	
PCC Structurals Inc	Manufacturing	898,026	47,675,520	0.15%		-	-	-	
Suterrria LLC	Pest control products	835,130	53,551,460	0.17%	10	477,156	36,206,060	0.18%	
Bend Cable Communications	Cable company	-	-	-	2	1,042,040	69,563,000	0.35%	
CVSC LLC	Retail stores	-	-	-	6	550,568	37,108,420	0.19%	
CentryLink	Telecommunications	-	-	-	9	491,167	33,857,800	0.17%	
Wal-Mart Stores Inc	Retail stores	-	-	-	8	511,189	30,356,000	0.15%	
Subtotal-top ten County major taxpayers			905,700,047	2.81%		7,183,804	494,893,060	2.51%	
All other County's taxpayers			31,297,660,846	97.19%			19,191,449,763	97.49%	
Total Deschutes County			\$ 32,203,360,893	100.00%			\$ 19,686,342,823	100.00%	

Administrative School District No. 1
 Deschutes County, Oregon
 Property Tax Levies and Collections for Operations and Debt Service
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 148,163,031	\$ 142,603,220	96.2%	\$ 684,224	\$ 143,287,444	96.7%
2023	141,553,464	136,565,409	96.5%	524,226	137,089,635	96.8%
2022	134,904,226	130,126,897	96.5%	639,789	130,766,685	96.9%
2021	128,098,347	123,228,650	96.2%	932,472	124,161,121	96.9%
2020	121,960,693	117,451,670	96.3%	932,472	118,384,141	97.1%
2019	115,946,713	111,169,277	95.9%	834,376	112,003,653	96.6%
2018	109,136,848	104,709,632	95.9%	718,005	105,427,638	96.6%
2017	96,003,356	91,614,978	95.4%	805,801	92,420,779	96.3%
2016	91,728,870	87,438,223	95.3%	673,894	88,112,117	96.1%
2015	85,961,207	82,295,410	95.7%	798,588	83,093,998	96.7%

Source:
 Levy information was obtained from Deschutes County

Administrative District No. 1
 Deschutes County, Oregon
 Computation of Direct and Overlapping Debt
 June 30, 2024

Jurisdiction	Gross Bonded Debt Outstanding	Percentage Applicable to ASD No. 1	Amount Applicable to ASD No. 1
Alfalfa RFPD	\$ 180,000	3.94%	\$ 7,096
Bend Metro Park & Rec District	18,092,540	99.89%	18,072,114
Central Oregon Community College	42,155,000	61.15%	25,776,982
Central Oregon Regional Housing Authority	2,550,200	72.06%	1,837,674
City of Bend	258,338,813	100.00%	258,338,813
City of La Pine	1,327,225	100.00%	1,327,225
Deschutes County	64,314,800	72.06%	46,345,245
Deschutes Cty RFPD 2 (Bend)	7,620,000	75.39%	5,745,084
Deschutes Public Library District	185,300,000	72.06%	133,527,180
High Desert ESD	10,411,899	65.48%	6,817,930
La Pine Parks & Recreation District	245,000	100.00%	245,000
Lazy River Special Road District	9,500	100.00%	9,500
Sunriver Service	5,543,483	100.00%	5,543,483
Subtotal, overlapping debt			503,593,326
Administrative School District No. 1 direct debt			453,528,267
Total direct and overlapping debt			\$ 957,121,593

Source:

The gross debt outstanding and the percentage applicable has been obtained from the Oregon State Treasury. Percentage applicable to the District is the ratio of the district boundary to the entire area subject to the debt.

Note:

Gross bonded debt outstanding does not include self-supporting unlimited-tax general obligation bonds and self-supporting full faith and credit debt.

