

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

EUGENE, OREGON

***Annual Comprehensive Financial Report
Year Ended June 30, 2022***

Prepared By

*Business Services Department
Andrea Belz, Director*

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INTRODUCTORY SECTION



December 30, 2022

To the Bethel School District Community

Eugene, Oregon

Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. Pursuant to this requirement, the Annual Comprehensive Financial Report of Bethel School District (the District) for the fiscal year ended June 30, 2022 is hereby submitted.

This report was prepared by the District's Business Services Department. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). 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 information is available for the District to prepare the financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

INDEPENDENT AUDIT

The Bethel School District's financial statements have been audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

In 1948 voters approved formation of the Bethel School District by consolidating five smaller districts. A sixth small district was added in 1960. Since its formation, the District's enrollment has increased from 675 to 4,795 students in 2021-22. Enrollment projections for the 2022-23 school year assume an end to pandemic conditions and enrollment at just over 5,000 students. The District's total population is approximately 40,200.

Bethel is the third largest school district in Lane County. Its students are drawn from 31.7 square miles in the southern part of the Willamette Valley in the Eugene-Springfield metropolitan area. Bethel School District, a kindergarten through twelfth grade district, has one comprehensive high school, Willamette High; an alternative education high school, Kalapuya High; two middle schools, Cascade and Shasta; two kindergarten through eighth grade schools: Meadow View and Prairie Mountain; and five elementary schools, Clear Lake, Danebo, Fairfield, Irving and Malabon. The District offers a broad array of programs such as general, special, vocational, alternative and technological education.

The District takes pride in maintaining its facilities, and was successful in passing a \$99.4 million bond measure in 2020 to replace Cascade Middle School and improve facilities across the district. The oldest building in the District is Willamette High School, parts of which were originally built in 1949. Through the support of the community, additions and renovations have enlarged the high school to a capacity of 1,590 students and a new Career and Technical Education (CTE) building is scheduled to begin construction in 2023. The two middle schools were constructed six years apart with Cascade being built in 1955 and Shasta in 1961. Contractors began work on the new Cascade Middle School building and facilities in 2022, with completion scheduled for the beginning of the 2024-25 school year. The elementary schools range in age from 4 year to 53 years with Danebo and Irving being the oldest and the rebuilt Malabon and Fairfield Elementary schools being the newest, having opened in the fall of 2015.

Bethel School District is financially independent - there are no component units and the District is not a component unit of another entity. A seven-member elected school board is responsible for district oversight, policy, and direction, and appoints the Superintendent of the District, who oversees operations and program delivery. The Superintendent works closely with the Board to translate their vision and strategic initiatives into concrete action plans across the district landscape and ensure that all district voices are heard and considered during this ongoing process. The school board and administration take their stewardship responsibilities very seriously and are constantly striving for positive outcomes for all our students and families.

The District annually prepares a budget in accordance with requirements prescribed in the Oregon Revised Statutes. The objective of the District's budgetary controls is to ensure compliance with legal provisions embodied in the annual adopted budget approved by the District's Board of Directors. Activities of all funds are included in the adopted budget at a fund, function and object level.

A summary of the approved budget, together with a notice of public hearing, is published in a newspaper with general circulation in the District. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes the appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared.

The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the District's Board of Directors. Activities of the General Fund, Special Revenue funds, Debt Service Fund, and Capital Projects Fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount), is established by major function level within an individual fund. Transfers of appropriations between budget categories must be authorized by resolution of the Board of Directors.

As demonstrated by the statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management.

ECONOMIC CONDITIONS AND OUTLOOK

Bethel School District is located in the Eugene-Springfield metropolitan area. Eugene is Oregon's second largest city and the seat of Lane County government. The City of Eugene together with the City of Springfield comprises a metropolitan area that serves as the regional center for industry, service and trade, as well as for cultural, academic and recreational activities. Eugene is the home of the University of Oregon, the State's premier research institution as well as Lane Community College and Bushnell University.

Lane County's economy has been experiencing growth for the last decade and is expected to continue to grow. Sectors such as information technology, light manufacturing, construction, health care, and tourism are especially fast growing. While growth has been beneficial to the tax base, it has also increased the local cost of living to a level that impacts employer's ability to recruit new employees to the area. In turn, this has impacted the number of families with school-age children coming into the district and been a leading factor in the continued enrollment decline for Bethel.

LONG-TERM FINANCIAL PLANNING

The District's unassigned fund balance in the General Fund (16.7 percent of total General Fund revenues) just exceeds the Government Finance Officers Association recommended range of five to fifteen percent and does not meet the recommendation of no less than two months of operating expenditures. K-12 revenue sources in Oregon are highly dependent on economic and political factors, necessitating the need for a strong ending fund balance. Regardless of the continued uncertainty, the District expects to see our ending fund balance decline as funding continues to fall short of current operational requirements. Since the District is dependent on the State of Oregon for a substantial portion of its operating funds, and funding levels have fallen short of current service level requirements, maintaining adequate reserves is critical to weathering operational shortfalls and minimizing classroom impacts.

MAJOR PROGRAMS

The quality and quantity of programs offered by Bethel School District are related to both the amount of funding provided as well as the effective and efficient management of those funds. To maximize the benefit to our community's children, the District must continue its effort to cultivate strong relationships with and between students, parents, staff, and community members in local fiscal decision making. In optimizing those funds for the benefit of the students, the District will strive to:

- Ensure equitable access and outcomes for all students giving special attention to students who have not historically experienced success in our system.
- Maximize the positive impact on classroom instruction, instructional support, readiness to learn, and efforts to increase student achievement and engagement so that all students make progress toward meeting state standards, District goals, and personal aspirations.
- Protect and maintain the community's investment in our facilities, physical spaces, equipment, and other assets.
- Prepare for both short and long-term fiscal responsibilities including; labor agreements, reserves, fund balances, planning for current and future mandates along with community needs, and by investing in the sustainable growth of new and existing efficient and effective programs.

In spite of funding insecurity and declining enrollment over the last few years, the District has demonstrated continued improvement in graduation rates, has strong community support, and continues to diversify the workforce. District staff have implemented innovative programs such as the Wolverine Community High

School, an alternative high school program within Willamette High School; partnerships with local agencies and organizations; Family navigators to connect families with community resources; Career and college coaches; District mentors for new teachers, and many other programs that serve the needs of students and families. These projects often involve partnership with community stakeholders and parents who work together to create a student-centered district that meets the emerging needs of all students. This was particularly evident during the pandemic when the community came together to support students who had limited access to food, clothing, housing, and internet connectivity, the greater Bethel community wants the very best for its kids and is seeking out opportunities to do just that. Because of these efforts our students thrive in a number of ways including statewide achievements in sports and clubs. With the support of Bethel programs and staff, our children are not only reaching for excellence, but they are also achieving it.

SIGNIFICANT FINANCIAL EVENTS

Sustainability is a key factor in any budget, but especially a declining revenue budget. The district continues to face budget sustainability issues and does not expect this situation to improve given the current economic environment. These include declining State School Fund revenue, increasing personnel costs, the end of emergency federal and state funding, and the need to use District reserve funds to maintain current service levels. Due in large to the impacts of the pandemic, financial forecasts have proven difficult and made long-range planning problematic. While the district has benefited from one-time grants and resources, the long-term financial impacts of the pandemic are not yet known. Maintaining a strong ending fund balance allows the district to ensure operational continuity during these times of uncertainty.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bethel School District for its Annual Comprehensive Financial Report for the year ended June 30, 2021. This was the twenty-fifth consecutive year that the District has received this prestigious recognition. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Many individuals throughout the District provided information needed for the preparation of this report. We wish to express our appreciation to the staff of Bethel's Business Services Department and Administrative Office. Staff: Nancy Porter, Jennifer Littrell, Karen Sokol, Connie Quinn, Nathan Voelsch, Linda Northrup, and Jill Busby. They all played an important part in the timely and accurate preparation of this Annual Comprehensive Financial Report.

We also thank the Directors of the Bethel School Board for their continued support and dedication to the financial operations of the District.

Respectfully submitted,



Kraig Sproles
Superintendent



Andrea Belz
Director of Business Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lane County School District No. 52 (Bethel)
Oregon**

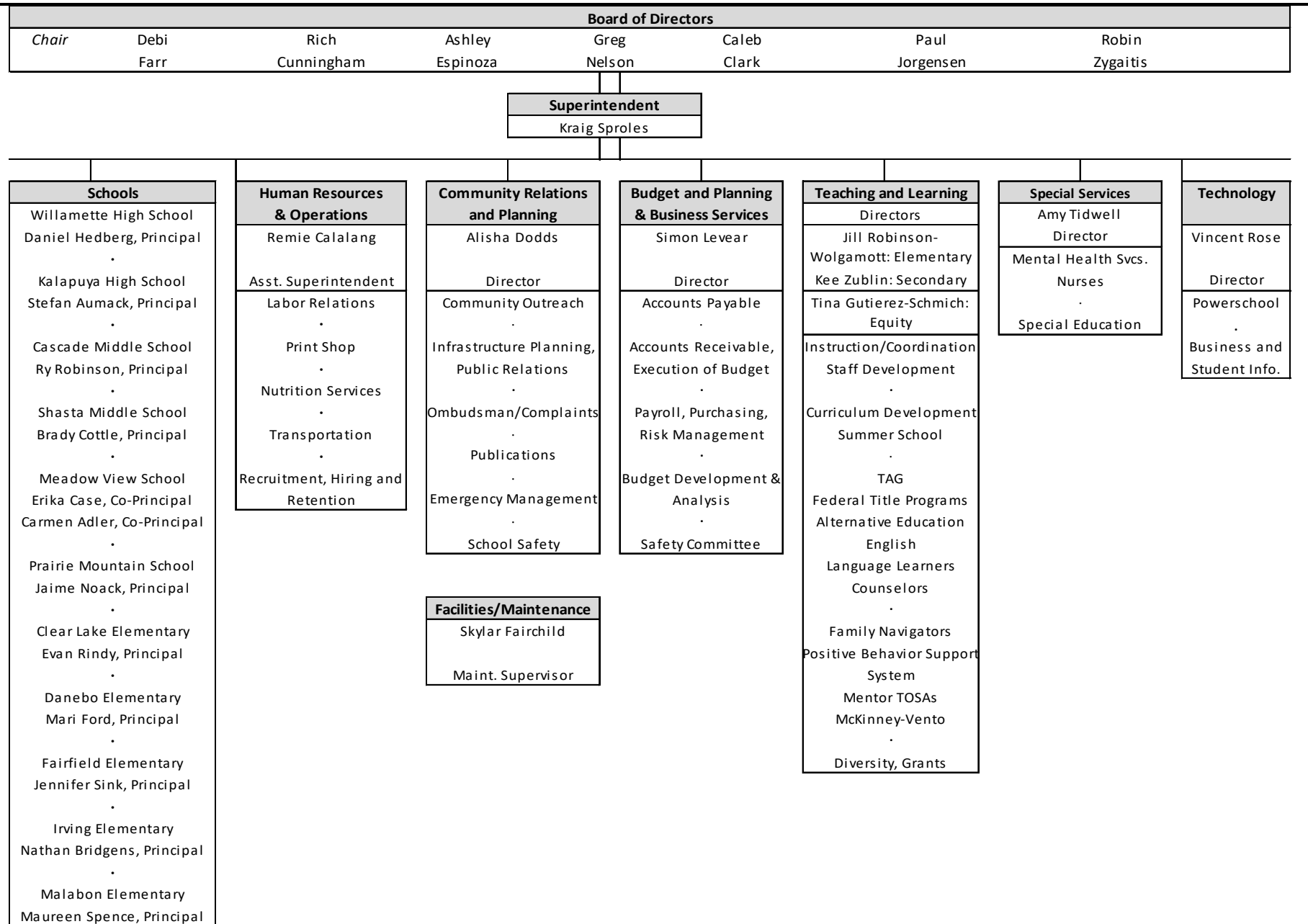
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
ADMINISTRATIVE ORGANIZATIONAL CHART



BOARD OF DIRECTORS

Debi Farr	Chairperson
Rich Cunningham	Vice Chairperson
Ashley Espinoza	Director
Robin Zygaitis	Director
Paul Jorgenson	Director
Caleb Clark	Director
Greg Nelson	Director

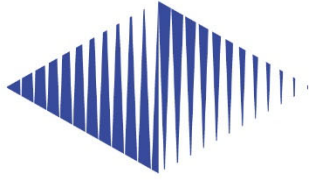
All Board members receive mail at the address below.

ADMINISTRATIVE OFFICERS

Kraig Sproles, Superintendent
Simon Levear, Director of Business Services (through June 30, 2022)
Andrea Belz, Director of Business Services (effective July 1, 2022)

Administrative Office
4640 Barger Drive
Eugene, Oregon 97402

FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

INDEPENDENT AUDITOR'S REPORT

School Board
Bethel School District No. 52
Eugene, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel School District No. 52, Lane County, Oregon (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As further discussed in the notes to the Schedule of Expenditures of Federal Awards (SEFA), the District has revised and reissued the SEFA previously reported on December 30, 2022, to include expenditures of funds from the Schools and Roads – Grants to States, Assistance Listing Number (ALN) 10.665, totaling \$222,218. The previously issued auditor's report with respect to the SEFA dated December 30, 2022, is not to be relied upon due to the restatement of the SEFA. Our audit opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

The budgetary comparison information presented as required supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Reports on Other Legal and Regulatory Requirements

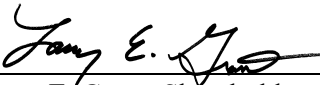
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, except for the SEFA, as to which the date is January 19, 2023, on our consideration of Bethel School District No. 52'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 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 the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2022, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Larry E. Grant, Shareholder
December 30, 2022, except for the SEFA,
as to which the date is January 19, 2023

BETHEL SCHOOL DISTRICT No. 52
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

As management of Bethel School District No. 52 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found on pages 1-4 of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District at June 30, 2022 was a deficit \$13.5 million. Net position is composed of net investment in capital assets of \$36.0 million and a deficit unrestricted net position of \$49.5 million.
- The District's total net position improved by \$5.9 million for the fiscal year. Some factors that contributed to this change include increases and decreases in statement account balances and revenues and expenses related to: a \$34.1 million decrease in the actuarially determined PERS net pension liability, a \$62.9 million increase in deferred outflows related to pensions, a \$28.4 million increase in deferred inflows related to PERS, a \$62.9 million increase in long-term liabilities as a result of the issuance of pension obligation bonds in 2021 and a \$4.3 million increase in deferred inflows related to Other Post-Employment Benefits (OPEB).
- The District's governmental funds reported a combined ending fund balance of \$125.9 million, a decrease of \$3.5 million from the prior year. Approximately 8.1 percent of this total amount, \$10.2 million, is unassigned and available for appropriation at the District's discretion.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$10.2 million, which represents about 16.4 percent of total General Fund expenditures.
- Total cost of all the District's programs was \$88.7 million for the fiscal year, an amount that did not vary from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

In the government-wide financial statements, all the District's activities are shown as governmental activities.

Governmental Activities. The District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, and administration. These activities are primarily financed through Oregon's State School Fund, property taxes, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund financial statements

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains four major governmental fund types: general operating, special revenue, debt service and capital projects. The fund financial statements are found on pages 19 through 27.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. Net position may serve as a useful indicator of a government's financial position over time. In the case of the District, net position totaled a negative \$13.5 million on June 30, 2022.

Significant assets include cash, investments and net investment in capital assets, which consists of the District's land, buildings, building improvements, site improvements, construction in progress, vehicles, and equipment less related 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 needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. The remaining assets consist mainly of grants and property taxes receivable, inventories and a Net OPEB asset related to the PERS health insurance program (RHIA).

The District's long-term liabilities, which include repayment of long-term debt, net pension liability - PERS, total OPEB liability - medical subsidy, and total pension liability - stipends, comprise approximately 97 percent of its total liabilities. Current liabilities consist primarily of payables on accounts and payroll benefits and accrued interest.

Bethel School District No. 52
Statements of Net Position
June 30,

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 132,610,834	\$ 137,436,047	\$ (4,825,214)
Net OPEB asset for RHIA	592,119	1,026,242	(434,123)
Capital assets, net	87,522,630	80,744,934	6,777,696
<i>Total assets</i>	<u>220,725,583</u>	<u>219,207,223</u>	<u>1,518,360</u>
Deferred outflows	97,233,206	35,720,317	61,512,889
<i>Total assets and deferred outflows</i>	<u>317,958,789</u>	<u>254,927,540</u>	<u>63,031,249</u>
Current liabilities	7,808,692	8,087,016	(278,324)
Long-term liabilities	223,777,839	161,099,417	62,678,422
Total pension liability for stipends	458,000	543,654	(85,654)
PERS net pension liability	40,030,009	74,160,768	(34,130,759)
Total OPEB liability for medical subsidy	19,385,629	23,130,799	(3,745,170)
<i>Total liabilities</i>	<u>291,460,169</u>	<u>267,021,654</u>	<u>24,438,515</u>
Deferred inflows	40,034,376	7,314,140	32,720,236
<i>Total liabilities and deferred inflows</i>	<u>331,494,545</u>	<u>274,335,794</u>	<u>57,158,751</u>
Net position:			
Net investment in capital assets	35,956,594	32,863,932	3,092,662
Unrestricted	(49,492,350)	(52,272,186)	2,779,836
<i>Total net position</i>	<u>\$ (13,535,756)</u>	<u>\$ (19,408,254)</u>	<u>\$ 5,872,498</u>

Statement of Activities. During the 2021-22 fiscal year, the District's net position improved by \$5.9 million. The improvement in net position is primarily related to one-time grant funding provided by the Elementary and Secondary School Emergency Relief (ESSER) Fund grants and additional meal reimbursement funding for child nutrition programs.

Bethel School District No. 52
Statements of Activities
Year ended June 30,

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues			
Program revenues			
Charges for services	\$ 892,439	\$ 566,080	\$ 326,359
Operating grants and contributions	24,233,350	14,258,714	9,974,636
General revenues			
Property taxes	24,112,752	23,553,287	559,465
State school fund	41,413,452	41,238,080	175,372
Other	3,939,300	3,962,715	(23,415)
<i>Total revenues</i>	<u>94,591,293</u>	<u>83,578,876</u>	<u>11,012,417</u>
Expenses			
Instructional services	47,487,968	48,930,215	(1,442,247)
Support services	29,391,207	30,128,843	(737,636)
Other	6,107,686	6,040,347	67,339
Interest on long-term liabilities	5,731,934	3,645,748	2,086,186
<i>Total expenses</i>	<u>88,718,795</u>	<u>88,745,153</u>	<u>(26,358)</u>
Change in net position	5,872,498	(5,166,277)	11,038,775
Net position, beginning of year	<u>(19,408,254)</u>	<u>(14,241,977)</u>	<u>(5,166,277)</u>
Net position, end of year	<u><u>\$(13,535,756)</u></u>	<u><u>\$(19,408,254)</u></u>	<u><u>\$ 5,872,498</u></u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. Specifically, fund balance can serve as a useful measure of a government's net resources available to address funding shortfalls and other short-term requirements.

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$125.9 million.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2022, unassigned fund balance was \$10.2 million. As a measure of the fund's liquidity, it may be useful to compare unassigned fund balance to total fund revenues. Unassigned fund balance represents 15.6 percent of total General Fund revenues.

The fund balance increased by \$2.9 million during the current fiscal year. The change is attributed primarily to creation of a PERS reserve associated with the issuance of pension obligation bonds.

Special Revenue Fund. The Special Revenue Fund has a total fund balance of \$3.4 million at the end of the fiscal year. The fund balance increased by \$0.8 million as a result of improved funding for the child nutrition services program.

Special Projects Fund. The Special Projects Fund has a total fund balance of \$865 thousand at the end of the fiscal year. The fund balance decreased \$100 thousand as a result of an increase in support services expenditures for the year.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$484 thousand at the end of the fiscal year. The fund balance increased by \$73 thousand as a result of scheduled debt payments that were made during the year being slightly less than tax revenues received.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$102.2 million, a decrease of \$7.2 million from the prior year. These dollars fund bond projects such as a new Cascade Middle School campus, energy conservation/mechanical upgrades at schools across the district, classroom remodels, covered play structures and other needed updates to the district. Fund balance will decline each year as scheduled projects are completed.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year the District prepared one supplemental budget for approval by the Board of Directors. This supplemental budget, approved in June of 2022, transferred appropriation authority between function levels within major fund groups. It did not increase overall spending for the year, but simply adjusted appropriation amounts within funds to better match actual expenditures made during the year.