Administrative School District No. 1
 Deschutes County, Oregon
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Governmental Activities							Percentage of Personal Income	Per Capita
Fiscal Year	General Obligation Bonds	Full Faith & Credit Obligations	Loans	Leases & SBITA Liability	Premium on Bonds	Total		
2024	\$ 395,810,000	\$ 30,420,000	\$ 1,445,000	\$ 5,926,667	\$ 19,926,600	\$ 453,528,267	N/A	\$ 2,154
2023	420,200,000	37,880,000	1,709,000	-	22,538,243	482,327,243	2.85%	2,324
2022	347,720,000	44,570,479	1,973,000	-	19,376,799	413,640,278	2.80%	2,034
2021	366,995,000	50,553,728	2,579,566	-	24,361,227	444,489,521	3.20%	2,256
2020	387,870,000	56,000,794	3,179,388	-	27,019,428	474,069,610	3.84%	2,456
2019	313,540,000	60,715,358	2,397,598	-	21,757,826	398,410,782	3.57%	2,108
2018	332,610,000	64,873,184	1,674,714	-	24,019,209	423,177,108	4.00%	2,313
2017	175,635,000	68,512,872	2,322,093	-	13,364,007	259,833,971	2.73%	1,471
2016	190,155,000	71,684,756	2,950,381	-	14,317,119	279,107,256	3.10%	1,635
2015	198,705,000	74,441,297	3,560,201	-	16,125,570	292,832,068	3.76%	1,760

Sources:

Personal and per capita income numbers were obtained from the Bureau of Economic Analysis.

Administrative School District No. 1
 Deschutes County, Oregon
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (in thousands)

Fiscal Year	Real Market Value	Computation of Debt Margin				Ratio of Legal Debt Margin to the Debt Limit
		Debt Limit = Real Market Value X .0795	Total General Obligation Bonds	Legal Debt Margin		
2024	\$ 58,008,195	\$ 4,611,652	\$ 395,810	\$ 4,215,842	91%	
2023	53,242,475	4,232,777	420,200	3,812,577	90%	
2022, as restated	40,675,964	3,233,739	347,720	2,886,019	89%	
2021, as restated	34,535,389	2,745,563	387,870	2,357,693	86%	
2020, as restated	32,827,950	2,609,822	387,870	2,221,952	85%	
2019, as restated	30,243,766	2,404,379	313,540	2,090,839	87%	
2018, as restated	26,993,818	2,146,009	332,610	1,813,399	85%	
2017, as restated	23,788,200	1,891,162	175,635	1,715,527	91%	
2016, as restated	21,279,466	1,691,718	190,155	1,501,563	89%	
2015, as restated	18,608,982	1,479,414	198,705	1,280,709	87%	

Debt limit by Oregon State Law is 7.95% of real market value.

Source:

Debt limitation formula has been obtained from Oregon Revised Statutes 328.245 (1), (2).
 Real market value was obtained from Deschutes County

Note:

Fiscal years 2014 through 2022 were restated in fiscal year 2023 to remove any assets in the debt service fund from the computation of the legal debt margin. Fund balance in the debt service fund was the primary asset, which we do not believe should be included in the computation.

Administrative School District No. 1
 Deschutes County, Oregon
 Ratio of Net Bonded Debt to Real Market Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Gross Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt Per Capita
2024	\$ 415,736,600	\$ 5,460,000	\$ 410,276,600	0.51%	1,949
2023	442,738,243	5,387,000	437,351,243	0.60%	2,107
2022	367,096,799	4,662,158	362,434,641	0.65%	1,782
2021	391,356,227	4,693,630	386,662,597	0.81%	1,963
2020	414,889,428	4,031,467	410,857,961	0.92%	2,129
2019	335,297,826	3,585,422	331,712,404	0.81%	1,755
2018	356,629,209	2,359,500	354,269,709	0.96%	1,937
2017	188,999,007	1,937,200	187,061,807	0.58%	1,059
2016	204,472,119	2,510,423	201,961,696	0.70%	1,183
2015	214,830,570	2,271,973	212,558,597	0.84%	1,277

Gross Bonded Debt has been modified to include the unamortized bond premium and discount

Sources:

Population data from World Population Review
 Real market value comes from Deschutes County

Administrative School District No.1
 Deschutes County, Oregon
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Calendar Year	Population	Unemployment Rate	Per capita Income	Total Personal Income	Civilian Labor Force	Average Daily Membership	Annual Cost Per ADM	ADMw
2024	210,543	4.0%	N/A	N/A	107,419	16,461	18,120	19,057
2023	207,561	3.8%	81,025	16,894,729,000	101,900	17,158	16,313	19,283
2022	203,390	3.4%	71,627	14,794,468,000	105,407	17,192	14,821	19,331
2021	197,015	5.9%	67,743	13,873,903,000	102,109	17,260	15,604	19,517
2020	193,000	12.4%	61,216	12,351,409,000	98,044	18,448	13,790	20,775
2019	188,980	4.2%	56,447	11,159,204,000	96,706	18,256	13,017	20,550
2018	182,930	4.0%	55,143	10,587,224,000	95,138	18,172	12,568	20,853
2017	176,635	3.7%	50,955	9,522,219,000	93,336	17,851	12,015	20,687
2016	170,740	5.1%	49,881	9,012,257,000	88,985	17,425	13,476	20,230
2015	166,400	6.2%	46,005	7,788,057,000	81,325	16,467	9,201	19,192

Sources:

Unemployment rate and labor force information is for Deschutes County and was obtained from the State of Oregon Employment Department - Oregon Labor Market Information System (OLMIS). Qualityinfo.org

Personal and per capita income numbers came from the Bureau of Economic Analysis.

Administrative School District No. 1
 Deschutes County, Oregon
 Principal Employers
 Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County	Employees	Rank	Percentage of Total County
St Charles Medical Center	4,565	1	4.76%	2,830	1	3.76%
Administrative School District No. 1	2,300	2	2.40%	1,750	2	2.32%
Deschutes County	1,243	3	1.30%	1,046	3	1.39%
Mt Bachelor	1,117	4	1.16%	775	8	1.03%
Sunriver Resort	950	5	0.99%	900	4	1.19%
Redmond School District	919	6	0.96%	819	7	1.09%
COCC	830	7	0.87%	-	-	-
Safeway (includes Albertsons)	810	8	0.84%	-	-	-
City of Bend	763	9	0.80%	-	-	-
Summit Medical Group	736	10	0.77%	-	-	-
Les Schwab	-	-	-	880	5	1.17%
Bright Wood Corporation	-	-	-	870	6	1.16%
McDonalds	-	-	-	668	9	0.89%
Bend Memorial Clinic	-	-	-	652	10	0.87%
Total	14,233		14.84%	11,190		14.87%

Sources:
 Economic Development for Central Oregon, Oregon Department of Education,
 Deschutes County Finance Department.

Administrative School District No. 1
 Deschutes County, Oregon
 Full-time Equivalent Employees by Function
 Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function:				
Regular instruction	685	736	754	767
Special programs including summer school	288	290	301	313
Student services	124	128	134	148
Instructional staff	51	53	55	57
General administration	2	2	2	2
School administration	115	127	119	124
Business, transportation and maintenance	210	218	230	229
Central activities	33	38	40	41
Food services	69	70	71	72
Other enterprise and community services	14	14	12	14
Facilities acquisition and construction	6	5	5	10
<u>Total</u>	<u>1,597</u>	<u>1,681</u>	<u>1,723</u>	<u>1,777</u>

Source:

Information was obtained from District's payroll records

Note:

FTE is as of June 1 and does not include vacant positions.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
786	781	831	820	795	786
297	297	294	308	306	321
146	157	171	207	211	202
57	57	54	64	75	76
2	2	3	3	3	3
134	132	136	145	144	145
231	243	230	242	246	244
42	44	45	52	50	50
72	74	60	70	78	80
14	15	14	13	14	15
10	11	12	10	8	9
<u>1,791</u>	<u>1,813</u>	<u>1,850</u>	<u>1,934</u>	<u>1,930</u>	<u>1,931</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Operating Indicators by Function
 Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function:			
Instruction			
Enrollment	17,163	17,534	18,034
Transportation			
Number of buses	130	139	134
Miles driven per year	1,580,045	1,951,595	1,733,345
Cost per mile	\$ 4.54	\$ 3.64	\$ 4.31
Students transported to school daily	4,705	4,595	4,945
Food services			
Free lunch participants	4,701	4,371	4,034
Reduced lunch participants	953	1,007	1,002
Percent free/reduced of total enrollment	33%	31%	28%

Source:

Information was obtained from the District's transportation and food service departments.