Final budget compared to actual results. The most significant difference between estimated revenue and actual revenue was school supply carryover funds recorded in Fund 110. School discretionary budget savings transferred from the General Fund to Fund 110 were approximately \$300 thousand less than projected in the 2021-22 adopted budget. This is likely due to increased spending associated with a return to physical classrooms and resumption of normal extracurricular and instructional activities at each school.

Actual total expenditures were within appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District’s investment in capital assets includes land, buildings and improvements, site improvements, and equipment and vehicles. As of June 30, 2022, the District had invested \$87.5 million in capital assets, net of accumulated depreciation.

	Capital Assets		
	June 30,		
	2022	2021	Change
Land and improvements	3,352,218	\$ 3,352,218	\$ -
Construction in process	4,302,840	39,985	4,262,855
Buildings and improvements, equipment and vehicles	122,562,543	116,656,252	5,906,291
Accumulated depreciation	(42,694,971)	(39,303,521)	(3,391,450)
Total	\$ 87,522,630	\$ 80,744,934	\$ 6,777,696

Additional information on the District’s capital asset activity can be found on page 37.

Long-term debt. During the year ended June 30, 2022, \$4.7 million of principal was paid on long-term debt. At June 30, 2022, the District had total bonded debt outstanding of \$223.3 million.

Additional information on the District’s long-term debt can be found on pages 38 through 41.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund formula. The formula consists of a General Purpose Grant, a Transportation Grant, and certain local revenues. For the year ended June 30, 2022, the State School Fund General Purpose Grant provided approximately 42.5 percent of the District's total revenues, and 63.7 percent of the District's General Fund revenues. The District will rely on ADMw for 2021-22 for State School Fund payments next year, as enrollment declines and current funding projections for 2022-2023 provided by the Oregon Department of Education would result in a significant drop in revenue. Funding from the Student Success Act is projected to increase in 2022-23, but future growth is in question due to economic concerns. The current state economic forecast has factored in a recession that will impact 2023-2025 biennial resources, and this, coupled with continued enrollment declines, will pose a challenge for Bethel in the upcoming biennium.

Total enrollment in 2021-22 increased slightly by 3 ADM (average daily membership) from the previous year. Enrollment is expected to decrease by 181 ADM in 2022-23 due to the rising cost of living in Bethel neighborhoods that has priced out many young families.

The District has analyzed its financial holdings and doesn't anticipate any liquidity problems in the next twelve months.

The District's Budget Committee and School Board considered all these factors while preparing the District's budget for the 2022-23 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director of Business Services, at 4640 Barger Drive, Eugene, Oregon 97402.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Cash and investments	\$ 125,735,545
Receivables	6,792,376
Inventories	82,913
Net OPEB asset - RHIA	592,119
Capital assets not being depreciated	7,655,058
Capital assets, net of accumulated depreciation	79,867,572
<i>Total Assets</i>	<u>220,725,583</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	90,977,368
Deferred outflows related to OPEB	3,852,442
Deferred charges on refunding	2,403,396
<i>Total Deferred Outflows of Resources</i>	<u>97,233,206</u>

Total Assets and Deferred Outflows of Resources 317,958,789

LIABILITIES

Accounts payable and accrued liabilities	5,601,195
Accounts payable to other governments	11,915
Unearned revenue	289,827
Accrued interest	1,905,755
Noncurrent liabilities	
Due within one year	
Accrued compensated absences	332,454
Long-term debt	6,247,044
Due in more than one year	
Accrued compensated absences	110,818
Long-term debt	217,087,523
Total pension liability for stipends	458,000
PERS net pension liability	40,030,009
Total OPEB liability for medical subsidy	19,385,629
<i>Total Liabilities</i>	<u>291,460,169</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to PERS	35,338,884
Deferred inflows related to OPEB	4,695,492
<i>Total Deferred Inflows of Resources</i>	<u>40,034,376</u>

Total Liabilities and Deferred Inflows of Resources 331,494,545

NET POSITION

Net investment in capital assets	35,956,594
Unrestricted	(49,492,350)
<i>Total Net Position</i>	<u>\$ (13,535,756)</u>

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Instructional services	\$ 47,487,968	\$ 787,925	\$ 20,672,290	\$ (26,027,753)
Support services	29,391,207	101,499	177,098	(29,112,610)
Enterprise and community services	3,248,858	3,015	3,383,962	138,119
Facilities maintenance services	2,858,828	-	-	(2,858,828)
Interest on long-term liabilities	5,731,934	-	-	(5,731,934)
<i>Total Governmental Activities</i>	<u>\$ 88,718,795</u>	<u>\$ 892,439</u>	<u>\$ 24,233,350</u>	<u>(63,593,006)</u>
General Revenues:				
Property taxes, levied for general purposes				17,781,263
Property taxes, levied for debt service				6,331,489
Construction excise tax				167,760
State school fund				41,413,452
Common school fund				676,687
Unrestricted state and local funds				1,807,665
Earnings on investments				519,261
Miscellaneous				732,294
Gain on sale or compensation for loss of asset				35,633
<i>Total General Revenues</i>				<u>69,465,504</u>
Change in net position				<u>5,872,498</u>
Net position - beginning				<u>(19,408,254)</u>
Net position - ending				<u>\$ (13,535,756)</u>

The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General</u>	<u>Special Revenue</u>
ASSETS		
Cash and investments	\$ 21,548,506	\$ -
Property taxes receivable	685,764	2,381
Due from other funds	254,852	-
Other receivables	636,488	5,185,546
Inventories	-	82,913
	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 23,125,610</u>	<u>\$ 5,270,840</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 424,210	\$ 312,112
Due to other funds	-	254,852
Accounts payable to other governments	-	-
Retainage payable	-	-
Accrued salaries and benefits	3,213,227	973,799
Unearned revenue	-	289,827
	<hr/>	<hr/>
<i>Total Liabilities</i>	3,637,437	1,830,590
Deferred Inflows of Resources		
Unavailable revenue - property taxes	576,233	-
Fund Balance		
Non-spendable		
Inventories	-	82,913
Restricted for		
Debt service	-	-
Capital projects	-	-
Grants	-	2,394,168
Food services	-	963,169
Committed to		
Insurance services	314,347	-
Other	3,700,518	-
Assigned for		
Specific education projects	4,744,617	-
Special projects	-	-
Unassigned	10,152,458	-
	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>18,911,940</u>	<u>3,440,250</u>
	<hr/>	<hr/>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 23,125,610</u>	<u>\$ 5,270,840</u>

The accompanying notes are an integral part of the financial statements.

Special Revenue

<i>Special Projects</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total</i>
\$ 881,732	\$ 439,645	\$ 102,839,451	\$ 125,709,334
-	241,468	-	929,613
-	-	-	254,852
-	19,949	-	5,841,983
-	-	-	82,913
<hr/>	<hr/>	<hr/>	<hr/>
\$ 881,732	\$ 701,062	\$ 102,839,451	\$ 132,818,695
<hr/>	<hr/>	<hr/>	<hr/>
\$ 6,019	\$ -	\$ 400,498	\$ 1,142,839
-	-	-	254,852
-	11,915	-	11,915
-	-	257,575	257,575
11,083	-	1,243	4,199,352
-	-	-	289,827
<hr/>	<hr/>	<hr/>	<hr/>
17,102	11,915	659,316	6,156,360
<hr/>	<hr/>	<hr/>	<hr/>
-	205,033	-	781,266
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	82,913
-	484,114	-	484,114
-	-	102,180,135	102,180,135
-	-	-	2,394,168
-	-	-	963,169
-	-	-	314,347
-	-	-	3,700,518
-	-	-	4,744,617
860,206	-	-	860,206
4,424	-	-	10,156,882
<hr/>	<hr/>	<hr/>	<hr/>
864,630	484,114	102,180,135	125,881,069
<hr/>	<hr/>	<hr/>	<hr/>
\$ 881,732	\$ 701,062	\$ 102,839,451	\$ 132,818,695
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The accompanying notes are an integral part of the financial statements.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

FUND BALANCES		\$ 125,881,069
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 130,217,601	
Accumulated depreciation	<u>(42,694,971)</u>	87,522,630
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		781,266
Internal service fund is used by the District to charge the costs of printing to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		45,562
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. During refunding of debt, the difference between the net carrying amount of the old debt and the reacquisition price (amount transferred to escrow for payment of the old debt) is deferred interest and is amortized as an adjustment of interest expense in the statement of activities over the remaining life of the refunded debt.		
These liabilities consist of:		
Accrued interest	(1,905,755)	
Accrued compensated absences	(443,272)	
Long-term debt	(223,334,567)	
Less deferred charges from refunding	<u>2,403,396</u>	(223,280,198)
Long-term pension liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources.		
These consist of:		
Net pension liabilities	(40,488,009)	
Deferred inflows of resources related to pensions	(35,338,884)	
Deferred outflows of resources related to pensions	<u>90,977,368</u>	15,150,475
Long-term OPEB assets / liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources.		
These consist of:		
Net OPEB asset	592,119	
Total OPEB liability	(19,385,629)	
Deferred inflows of resources related to OPEB	(4,695,492)	
Deferred outflows of resources related to OPEB	<u>3,852,442</u>	(19,636,560)
TOTAL NET POSITION		<u><u>\$ (13,535,756)</u></u>

The accompanying notes are an integral part of the financial statements.