Note:

Enrollment is as of October 1 of each fiscal year

- * Food Services - Since 2018 Four schools have been, and continue to be, Community Eligibility Provision school - no counts taken
- * Food Services - Since 2021 Nine schools have been, and continue to be Community Eligibility Provision school - no counts taken
- * Due to Covid-19, all students were eligible for free lunches in 2022 - sperate counts were not taken
- * Food Services - Since 2023 Twenty schools have been, and continue to be Community Eligibility Provision school - no counts taken

2018	2019	2020	2021	2022	2023	2024
18,375	18,428	18,672	17,612	17,500	17,438	16,980
124	126	131	125	131	127	142
1,684,249	1,636,116	1,201,119	947,521	1,581,272	1,597,725	1,708,354
\$ 6.16	\$ 6.34	\$ 8.63	\$ 10.95	\$ 6.56	\$ 6.49	\$ 6.07
5,216	5,395	6,100	2,021	3,138	4,031	4,247
3,949	4,159	4,317	3,113	N/A	2,464	1,578
1,081	1,218	1,037	316	N/A	576	324
27%	29%	29%	19%	N/A	17%	11%

Administrative School District No. 1
 Deschutes County, Oregon
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function:										
Instruction										
Number of elementary schools	17	18	18	18	18	19	19	19	19	19
Number of middle schools	5	7	7	7	7	7	7	7	7	7
Number of high schools	5	5	5	5	7	7	7	7	7	7
Elementary school enrollment	7,827	8,046	8,260	8,370	8,244	8,222	7,606	7,522	7490	7513
Middle school enrollment	3,862	3,962	4,125	4,268	4,403	4,523	4,187	3,982	3876	3798
High school enrollment	5,474	5,526	5,649	5,737	5,781	5,927	5,819	5,996	6072	5669
General administration										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Business, transportation and maintenance										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Source:

Information was obtained from the District's capital asset and student enrollment records.

Administrative School District No. 1
 Deschutes County, Oregon
 School Building Capacity and Enrollment
 June 30, 2024

Building	Enrollment	Capacity Without Modular Classrooms	Percent of Capacity	Year of Building Construction
Elementary Schools				
Amity Creek	140	150	93%	1948
Bear Creek	517	600	86%	1963
Buckingham	367	600	61%	1980
Ensworth	148	300	49%	2005
Elk Meadow	482	600	80%	1993
Highland	382	375	102%	1918
High Lakes	435	600	73%	2000
RE Jewell	456	600	76%	1974
Juniper	444	560	79%	1965
La Pine	409	600	68%	1993
Lava Ridge	428	600	71%	1994
North Star	320	600	53%	2019
Pine Ridge	555	600	93%	2004
Ponderosa	471	600	79%	2008
Rosland	227	300	76%	2010
Silver Rail	448	600	75%	2015
Westside Village (K-8)	209	382	55%	1949
William E Miller	506	600	84%	2009
Three Rivers (K-8)	425	450	94%	1989
Total elementary schools	7,369	9,717	76%	
Middle Schools				
Cascade	615	800	77%	1978
High Desert	691	800	86%	1993
Pilot Butte	646	825	78%	1967
Pacific Crest	629	800	79%	2015
La Pine	259	550	47%	1978
REALMS	149	150	99%	1993
Skyview	576	800	72%	2000
Total middle schools	3,565	4,725	75%	
High Schools				
Bend	1,176	1,550	76%	1956
La Pine	447	550	81%	1961
Bend Tech Academy	99	200	50%	1948
Mountain View	1,182	1,500	79%	1978
REALMS	154	200	77%	1993
Caldera	1,252	1,500	83%	2021
Summit	1,305	1,500	87%	2000
Total high schools	5,615	7,000	80%	

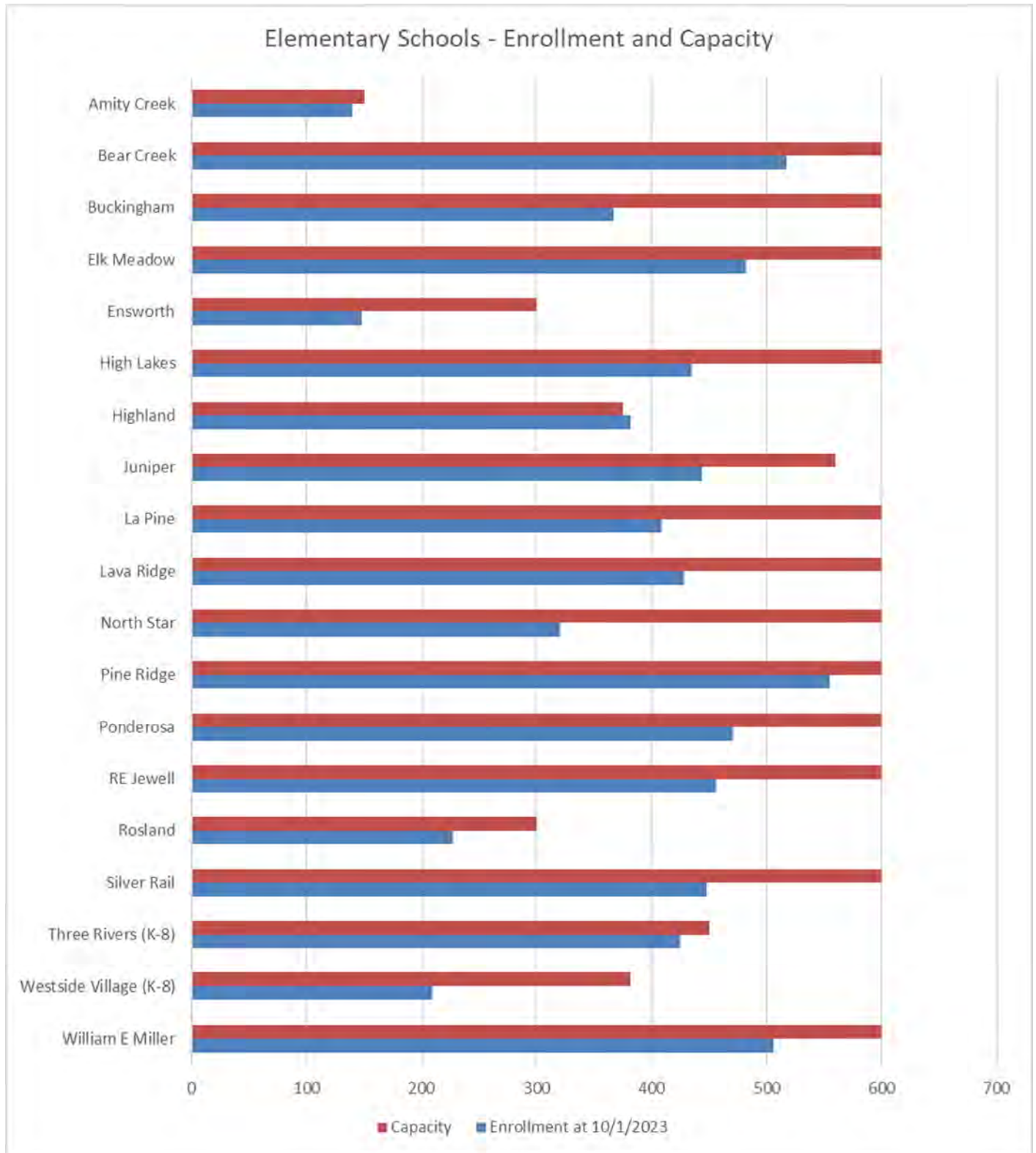
Note:

Enrollment is as of October 1, 2023

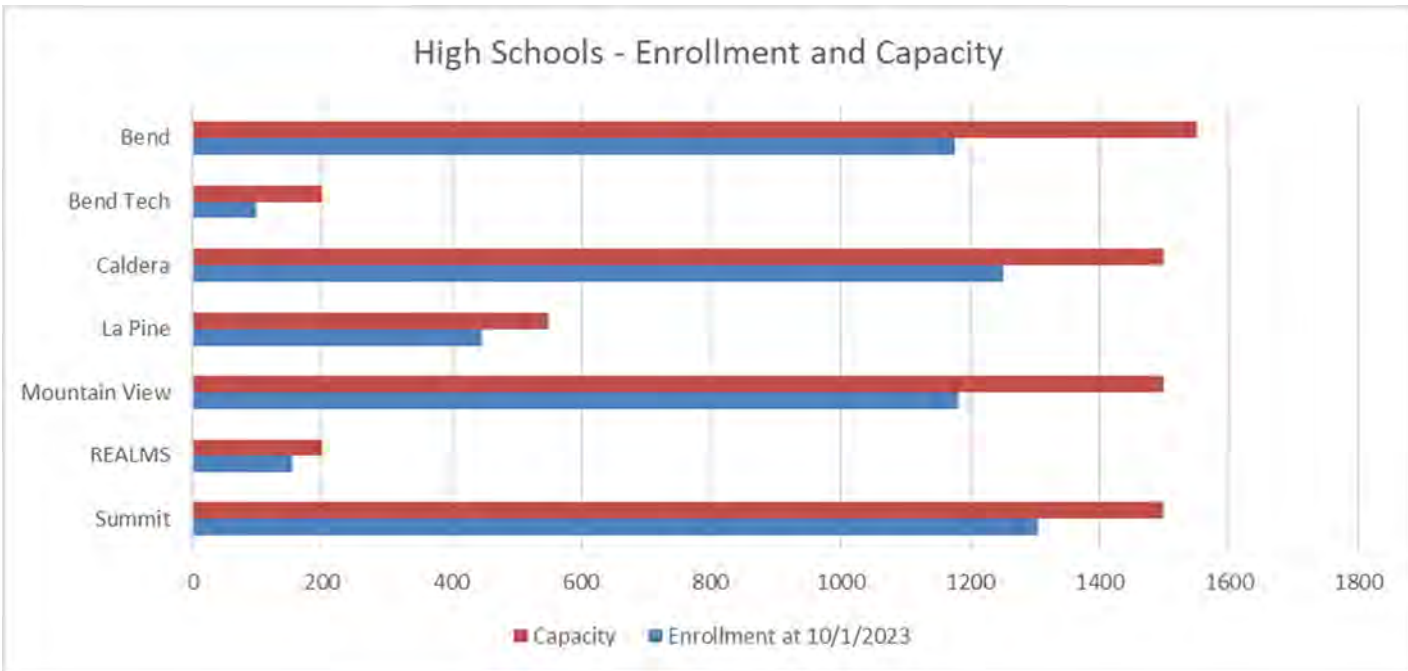
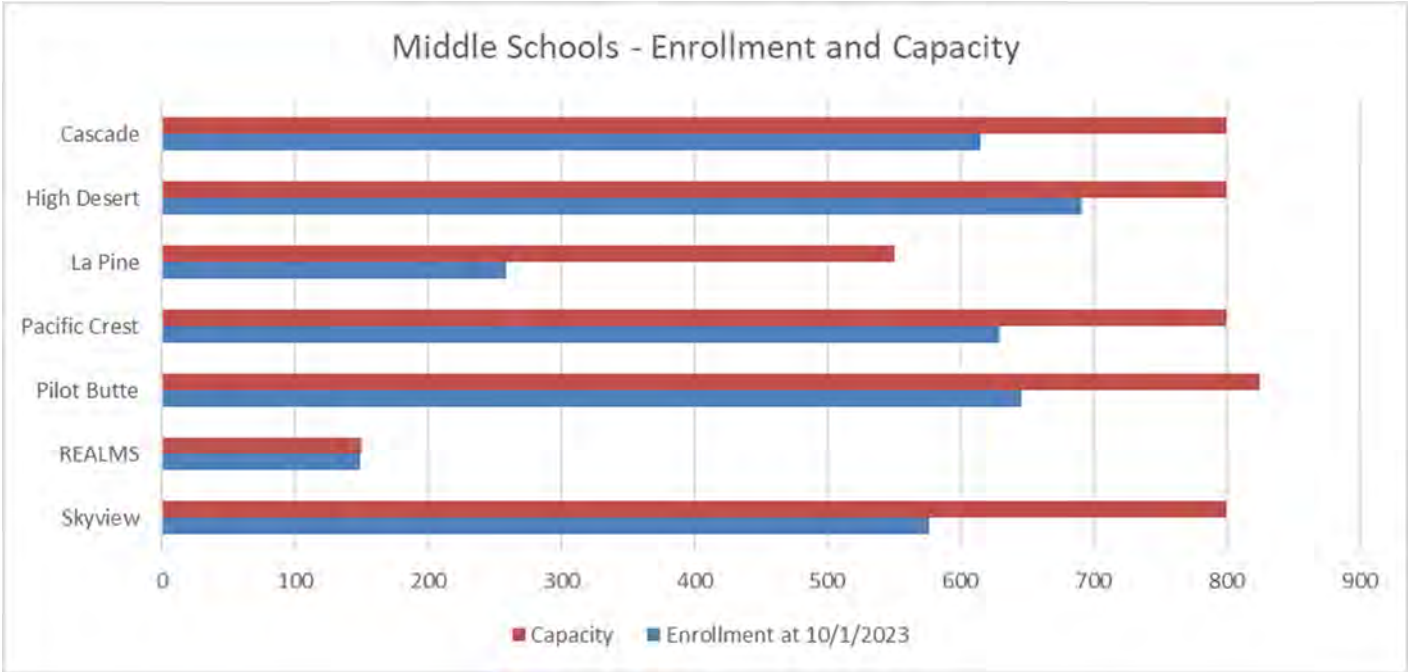
Many buildings have undergone remodels since original construction