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BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Special Revenue</u>
REVENUES		
Property taxes	\$ 17,739,498	\$ -
Construction excise tax	-	167,760
Intergovernmental		
Intermediate sources	1,347,121	518,210
State sources	42,105,751	6,809,018
Federal sources	222,218	13,890,056
Charges for services	3,014,278	789,753
Contributions	-	32,682
Investment earnings	147,319	9,784
Miscellaneous	400,783	296,400
<i>Total Revenues</i>	<u>64,976,968</u>	<u>22,513,663</u>
EXPENDITURES		
Current		
Instruction	36,872,407	11,586,080
Support services	24,491,977	4,338,778
Enterprise and community services	136,092	3,114,616
Facilities acquisition and construction	-	13,374
Debt Service		
Principal	283,016	-
Interest	65,037	185,009
Capital outlay	111,290	2,546,933
<i>Total Expenditures</i>	<u>61,959,819</u>	<u>21,784,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,017,149</u>	<u>728,873</u>
OTHER FINANCING SOURCES (USES)		
Repayment of advances to other funds	64,000	-
Proceeds from long-term debt	-	-
Amounts paid to fiscal agent	-	-
Transfers in	50,000	94,988
Transfers out	(268,752)	-
Sale of/or compensation for loss of capital assets	33,395	2,238
<i>Total Other Financing Sources (Uses)</i>	<u>(121,357)</u>	<u>97,226</u>
NET CHANGES IN FUND BALANCES	<u>2,895,792</u>	<u>826,099</u>
FUND BALANCES, beginning of year	<u>16,016,148</u>	<u>2,614,151</u>
FUND BALANCES, ending	<u>\$ 18,911,940</u>	<u>\$ 3,440,250</u>

The accompanying notes are an integral part of the financial statements

Special Revenue

<i>Special Projects</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total</i>
\$ -	\$ 6,310,512	\$ -	\$ 24,050,010
-	-	-	167,760
-	7,294	-	1,872,625
-	-	5,329	48,920,098
-	-	-	14,112,274
141,716	2,947,005	-	6,892,752
5,994	-	-	38,676
5,005	12,549	344,605	519,262
103,462	100	-	800,745
256,177	9,277,460	349,934	97,374,202
-	-	-	48,458,487
480,363	505,614	-	29,816,732
-	-	-	3,250,708
-	-	-	13,374
-	4,326,399	-	4,609,415
-	4,878,477	-	5,128,523
-	-	7,567,041	10,225,264
480,363	9,710,490	7,567,041	101,502,503
(224,186)	(433,030)	(7,217,107)	(4,128,301)
-	-	-	64,000
-	68,905,000	-	68,905,000
-	(68,399,386)	-	(68,399,386)
173,764	-	-	318,752
(50,000)	-	-	(318,752)
-	-	-	35,633
123,764	505,614	-	605,247
(100,422)	72,584	(7,217,107)	(3,523,054)
965,052	411,530	109,397,242	129,404,123
\$ 864,630	\$ 484,114	\$ 102,180,135	\$ 125,881,069

The accompanying notes are an integral part of the financial statements

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

NET CHANGE IN FUND BALANCES		\$ (3,523,054)
<p>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 depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Expenditures for capital assets	\$ 10,169,146	
Less current year depreciation, net of disposals	<u>(3,391,450)</u>	6,777,696
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:</p>		
PERS bond proceeds	(68,905,000)	
Debt principal repaid	4,699,902	
Amortization of bond premium	1,319,652	
Amortization of deferred charges from refunding	<u>(970,582)</u>	(63,856,028)
<p>In the Statement of Activities, interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expenditure when due.</p>		
		(1,106,967)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		62,641
<p>Internal service fund is used by the District to charge the costs of printing to the individual funds. The net income is reported with governmental activities</p>		
		20,491
<p>In the Statement of Activities, pension expense is adjusted based on the actuarially determined contribution changes:</p>		
Net change in net pension liability - PERS	34,130,759	
Net change in PERS deferred outflows of resources	62,871,800	
Net change in PERS deferred inflows of resources	(28,423,932)	
Net change in total pension liability - stipends	<u>85,654</u>	68,664,281
<p>In the Statement of Activities, OPEB expense is adjusted based on the actuarially determined contribution changes:</p>		
Net change in net OPEB liability/asset - RHIA	(434,123)	
Net change in OPEB deferred outflows of resources	(388,329)	
Net change in OPEB deferred inflows of resources	(4,296,304)	
Net change in total OPEB liability - medical subsidy	<u>3,745,170</u>	(1,373,586)
<p>Compensated absences are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities, compensated absences are recognized as expenses when earned.</p>		
		<u>207,024</u>
CHANGE IN NET POSITION		<u><u>\$ 5,872,498</u></u>

The accompanying notes are an integral part of the financial statements

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUND – INTERNAL SERVICE FUND
JUNE 30, 2022

ASSETS

Cash and investments	\$	26,209
Other receivables		20,781
		<hr/>
<i>Total Assets</i>		46,990

LIABILITIES

Accounts payable and accrued liabilities		<hr/>
		1,428

NET POSITION

Unrestricted		<hr/>
		45,562
		<hr/>
<i>Total Net Position</i>	\$	<u>45,562</u>

The accompanying notes are an integral part of the financial statements

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022

OPERATING REVENUES:

Miscellaneous	\$ 65,821
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OPERATING EXPENSES:

Salaries and benefits	33,126
Services, supplies and materials	12,204

TOTAL OPERATING EXPENSES	<u>45,330</u>
---------------------------------	---------------

OPERATING INCOME (LOSS)	20,491
--------------------------------	--------

NET POSITION, July 1, 2021	<u>25,071</u>
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NET POSITION, June 30, 2022	<u><u>\$ 45,562</u></u>
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BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Received from interfund services provided	\$ 102,180
Paid for goods and services	(22,445)
Paid to employees	(53,526)
	<hr/>

NET CHANGE IN FUND BALANCE 26,209

CASH AND CASH EQUIVALENTS, July 1, 2021

-

CASH AND CASH EQUIVALENTS, June 30, 2022

\$ 26,209

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 20,491
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	
Changes in assets and liabilities	
Receivables	36,359
Accounts payable	(30,641)
	<hr/>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

\$ 26,209

The accompanying notes are an integral part of the financial statements

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BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bethel School District No. 52 (the District) is a municipal corporation governed by a separately elected seven-member School Board. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by accounting principles generally accepted in the United States of America, 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, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities, except that interfund services are not eliminated. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided and (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors, or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are an apportionment from the State of Oregon and property taxes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Special Revenue Fund- This fund records activities associated with the District's federal, state and local grants as well as the child nutrition program, Construction Excise Tax collections, and student activity funds.

Special Projects Fund - This fund records activities associated with the District's student-based health center, its licensed and classified staff insurance reserves, and the Willamette High School McGovern Scholarship account.

Debt Service Fund - This fund accounts for the payment of principal and interest on general obligation bonded debt. This fund's principal revenue source is property taxes. This fund is presented as major due to the importance of the fund.

Capital Projects Fund - This fund accounts for the construction and rehabilitation of District schools. This fund's primary source of revenue is general obligation bond proceeds.

Additionally, the District reports the following proprietary fund:

Internal Service Fund – This fund accounts for services provided to other departments of the District on a cost-reimbursement basis.

Measurement Focus and Basis of Accounting

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for printing materials. Operating expenses for the internal service fund include the cost of materials and supplies, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Proprietary funds report on the full accrual basis of accounting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The District's cash consists of cash on hand, demand and time deposits. The District's investments consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP), U.S. Treasury Obligations, and Commercial Paper. The investments are stated at cost which approximates fair value.

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

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

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of state school support and claims for reimbursement of costs under various federal and state grants. At June 30, 2022, no allowance for doubtful accounts is considered necessary.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

Inventories

Inventories of supplies and materials in the governmental funds are stated at cost. Inventories of food and supplies are valued at invoice cost (first-in, first-out). Inventoried items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method). Commodity inventories are not recorded as title to them is not considered to pass to the District until they are consumed.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value on the date donated. The District defines capital assets as individual assets with an initial cost of more than \$5,000 and an estimated life in excess of one year.

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

Buildings and improvements	20 to 60 years
Equipment and vehicles	3 to 20 years

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plans and Other Postemployment Benefits

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

The District also offers its employees a tax-deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

The District currently maintains an early retirement program which provides for payment of stipends and/or health insurance benefits to qualified employees. The District's employees who elect retirement are entitled to participate in the District's group medical insurance plan as provided by Oregon Revised Statutes.

The government liquidates its pension and OPEB obligations from General Fund resources.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave payment as the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. These obligations will be paid from the fund from which employee wages are charged. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Compensated absences will be paid from general revenues and 75 percent of these are expected to be paid within 12 months.

Governmental Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund type fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- **Restricted** – Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action (resolution) of the School Board. The School Board can modify or rescind the commitment at any time through taking a similar formal action.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances (Continued)

- **Assigned** - Amounts that are constrained by the District’s intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be “reserved” during the adoption of the annual budget. The District’s Director of Business Services uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District’s Annual Financial Report.
- **Unassigned** – All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund. In addition, certain funds budgeted as special revenue funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported separately from the applicable bond premium or discount. Issuance costs are expensed when incurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Debt (Continued)

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except that capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, one appropriation transfer was made. Appropriations lapse at the end of each fiscal year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) so will not be recognized as an outflow of resources (expense) until that time. The District has four items that arise only under a full accrual basis of accounting that qualify for reporting in this category. The statement of net position reports two types related to OPEB's, one type related to the PERS net pension liability and one type related to the bond refunding. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available.

In addition to liabilities, the statement of net position and balance sheet 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 or fund balance that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The balance sheet reports unavailable revenues from one source: property taxes. The statement of net position reports one type related to OPEB's and one type related to the PERS net pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

CASH AND INVESTMENTS

The District maintains an internal cash and investments pool that is available for use by all funds. Each fund's portion of the pool is displayed in the basic financial statements as "cash and investments."

Cash and investments are comprised of the following as of June 30, 2022:

<i>Cash and Deposits</i>	
Cash on hand	\$ 8,432
Deposits with financial institutions	3,991,352
<i>Investments</i>	
Local Government Investment Pool	39,546,822
US Bank Investment Portfolio	82,188,939
	<hr/>
	<u>\$ 125,735,545</u>

Deposits

At June 30, 2022, the District's deposits with various financial institutions had a bank balance of \$4,428,916 and a book balance of \$3,991,352. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all savings and time deposits accounts at each institution. Deposits not covered, if any, are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2022, the balance covered by the PFCP was \$4,148,855.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

CASH AND INVESTMENTS (Continued)

Credit Risk

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port or school district in Oregon (subject to specific standards), and the Oregon State Local Government Investment Pool, among others. The Board of Education has adopted an investment policy for the District, which complies with state statutes, as it relates to the credit risk of investments.

Investments

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

<i>Investment type</i>	<i>Fair Value</i>	<i>Weighted average maturity in years</i>	<i>% of investment portfolio</i>
Local Government Investment Pool	\$ 39,546,822	0.003	32.5%
U.S. Treasury Obligations	77,200,306	0.880	63.4%
Commercial Paper	4,988,633	0.225	4.1%
	<u>\$ 121,735,761</u>	<u>1.108</u>	<u>100.0%</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in U.S. Treasury securities, U.S. Agency securities, state and local government obligations, and corporate securities are valued using quoted market prices and are fair value Level 1. The LGIP is comprised of a variety of investments, characterized as a Level 2 fair value measurement in the Oregon Short Term Fund's audited financial report.