Information obtained from District's student enrollment and capital asset records

Administrative School District No. 1
 Deschutes County, Oregon
 Elementary School Enrollment and Capacity
 October 1, 2023



Administrative School District No. 1
 Deschutes County, Oregon
 Middle and High School Enrollment and Capacity
 October 1, 2023



Est. 1883

B E N D  L A P I N E
S c h o o l s

EDUCATING THRIVING STUDENTS

AUDITOR'S COMMENTS



“The cure for boredom is curiosity. There is no cure for curiosity.”

-Dorothy Parker



**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Bend-La Pine Schools
Deschutes County, Oregon

We have audited the basic financial statements of the Bend-La Pine Schools, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2024 and have issued our report thereon dated December 13, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

- **Deposit of public funds with financial institutions**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Authorized investment of surplus funds**
- **Public contracts and purchasing**
- **Oregon state school fund factors**

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.

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Brenda Bartlett, CPA
Sensiba LLP
Bend, Oregon

December 13, 2024

Grant Compliance



Independent Auditor's Report

The Board of Directors
Bend-La Pine Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of Bend-La Pine Schools as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Bend-La Pine Schools' basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bend-Lapine School District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bend-Lapine School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bend-Lapine School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bend-La Pine Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brenda Bartlett

Sensiba LLP
Bend, Oregon

December 13, 2024



Independent Auditor's Report

Board of Directors
Bend-La Pine Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bend-La Pine Schools' 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 Bend-La Pine Schools' major federal programs for the year ended June 30, 2024. Bend-La Pine Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bend-La Pine Schools complied, in all material respects, with the 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bend-La Pine Schools 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 Bend-La Pine Schools' compliance with the compliance requirements referred to above.

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 Bend-La Pine Schools' federal programs.

Auditor's 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 Bend-La Pine Schools' 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 GAAS, *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 Bend-La Pine Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Bend-La Pine Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bend-La Pine Schools' 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 Bend-La Pine Schools' 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 a 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 Auditor's 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.

Brenda Baultlett

Sensiba LLP
Bend, Oregon

December 13, 2024

Administrative School District No. 1
 Deschutes County, Oregon
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2024

Federal Agency	Pass Through Agency	Federal Program Title	Assistance Listing	Other Identification Number	From Direct Awards	From Pass Through Awards	Total Awards	Footnote		
USDA	Oregon Dept. of Education	School Breakfast Program	10.553	902001	-	1,012,792	1,012,792			
		National School Lunch Program	10.555	902001	-	3,200,326	3,200,326			
		Food Distribution (Commodities)	10.555	902001	-	589,949	589,949			
		Summer Food Service Program for Children	10.559	902001	-	55,902	55,902			
		Summer Food Service Program for Children	10.559	Health insp	-	1,086	1,086			
		Fresh Fruit and Vegetable Program	10.582	902001	-	65,950	65,950			
		Subtotal Child Nutrition Cluster			-	4,926,006	4,926,006			
		Child and Adult Care Food Program	10.558	902001	-	214,315	214,315			
		COVID-19 Pandemic EBT Administrative Costs	10.649	n/a	-	6,180	6,180			
		Total USDA					-	5,146,501	5,146,501	
Dept of Defense		National Junior ROTC	12.U01	n/a	99,795	-	99,795			
U.S. Dept of Education	Oregon Dept. of Education	Title I Grants to Local Education Agencies	84.010	76917	-	97,620	97,620	1		
		Title I Grants to Local Education Agencies	84.010	72465	-	300,674	300,674	1		
		Title I Grants to Local Education Agencies	84.010	75142	-	202,247	202,247	1		
		Title I Grants to Local Education Agencies	84.010	76430	-	2,667,037	2,667,037	1		
		Title I Grants to Local Education Agencies	84.010	67939	-	23,314	23,314	1		
		Subtotal Title I			-	3,290,892	3,290,892			
		Special Education - Grants to States	84.027	75281	-	170,768	170,768			
		Special Education - Grants to States	84.027	73970	-	321,479	321,479			
		Special Education - Grants to States	84.027	77921	-	2,490,863	2,490,863			
		Subtotal Special Education Cluster (IDEA)			-	2,983,110	2,983,110			
		English Language Acquisition State Grants	84.365	77019	-	94,232	94,232			
		Subtotal English Language Acquisition State Grants			-	94,232	94,232			
		Supporting Effective Instruction	84.367	76627	-	370,902	370,902			
		Supporting Effective Instruction	84.367	72662	-	19,620	19,620			
		Subtotal Supporting Effective Instruction			-	390,521	390,521			
		Student Support and Academic Enrichment	84.424	72859	-	52,379	52,379	1		
		Student Support and Academic Enrichment	84.424	77060	-	167,698	167,698	1		
		Subtotal Student Support and Academic Enrichment			-	220,076	220,076			
		COVID-19 Education Stabilization Fund	84.425U	95917	-	14,055	14,055	1		
		COVID-19 Education Stabilization Fund	84.425W	69320	-	17,097	17,097	1		
		COVID-19 Education Stabilization Fund	84.425U	75937	-	56,735	56,735	1		
		COVID-19 Education Stabilization Fund	84.425U	64837	-	11,811,890	11,811,890	1		
		Subtotal Education Stabilization Fund			-	11,899,777	11,899,777			
		Total Passed Through Oregon Department of Education					-	18,878,609	18,878,609	
			High Desert ESD	Career and Technical Education - Basic Grants to States	84.048	n/a	-	17,432	17,432	
				Education for Homeless Children and Youth	84.196	n/a	-	18,306	18,306	
				Total Passed Through High Desert ESD			-	35,738	35,738	
	Dept of Human Services	Special Education - State Vocational Rehabilitation	84.126A	n/a	-	32,744	32,744			
Total US Dept of Education					-	18,947,092	18,947,092			
Total Federal Financial Assistance					99,795	24,093,592	24,193,387			

(1) Audited as major programs

Administrative School District No. 1
Deschutes County, Oregon
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Significant Accounting Policies

Note A - Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Bend-La Pine Schools (the District). The information in this schedule is prepared in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended and does not present the financial position or changes in net position of the District.

Note B – Summary of Significant Accounting Policies

Basis of Presentation - Expenditures on the SEFA are reported on the modified accrual basis of accounting. Under a modified accrual basis, revenues are recorded when measurable and available, or in the case of grants where the expenditure is the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred. Such expenditures are recognized using the Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance, and is instead using the indirect rate approved by the Oregon Department of Education based on actual District expenses in the prior year. For the fiscal year ending June 30, 2024, the indirect rate used was 4.11%.

Federal Financial Assistance - Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs - The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Note C – Child Nutrition Cluster

The District commingles cash receipts from the US Department of Agriculture with similar state grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first. The District reports commodities consumed on the Schedule at fair value.

**BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?
- Significant deficiencies?

No
None reported

Noncompliance material to the financial statements noted?

No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified?
- Significant deficiencies identified?

No
None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Name of Federal Program or Cluster</u>
84.425U, 84.425W	Elementary and Secondary School Emergency Relief Fund
84.010	Title I-A
84.424	Title IV-A

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

No

**BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

We would like to take this opportunity to express our appreciation for all of the efforts of these staff members who assisted in the preparation of this Annual Comprehensive Financial Report: Brenda Spreier, Staff Accountant; Jessica Houser, Assistant Finance Director - Operations; Kristi Scheiderman, Lead Accountant; Lauren Kuhnke, Staff Accountant; Michael Asher, Graphic Designer; and Robin Carlson, Staff Accountant.

We would also like to recognize the following Business Office staff for their indirect support of the financial reporting process and year round support of District finances: Amy Coronado, April Diehl, April Jorgenson, Brenda Spreier, GraceAnne McJunkin, Jenny Helvie, Jenny Ostrom, Kate Pardo, Lisa Brinlee, Meryll Paris, Scott Blanchard, and Suzy Keitzman.

The Finance Team