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by structuring the investment portfolio, so that securities mature to meet the cash flow needs of ongoing operations. The District's investment policy also limits investments as follows:

<i>Investment type</i>	<i>Maximum % of portfolio</i>	<i>Maximum length to maturity</i>
U.S. Treasury Obligations	100.0%	18 months
U.S. Government Agency Securities	100.0%	18 months
Banker's Acceptances	25.0%	18 months
Certificate of Deposits	25.0%	18 months
Repurchase Transactions	25.0%	18 months
Commercial Paper	25.0%	18 months
Corporate Notes	10.0%	18 months
Local Government Investment Pool	100.0%	1 day

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

CASH AND INVESTMENTS (Continued)

The LGIP investment is limited by Oregon Statute to an amount in excess of \$50 million, which amount will increase proportionately to the Portland Consumer Price Index. The limit can be temporarily exceeded for ten business days and does not apply either to pass-through funds or to funds invested on behalf of another governmental unit.

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The funds deposited in the Local Government Investment Pool are recorded at cost, which approximates fair value. At June 30, 2022, the fair value of the position in the Oregon State Treasurer's Short Term Investment Pool was approximately equal to the pool shares. The funds in the Local Government Investment Pool are not subject to risk evaluation.

Custodial Risk - Investments

Custodial credit risk for investments 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 minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business. All of the investments above, except for the investment in the LGIP which is not evidenced by securities, are held in safekeeping by US Bank in the District's account name.

At June 30, 2022, the District's investments were rated as follows:

<i>Investment type</i>	<i>Rating by Moody's</i>			<i>Not rated</i>	<i>Total</i>
	<i>Aaa</i>	<i>Aa1</i>	<i>Aa3</i>		
Local Government Investment Pool	\$ -	\$ -	\$ -	\$ 39,546,822	\$ 39,546,822
U.S. Treasury Obligations	-	-	-	77,200,306	77,200,306
Commercial Paper	4,988,633	-	-	-	4,988,633
	<u>\$ 4,988,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,747,128</u>	<u>\$ 121,735,761</u>

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any funds. The LGIP is commingled with the State's Short Term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS

Capital assets activity for the year was as follows:

	<i>Balance</i> <i>July 1, 2021</i>	<i>Additions</i>	<i>Deletions</i>	<i>Adjustments*</i>	<i>Balance</i> <i>June 30, 2022</i>
Capital assets not being depreciated:					
Land	\$ 3,352,218	\$ -	\$ -	\$ -	\$ 3,352,218
Construction in process	39,985	9,819,943	(5,738,352)	181,264	4,302,840
<i>Total capital assets not being depreciated</i>	3,392,203	9,819,943	(5,738,352)	181,264	7,655,058
Capital assets being depreciated:					
Buildings and improvements	107,680,470	5,738,352	-	-	113,418,822
Equipment	5,281,845	126,197	-	-	5,408,042
Vehicles	3,693,937	279,124	(237,382)	-	3,735,679
<i>Total capital assets being depreciated</i>	116,656,252	6,143,673	(237,382)	-	122,562,543
Less accumulated depreciation for:					
Buildings and improvements	(35,779,793)	(2,957,543)	-	-	(38,737,336)
Equipment	(1,781,058)	(461,399)	-	-	(2,242,457)
Vehicles	(1,742,670)	(209,890)	237,382	-	(1,715,178)
<i>Total accumulated depreciation</i>	(39,303,521)	(3,628,832)	237,382	-	(42,694,971)
<i>Total capital assets being depreciated, net</i>	77,352,731	2,514,841	-	-	79,867,572
<i>Total capital assets, net</i>	\$ 80,744,934	\$ 12,334,784	\$ (5,738,352)	\$ 181,264	\$ 87,522,630

* Project management expenses from prior year not originally capitalized.

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

Program	
Instructional services	\$ 129,519
Support services	
Pupil transportation	187,330
Other support services	8,178
Enterprise and community services	
Food services	14,565
Other enterprise and community services	169,333
Facilities maintenance services	3,119,907
<i>Total</i>	<u>\$ 3,628,832</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2022:

	<i>Balance July 1, 2021</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2022</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 142,221,503	\$ -	\$ 2,607,706	\$ 139,613,797	\$ 3,705,000
Notes from direct borrowings	4,880,131	-	372,196	4,507,935	307,044
Pension obligation bonds	-	68,905,000	1,720,000	67,185,000	2,235,000
Total	147,101,634	68,905,000	4,699,902	211,306,732	6,247,044
Unamortized premium, Series 2013	632,039	-	90,291	541,748	-
Unamortized premium, Series 2013 B & C	1,827,981	-	140,614	1,687,367	-
Unamortized premium, Series 2021 B	10,887,467	-	1,088,747	9,798,720	-
Total issuance premiums	13,347,487	-	1,319,652	12,027,835	-
Total	\$ 160,449,121	\$ 68,905,000	\$ 6,019,554	\$ 223,334,567	\$ 6,247,044

Bonds Payable

General Obligation and Refunding Bonds, Series 2013 - In April 2013, the District issued bonds in the amount of \$20,860,000 to finance the cost of capital projects for the district and to refinance certain outstanding General Obligation Refunding Bonds, Series 2002. The bonds are due in annual installments of \$675,000 to \$2,730,000 plus interest paid semi-annually at 1.25% to 5.0% through 2028. The bonds were issued at a premium, which is being amortized through 2028.

The bonds are secured by the full faith and credit and taxing power of the District. In the event of default, the bond shall not be subject to acceleration.

General Obligation Bonds, Series 2013 B & C - In December 2013, the District issued bonds in the amount of \$39,496,166 to finance the cost of capital projects for the district. The bond is due in annual installments of \$75,000 to \$5,345,000 plus interest paid semi-annually at 1.47% to 5.0% through 2034. The bonds were issued at a premium, which is being amortized through 2034.

The bonds are secured by the full faith and credit and taxing power of the District. In the event of default, the bonds shall not be subject to acceleration.

General Obligation Refunding Bonds, Series 2019 - In November 2019, the District issued advance refunding bonds in the amount of \$29,625,000 to refund a portion of the General Obligation Bonds, Series 2013 B. The bond is due in annual installments of \$320,000 to \$4,745,000 plus interest paid semi-annually at 2.85% through 2034.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT (Continued)

General Obligation Bonds, Series 2021 A, B & C - In February 2021, the District issued bonds in the amount of \$107,548,118 to finance the cost of capital projects for the District. The bond is due in annual installments of \$135,000 to \$7,065,000 plus interest, either deferred or paid semi-annually at .170% to 4.00% through 2051. The bonds were issued at a premium, which is being amortized through 2041 (Series 2021B).

The bonds are secured by the full faith and credit and taxing power of the District. In the event of default, the bonds shall not be subject to acceleration.

Future debt service requirements for general obligation bonds are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 3,705,000	\$ 2,726,003	\$ 6,431,003
2024	3,712,500	3,069,251	6,781,751
2025	4,435,000	2,531,262	6,966,262
2026	4,021,552	3,141,485	7,163,037
2027	4,186,626	3,171,004	7,357,630
2028-2032	23,610,000	10,040,266	33,650,266
2033-2037	25,740,000	6,416,874	32,156,874
2038-2042	29,225,511	7,179,739	36,405,250
2043-2047	22,834,088	18,852,557	41,686,645
2048-2051	18,143,520	19,525,029	37,668,549
	<u>\$ 139,613,797</u>	<u>\$ 76,653,470</u>	<u>\$ 216,267,267</u>

Defeased General Obligation Bonds

In previous years, the District defeased general obligation bonds outstanding by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2022, defeased general obligation bonds outstanding were \$35,630,000.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT (Continued)

2016 Advance Refunding

On November 9, 2016, the District issued \$4,162,000 General Obligation Refunding Bonds, Series 2016 to advance refund portions of the outstanding 2013 B series bonds. The net proceeds of \$4,091,597 (after payment of \$70,403 in underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide for certain outstanding debt service payments of the 2013 bonds until called on June 15, 2024.

The advanced refunding reduced the total debt service payments over the next five years by \$332,000 and obtained an economic gain defined as the difference between the present values of the debt service payments on the old and new debt, of approximately \$879,000. There is no deferred amount on refunding as of June 30, 2022. Net of accumulated amortization is \$881,597.

2019 Advance Refunding

On November 21, 2019, the District issued \$29,625,000 General Obligation Refunding Bonds, Series 2019 to advance refund portions of the outstanding 2013 B series bonds. The net proceeds of \$29,355,118 (after payment of \$269,882 in underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide for certain outstanding debt service payments of the 2013 bonds until called on June 15, 2024.

The advance refunding reduced total debt service payments over the life of the issue by \$1,985,912. This resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$1,480,118.

2021 Advance Refunding

On February 23, 2021, the District issued \$8,250,000 General Obligation Refunding Bonds, Series 2021C to advance refund portions of the outstanding 2013 B series bonds and to pay the costs of issuance of the 2021C Bonds. The net proceeds of \$8,187,427 (after payment of \$62,573 in underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide for certain outstanding debt service payments of the 2021 bonds until called on June 15, 2028.

The advanced refunding reduced the total debt service payments over the next eight years by \$717,745 and obtained an economic gain defined as the difference between the present values of the debt service payments on the old and new debt, of approximately \$682,000. The deferred amount on refunding as of June 30, 2022 was \$693,348 net of accumulated amortization of \$115,558.

Notes from Direct Borrowings

Full Faith and Credit Financing Agreement, Series 2018 – In May 2018, the District entered into a tax-exempt and bank qualified financing agreement for \$1,600,000 with JPMorgan Chase Bank to finance the cost of projects in the district. The district will repay this amount in annual installments of \$141,249 to \$180,152 plus interest paid semi-annually at 2.74% through 2028.

The note is secured by the full faith and credit and taxing power of the District. In the event of default, the bank may increase the rate of interest on the agreement by 1.5% for so long as the event of default continues.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT (Continued)

Full Faith and Credit Financing Agreement, Series 2020 – In May 2020, the District entered into a full faith and credit financing agreement for \$3,629,573 (plus 12 months of accrued interest to May of 2021) with Banc of America Public Capital Corp to finance the cost of projects in the district. The District will repay this amount in annual installments of \$325,997 to \$170,307 plus interest paid semi-annually at 2.37% beginning in August of 2021 through 2036.

The note is secured by the full faith and credit and taxing power of the District. In the event of default, the bank may increase the rate of interest on the agreement by 2% for so long as the event of default continues.

Future debt service requirements for direct borrowings are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 307,044	\$ 109,698	\$ 416,742
2024	321,705	101,778	423,483
2025	348,940	93,422	442,362
2026	367,980	84,451	452,431
2027	399,489	74,941	474,430
2028-2032	1,406,527	248,152	1,654,679
2033-2037	1,356,250	83,541	1,439,791
	<u>\$ 4,507,935</u>	<u>\$ 795,983</u>	<u>\$ 5,303,918</u>

2021 Pension Bonds

Bond proceeds of the pension bonds were paid to the Oregon Public Employees Retirement Systems (OPERS) and placed in a separate investment account (a “side account”) for the benefit of the District. The investment earnings of this account reduce the amount due to OPERS by the District, resulting in a reduction of the OPERS rate charge against covered District payroll.

Unlike the District’s general obligation bonds, the 2021 pension bonds are not covered under the Oregon School Bond Guarantee (OSBG) Program. The OSBG does not guarantee payment of principal, premium or interest on pension bonds or other debt that is not a voter-approved general obligation bond.

An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of the District’s State School Fund support is withheld on a monthly basis and provided to the Series 2021A Trustee for payment of bond principal and interest. The Series 2021A Pension Bonds are limited tax bonds and pension bond payments are not subject to acceleration even in default. In the event of a default by one or more issuers of the series, the Trustee may exercise any remedy available at law or in equity; however, each series 2021A issuer is responsible solely for its own pension bond payments and related fees or charges.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT (Continued)

The District's obligations under the 2021A pension bond issuance shall terminate if and when the following has occurred:

1. Payment in full of the District's Series 2021A Pension Bonds
2. Legal defeasance of the District's Series 2021A Pension Bond obligations.

Pension Obligation Bonds – Series 2021A – future payments due in annual installments of \$1,720,000 to \$5,935,000 plus interest paid semi-annually at 2.895% through 2051.

Future debt service requirements for pension obligations are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 2,235,000	\$ 1,419,752	\$ 3,654,752
2024	2,340,000	1,412,779	3,752,779
2025	2,485,000	1,398,926	3,883,926
2026	2,635,000	1,377,207	4,012,207
2027	2,800,000	1,348,117	4,148,117
2028-2032	16,950,000	6,015,406	22,965,406
2033-2037	23,145,000	4,000,956	27,145,956
2038-2040	14,595,000	773,255	15,368,255
	<u>\$ 67,185,000</u>	<u>\$ 17,746,398</u>	<u>\$ 84,931,398</u>

COMPENSATED ABSENCES

The General Fund is the primary fund where the compensated absences liability is liquidated.

Compensated absences activity for the year is as follows:

<i>Outstanding July 1, 2021</i>	<i>Increases</i>	<i>Decreases</i>	<i>Outstanding June 30, 2022</i>	<i>Amount Due in One Year</i>
\$ 650,296	\$ 402,809	\$ 609,832	\$ 443,273	\$ 332,454

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 50,000	\$ 268,752
Special Revenue	94,988	-
Special Projects	173,764	50,000
	<u>\$ 318,752</u>	<u>\$ 318,752</u>

Transfers are used for textbook adoption, student and staff technology purchases, facilities maintenance, turf field replacement, bus replacement and contractual professional development. Transfers from the General Fund also support operation of the District’s nutrition services program, health center and infant/toddler center. School programs transfer savings from their General Fund discretionary budgets to a school supply carryover fund to build up balances for future expenditures, and transfers are also initiated based on negotiated compensation agreements with the District’s union partners and employee groups.

PENSION PLANS

The District offers an early retirement incentive, providing stipend amounts to retirees and contributes to the Oregon Public Employees Retirement System. The breakdown of the net pension liability, total pension liability, deferred outflows of resources and deferred inflows of resources related to pensions are:

	<u>Stipends</u>	<u>PERS</u>	<u>Total</u>
Net Pension Liability	\$ -	\$ 40,030,009	\$ 40,030,009
Total Pension Liability	458,000	-	458,000
Pension Deferred Outflows of Resources	91,870	90,885,498	90,977,368
Pension Deferred Inflows of Resources	104,993	35,233,891	35,338,884
Pension Expense	46,130	4,976,701	5,022,831

Early Retirement Incentives (Stipends)

Description - The District maintains a single-employer early retirement supplement program for eligible employees of the District. The program generally covers licensed and administrative staff that have completed twelve years of continuous service and have reached retirement age. Licensed staff with a least 30 years of service can retire at any age. Upon reaching age 58, an employee may elect retirement. In addition, an employee may elect to retire as early as age 55 with a reduced stipend. A stipend is paid to the participant until age 62, unless the District receives notification of eligibility for unemployment payments filed with the State Employment Services. At that time, stipend payments cease. This pension-type benefit is required to be valued under GASB Statement No. 73. The District does not issue a standalone report for this plan.

Funding Policy

The District provides payments in accordance with current contracts on a pay-as-you-go basis. At June 30, 2022, the District was providing early retirement benefits to 24 former licensed teachers or administrators, and there were 842 active administrators and licensed staff.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the Governmental Funds as the incentive payments are paid. During the year ended June 30, 2022, governmental fund expenditures related to early retirement stipend benefits totaled \$11,478.

Total Pension Liability Related to Stipends

The District’s total pension liability for stipends of \$458,000 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021 using the Entry Age Normal Level Percent of Pay Cost Method.

Actuarial assumptions and other inputs

The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.00%
Salary increases, average, including inflation	3.00%
Discount rate	3.50%

- The discount rate is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The index used is the Bond Buyer 20-Year GO Municipal Bond Index.
- Employer funding policy is on a pay-as-you-go cash basis.
- Mortality rates were generally the same rates as used in the December 31, 2019 PERS actuarial valuation.
- The actuarial assumptions used in the July 1, 2021 valuation were based on those developed in the most recent results of an actuarial experience study for Oregon PERS.

Changes in the Total Pension Liability for Stipends

	Total Pension Liability - Stipends
Balance at July 1, 2021	\$ 543,654
Changes for the year:	
Service cost	28,369
Interest on total pension liability	15,573
Differences between expected and actual experience	(16,701)
Changes in assumptions or other inputs	(101,417)
Benefit payments - Stipends	(11,478)
Net changes	(85,654)
Total Pension Liability at the end of the year	\$ 458,000

The 3.50 percent discount rate assumption is the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This rate was increased from 2.75 percent in the 2019 valuation to reflect the requirements of GASB Statement No. 73.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the District, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total Pension Liability for Stipends on June 30, 2022	\$ 488,834	\$ 458,000	\$ 428,359

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Stipends

For the year ended June 30, 2022, the District recognized stipend pension expense of \$46,130.

At June 30, 2022, there were deferred outflows of resources related to stipends from the following sources:

	Deferred Outflow of Resources	Deferred (Inflow) of Resources
Difference between expected and actual experience	\$ 30,434	\$ (14,845)
Changes of assumptions and other inputs	61,436	(90,148)
Total deferred outflow of resources	\$ 91,870	\$ (104,993)
Net deferred outflow (inflow) of resources, amortized below		\$ (13,123)

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

Year ending June 30,	Amount
2023	\$ 2,188
2024	2,188
2025	2,188
2026	2,188
2027	2,188
Thereafter	(24,063)
Total	\$ (13,123)

Oregon Public Employees Retirement Plan

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

<http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx>

PENSION PLANS (Continued)

PERS Pension (Chapter 238)

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

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

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:

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

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

Benefit Changes After Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Oregon Public Service Retirement Plan Pension Program (OPSRP DB)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. The 2003 Oregon Legislature passed PERS reform legislation that essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees became members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

PENSION PLANS (Continued)

Oregon Public Service Retirement Plan Pension Program (OPSRP DB) (Continued)

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

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

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

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits - A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement - Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$73,456,688. Employer pension expense of \$4,976,701 was recognized during the reporting period.

At June 30, 2022 the District reported a net pension liability of \$40,030,009 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to a measurement date of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.33 percent, which is a decrease of approximately .01 percent from its proportion measured as of June 30, 2020.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

Contributions (Continued)

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

	<i>Deferred Outflow of Resources</i>	<i>Deferred (Inflow) of Resources</i>	<i>Net</i>
Difference between expected and actual experience	\$ 3,747,070	\$ -	
Changes in assumptions	10,020,716	(105,349)	
Changes in proportionate share	-	(29,633,905)	
Net difference between projected and actual earnings on pension plan investments	-	(5,494,637)	
Differences between District contributions and employers proportionate share of contributions	3,661,024	-	
Subtotal - Amortized deferrals (below)	17,428,810	(35,233,891)	\$ (17,805,081)
District contributions subsequent to measurement date	73,456,688	-	
Net deferred outflow (inflow) of resources	<u>\$ 90,885,498</u>	<u>\$ (35,233,891)</u>	

Deferred outflows of resources related to PERS of \$73,456,688 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net PERS liability in the year June 30, 2023. Other amounts reported as deferred outflows or inflow of resources related to PERS will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (3,450,373)
2024	(3,750,411)
2025	(4,724,479)
2026	(6,969,826)
2027	1,090,008
Total	<u>\$ (17,805,081)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB Statement No. 68 reporting summary dated March 1, 2022. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

Actuarial Valuations

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

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

Actuarial Methods and Assumptions

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience study	2018, published July 24, 2019
Actuarial Assumptions	
Actuarial cost method	Entry age normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<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 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

(Source: June 30, 2021 Oregon PERS ACFR Table 25; page 71)

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

PENSION PLANS (Continued)

Actuarial Methods and Assumptions (Continued)

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

Depletion Date Projection – GASB Statement No. 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 market 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 Statement No. 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- Oregon 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, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, the detailed depletion date projections outlined in GASB Statement No. 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

(Source: June 30, 2021 Oregon PERS ACFR; page 70)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

Assumed Asset Allocation

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

(Source: June 30, 2021 Oregon PERS ACFR; page 104)

Long-Term Expected Rate of Return

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

(Source: June 30, 2021 Oregon PERS ACFR; page 70)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

Long-Term Expected Rate of Return (Continued)

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

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 2, 2021
** The arithmetic mean is a component that goes into calculation the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate
*** Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy

(Source: June 30, 2021 Oregon PERS ACFR; page 74; Table 31)

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

	<i>1% Decrease (5.90%)</i>	<i>Discount Rate (6.90%)</i>	<i>1% Increase (7.90%)</i>
District's proportionate share of the net pension liability (asset)	<u>\$ 78,609,361</u>	<u>\$ 40,030,009</u>	<u>\$ 7,753,093</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLANS (Continued)

Long-Term Expected Rate of Return (Continued)

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

<http://www.oregon.gov/PERS/pages/Financials/Actuarial-Financial-Information.aspx>

OPSRP Individual Account Program (OPSRP IAP)

Plan Description – ORS Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of Oregon PERS, and is administered by the Oregon PERS Board.

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

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

Contributions – The District pays or “picks up” 6 percent of the employees’ covered payroll. The District paid \$2,211,541 in employee contributions for the year ended June 30, 2022.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District offers a postemployment health insurance subsidy and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	Medical Subsidy	Retiree Health Insurance Account (RHIA)	Total
Total OPEB Liability	\$ 19,385,629	\$ -	\$ 19,385,629
Net OPEB Asset	-	592,119	592,119
OPEB Deferred Outflows of Resources	3,428,637	423,805	3,852,442
OPEB Deferred Inflows of Resources	4,415,936	279,556	4,695,492
OPEB Expense	2,166,150	(11,611)	2,154,539

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Post-Employment Healthcare Benefits (Medical Subsidy)

The Post-Employment Healthcare Benefits (Medical Subsidy) for the District combines two separate plans. The District provides an implicit rate subsidy for retiree health insurance premiums, and a contribution toward eligible participants' medical premiums.

As of the valuation date of July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	24
Active employees	842
	<u>866</u>

Plan Description - Explicit Subsidy - The District maintains a single-employer early retirement supplement program for its employees. This program covers full-time licensed, administrative and eligible confidential personnel of the District who retire with at least 12 years of regular service to the District. Benefits are offered until age 65 or death. The District does not issue a standalone report for this plan. This optional early retirement program provides the employee with the following:

- For eligible licensed employees the aggregate increased cost of a retiree's program (stipend plus insurance) shall not exceed 5% (6% for employees who retire prior to June 30, 2003) in any one year.
- For eligible confidential employees the District shall pay no more than 15% of the employee's last annual salary.
- For eligible administrators, out-of-pocket premiums will be the same for the duration of early retirement benefits as the out-of-pocket premium amount during the last year of active duty.

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

Plan Description - Implicit Subsidy - The District operates a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon State law. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees.

Eligible retirees and their dependents under age 65 are allowed to continue to enroll in the same healthcare coverage as offered to active employees. The retiree's coverage selection is available only upon retirement although coverage can continue until the retiree's age 65. The spouse's coverage is available until the spouse's age 65 but also must be selected at the time of retirement. Following the retiree's death or attainment of age 65, the retiree's spouse can continue full coverage until the spouse's age 65. The retiree or surviving spouse is responsible for paying the full premium at the applicable tier. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer subsidy.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Eligibility is determined by:

- For administrators and classified members, the employee must retire with an immediate service or disability retirement benefit under the Oregon Public Employees Retirement System (OPERS)
- For certified members, the employee must retire with an immediate service benefit under OPERS, or be eligible for a benefit under the District’s Long Term Disability program.

Total OPEB Liability for Medical Subsidy

The District’s total OPEB liability for Medical Subsidy of \$19,385,629 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021 using the Entry Age Normal Level Percent of Pay Cost Method.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial Assumptions	
Inflation Rate	2.00%
Discount rate	3.50%
Projected salary increases	3.00%
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>

Discount Rate - Under GASB Statement No. 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2021 reporting date is 3.50 percent, reflecting the Bond Buyer 20-Year General Obligation Bond Index. This rate was increased from 2.75 percent in the 2019 valuation.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability for Medical Subsidy (Continued)

Healthcare Cost Trend – The actuarial calculations used an assumption that medical costs will increase 3.50% in the first year, 4.00% in the second year and third year, and varying from 4.50% to 6.00% over the remainder of the projection period. These trends are based in part on the 2022 Segal Health Plan Cost Trend Survey. Rates are trended down in subsequent years in accordance with prevalent actuarial practice, based in part of the Society of Actuaries - Getzen Long Term Healthcare Trends Resource Model, as updated October 2020.

Changes in the Total OPEB Liability for Medical Subsidy

	<u>Total OPEB Liability Medical Subsidy</u>
Balance at July 1, 2021	\$ 23,130,799
Changes for the year:	
Service cost	1,364,373
Interest on total OPEB liability	662,560
Differences between expected and actual experience	(3,063,461)
Changes in assumptions or other inputs	(1,904,467)
Benefit payments	(804,175)
Net changes	<u>(3,745,170)</u>
Balance at June 30, 2022	<u>\$ 19,385,629</u>

The 3.50 percent discount rate assumption is the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This rate was increased from 2.75 percent in the 2019 valuation to reflect the requirements of GASB Statement No. 75.

Sensitivity of the Total OPEB Liability for Medical Subsidy 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 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability for Medical Subsidy on June 30, 2022	<u>\$ 21,048,636</u>	<u>\$ 19,385,629</u>	<u>\$ 17,835,550</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability for Medical Subsidy to Changes in the Healthcare Trend Rates

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability for Medical Subsidy on June 30, 2022	\$ 21,048,636	\$ 19,385,629	\$ 17,835,550

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Subsidy

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,166,150 related to the Medical Subsidy. At June 30, 2022, the District reported deferred outflows of resources related to the Medical Subsidy from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred (Inflow) of Resources</u>
Difference between expected and actual experience	\$ 2,309,537	\$ (2,723,076)
Changes of assumptions and other inputs	1,119,100	(1,692,860)
Total deferred outflow of resources	<u>\$ 3,428,637</u>	<u>\$ (4,415,936)</u>
Net deferred outflow (inflow) of resources, amortized below		<u>\$ (987,299)</u>

Amounts reported as deferred outflows of resources related to the Medical Subsidy will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 139,217
2024	139,217
2025	139,217
2026	139,216
2027	111,810
Thereafter	<u>(1,655,976)</u>
Total	<u>\$ (987,299)</u>

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Retirement Health Insurance Account (RHIA)

Plan Description – As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by the OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes (ORS) 238.420, provided for a payment of up to \$60 per month toward the costs of Medicare companion health insurance for eligible retirees. An annual comprehensive financial report of the funds administered by the OPERS may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700 or by accessing the PERS website at:

www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx

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

Contributions – PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The District's contribution rates for the period were 0.50 percent for Tier One/Tier Two members, and 0.00 percent for OPSRP members. The District's contributions for the year ended June 30, 2022 totaled \$5,796.

Net OPEB Liability or Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to RHIA

At June 30, 2022 the District reported an asset of \$592,119 for its proportionate share of the net OPEB asset related to RHIA. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset/liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of June 30, 2021. The district's proportion of the net OPEB asset was based on the District's actual, legally required contributions made during the fiscal year being compared to the total actual contributions made in the fiscal year by all employers. The District's proportionate share as of the measurement date is 0.1724% changed from 0.5037% at the prior measurement date.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

For the year ended June 30, 2022, the District recognized OPEB expense of (\$11,611) related to the RHIA. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred (Inflow) of Resources</u>	<u>Net</u>
Difference between expected and actual experience	\$ -	\$ (16,474)	
Changes of assumptions	11,651	(8,809)	
Net difference between projected and actual earnings on investments	-	(140,719)	
Changes in proportionate share	406,358	(113,554)	
Subtotal - Amortized deferrals (below)	<u>418,009</u>	<u>(279,556)</u>	<u>\$ 138,453</u>
Contributions subsequent to measurement date	5,796	-	
Net deferred outflow (inflow) of resources	<u>\$ 423,805</u>	<u>\$ (279,556)</u>	

Deferred outflows of resources related to RHIA of \$5,796 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for RHIA in the year ended June 30, 2023. Other amounts reported as deferred outflows or inflow of resources related to RHIA will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 76,171
2024	138,861
2025	(32,126)
2026	(44,453)
Total	<u>\$ 138,453</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 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	December 31, 2019
Measurement date	June 30, 2021
Experience study	2018, published July 24, 2019
Actuarial Assumptions	
Actuarial cost method	Entry age normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Retiree healthcare participation	Healthy retirees: 32% Disabled retirees: 20%
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>

(Source: June 30, 2021 Oregon PERS ACFR; Table 28; page 73)

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption was 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 long-term expected rate of return for each major asset class, calculated using the arithmetic and geometric means, see the breakdown in the Pension Plan footnote.

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

Sensitivity of the Net OPEB Liability for RHIA to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB liability for the Retirement Health Insurance Account, as well as what the District’s proportionate share of the net OPEB 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 discount rate:

	<i>1% Decrease</i>	<i>Discount Rate</i>	<i>1% Increase</i>
	<u>(5.90%)</u>	<u>(6.90%)</u>	<u>(7.90%)</u>
District's proportionate share of net OPEB Liability (Asset) for RHIA	<u>\$ (523,643)</u>	<u>\$ (592,119)</u>	<u>\$ (650,615)</u>

Sensitivity of the Net OPEB Liability for RHIA to Changes in the Healthcare Cost Trend Rates.

The net OPEB liability (asset) of the District for RHIA is (\$592,119). The ORS stipulates a \$60 monthly payment, so there would be no change to the net OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate.

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

CLAIMS AND LITIGATION

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

Management has represented that there are no contingent liabilities that require disclosure or recognition in accordance with Accounting Standards Codification (ASC) No. 450-20. Such contingent liabilities would include, but would not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

RISK MANAGEMENT

The District purchased commercial insurance to cover all commonly insurable risks, including property, liability, vehicles, fidelity bond, worker's compensation and unemployment. All policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

TAX ABATEMENTS

The District's property tax revenues were reduced by approximately \$85,041 under agreements entered into by Lane County for the fiscal year ended June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

**SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY AND THE SCHEDULE OF TOTAL PENSION LIABILITY AND RELATED RATIOS FOR STIPENDS
YEAR ENDED JUNE 30, 2022**

Schedule of Changes in the Total Pension Liability for Stipends

<u>Year ended June 30,</u>	<u>Service costs</u>	<u>Interest on total pension liability</u>	<u>Difference between expected and actual results</u>	<u>Changes of assumptions or other inputs</u>	<u>Benefit payments</u>	<u>Net change in total pension liability</u>
2022	\$ 28,369	\$ 15,573	\$ (16,701)	\$ (101,417)	\$ (11,478)	\$ (85,654)
2021	27,410	14,934	-	-	(28,668)	13,676
2020	18,535	14,917	45,653	92,156	(41,092)	130,169
2019	17,908	14,706	-	-	(32,036)	578
2018	17,908	14,612	-	-	(27,973)	4,547

Schedule of Total Pension Liability and Related Ratios for Stipends

<u>Year ended June 30,</u>	<u>Total pension liability beginning</u>	<u>Net change in total pension liability</u>	<u>Total pension liability ending (1)</u>	<u>Covered - employee payroll</u>	<u>Total pension liability as percentage of covered - employee payroll</u>	<u>Discount rate</u>
2022	\$ 543,654	\$ (85,654)	\$ 458,000	\$ 17,969,820	2.55%	3.50%
2021	529,978	13,676	543,654	23,293,232	2.33%	2.75%
2020	399,809	130,169	529,978	21,258,862	2.49%	2.75%
2019	399,231	578	399,809	20,508,685	1.95%	3.75%
2018	394,684	4,547	399,231	19,815,154	2.01%	3.75%

Notes:

These schedules are required 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. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes to the discount rate each period.

- (1) The amounts presented for each fiscal year were actuarially determined and measured as of June 30 of that year.

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS****YEAR ENDED JUNE 30, 2022**

<i>Year Ended June 30,</i>	<i>Employer's proportion of the net pension liability (NPL)</i>	<i>Employer's proportionate share of the net pension liability (NPL) (1)</i>	<i>Covered payroll (2)</i>	<i>NPL as a percentage of covered payroll</i>	<i>Plan fiduciary net position as a percentage of the total pension liability</i>
2022 (7)	0.33%	\$ 40,030,009	\$ 36,859,023	108.6%	87.6%
2021	0.33%	74,160,768	32,434,785	228.6%	75.8%
2020	0.39%	65,253,707	30,567,517	213.5%	80.2%
2019 (6)	0.40%	60,305,358	29,711,317	203.0%	82.1%
2018	0.41%	55,111,874	27,933,033	197.3%	83.1%
2017 (5)	0.43%	64,047,150	28,547,885	224.3%	80.5%
2016 (4)	0.44%	25,040,002	28,167,171	88.9%	91.9%
2015 (3)	0.47%	(10,764,630)	25,881,214	-41.6%	103.6%
2014	0.47%	24,234,847	22,490,011	107.8%	92.0%

Notes:

These schedules are required 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.

- (1) The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
- (2) Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.
- (3) The June 30, 2015 NPL reflects benefit changes from the Senate Bills 822 and 861.
- (4) The June 30, 2016 NPL reflects benefit changes from the Oregon Supreme Court's ruling in *Moro v. State of Oregon*, which overturned portions of Senate Bills 822 and 861.
- (5) The June 30, 2017 NPL reflects assumption changes reducing inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.50%.
- (6) The June 30, 2019 NPL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.
- (7) The June 30, 2022 NPL reflects assumption changes reducing the long-term expected rate of return from 7.20% to 6.90%, the discount rate from 7.20% to 6.90%, and the projected salary increases from 3.50% to 3.40%.

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF CONTRIBUTIONS FOR PERS
YEAR ENDED JUNE 30, 2022

<i>Year Ended June 30,</i>	<i>Statutorily required contribution</i>	<i>Contributions in relation to the statutorily required contribution</i>	<i>Contribution deficiency (excess)</i>	<i>Covered payroll</i>	<i>Contributions as a percent of covered payroll</i>
2022	\$ 10,773,513	\$ 10,773,513	\$ -	\$ 36,859,023	29.2%
2021	9,201,183	9,201,183	-	32,434,785	28.4%
2020	8,656,485	8,656,485	-	30,567,517	28.3%
2019	6,828,243	6,828,243	-	29,711,317	23.0%
2018	6,501,137	6,501,137	-	27,933,033	23.3%
2017	5,702,273	5,702,273	-	28,547,885	20.0%
2016	5,574,636	5,574,636	-	28,167,171	19.8%
2015	5,560,386	5,560,386	-	25,881,214	21.5%
2014	4,897,645	4,897,645	-	22,490,011	21.8%

Notes:

These schedules are required 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.

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA
YEAR ENDED JUNE 30, 2022

<i>Year Ended June 30,</i>	<i>District's proportion of net OPEB liability</i>	<i>District's proportionate share of the net OPEB liability (NOL) (1)</i>	<i>Covered payroll (2)</i>	<i>NOL as a percentage of covered payroll</i>	<i>Plan fiduciary net position as a percentage of the total OPEB liability</i>
2022	0.17%	\$ (592,119)	\$ 32,434,785	-1.83%	183.9%
2021	0.27%	(1,026,242)	30,567,517	-3.36%	150.1%
2020	0.28%	(518,914)	29,711,317	-1.75%	144.3%
2019 (4)	0.28%	(307,884)	27,933,033	-1.10%	124.0%
2018	0.28%	(117,105)	28,547,885	-0.41%	108.9%
2017 (3)	0.29%	79,354	28,167,171	0.28%	94.1%

Notes:

These schedules are required 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.

- (1) The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.
- (2) Amounts for covered payroll use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.
- (3) The June 30, 2017 NOL reflects assumption changes reducing inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50 % and the projected salary increases from 3.75% to 3.50%.
- (4) The June 30, 2019 NOL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF CONTRIBUTIONS FOR RHIA
YEAR ENDED JUNE 30, 2022

<i>Year Ended June 30,</i>	<i>Statutorily required contribution</i>	<i>Contributions in relation to the statutorily required contribution</i>	<i>Contribution deficiency (excess)</i>	<i>Covered payroll</i>	<i>Contributions as a percent of covered payroll</i>
2022	\$ 5,796	\$ 5,796	\$ -	\$ 34,642,122	0.02%
2021	4,614	4,614	-	32,434,785	0.01%
2020	35,967	35,967	-	30,567,517	0.12%
2019	133,093	133,093	-	29,711,317	0.45%
2018	133,550	133,550	-	27,933,033	0.48%
2017	139,444	139,444	-	28,547,885	0.49%

Notes:

These schedules are required 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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND THE SCHEDULE OF TOTAL OPEB
LIABILITY AND RELATED RATIOS FOR MEDICAL SUBSIDY
YEAR ENDED JUNE 30, 2022

Schedule of Changes in the Total OPEB Liability for Medical Subsidy

<i>Year ended</i> <i>June 30,</i>	<i>Service costs</i>	<i>Interest on</i> <i>total OPEB</i> <i>liability</i>	<i>Difference</i> <i>between</i> <i>expected and</i> <i>actual results</i>	<i>Changes of</i> <i>assumptions</i> <i>or other</i> <i>inputs</i>	<i>Benefit</i> <i>payments</i>	<i>Net change</i> <i>in total</i> <i>OPEB</i> <i>liability</i>
2022	\$ 1,364,373	\$ 662,560	\$ (3,063,461)	\$ (1,904,467)	\$ (804,175)	\$ (3,745,170)
2021	1,318,235	631,123	-	-	(900,529)	1,048,829
2020	906,691	625,255	3,695,258	1,615,137	(1,054,313)	5,788,028
2019	859,107	582,847	-	-	(988,864)	453,090
2018	859,107	565,562	-	-	(938,588)	486,081

Schedule of Total OPEB Liability and Related Ratios for Medical Subsidy

<i>Year ended</i> <i>June 30,</i>	<i>Total OPEB</i> <i>liability</i> <i>beginning</i>	<i>Net change</i> <i>in total</i> <i>OPEB</i> <i>liability</i>	<i>Total OPEB</i> <i>liability</i> <i>ending (1)</i>	<i>Covered</i> <i>employee</i> <i>payroll</i>	<i>Total OPEB</i> <i>liability as</i> <i>percentage of</i> <i>covered</i> <i>payroll</i>	<i>Discount</i> <i>rate</i>
2022	\$ 23,130,799	\$ (3,745,170)	\$ 19,385,629	\$ 37,054,287	52.32%	3.50%
2021	22,081,970	1,048,829	23,130,799	33,888,234	68.26%	2.75%
2020	16,293,942	5,788,028	22,081,970	31,600,103	69.88%	2.75%
2019	15,607,462	453,090	16,060,552	29,343,402	54.73%	3.75%
2018	15,121,381	486,081	15,607,462	28,351,113	55.05%	3.75%

Notes:

These schedules are required 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. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes to the discount rate each period

(1) The amounts presented for each fiscal year were actuarially determined and measured as of June 30 of that year.

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual Budget Basis</i>	<i>Variance with Final Budget</i>	<i>Budget to GAAP Differences</i>	<i>Actual GAAP Basis</i>
	<i>Original</i>	<i>Final</i>				
REVENUES						
Property taxes	\$ 17,105,198	\$ 17,105,198	\$ 17,739,498	\$ 634,300	\$ -	\$ 17,739,498
Intergovernmental						
Intermediate sources	1,416,307	1,416,307	1,347,121	(69,186)	-	1,347,121
State sources	42,724,585	42,724,585	42,105,751	(618,834)	-	42,105,751
Federal sources	215,000	215,000	222,218	7,218	-	222,218
Charges for services	297,100	297,100	3,014,278	2,717,178	-	3,014,278
Investment earnings	200,100	200,100	147,319	(52,781)	-	147,319
Miscellaneous	575,000	575,000	400,783	(174,217)	-	400,783
<i>Total Revenues</i>	<i>62,533,290</i>	<i>62,533,290</i>	<i>64,976,968</i>	<i>2,443,678</i>	<i>-</i>	<i>64,976,968</i>
EXPENDITURES						
Current						
Instruction	41,748,759	41,448,759	36,872,407	4,576,352	-	36,872,407
Support services	28,066,562	27,866,562	24,513,146	3,353,416	(21,169)	24,491,977
Enterprise and community services	140,149	140,149	136,092	4,057	-	136,092
Facilities acquisition and construction	430,056	430,056	90,121	339,935	(90,121)	-
Debt Service						
Principal	404,006	404,006	283,016	120,990	-	283,016
Interest	65,037	65,037	65,037	-	-	65,037
Capital outlay	-	-	-	-	111,290	111,290
Operating contingency	5,193,668	5,193,668	-	5,193,668	-	-
<i>Total Expenditures</i>	<i>76,048,237</i>	<i>75,548,237</i>	<i>61,959,819</i>	<i>13,588,418</i>	<i>-</i>	<i>61,959,819</i>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,514,947)	(13,014,947)	3,017,149	16,032,096	-	3,017,149
OTHER FINANCING SOURCES (USES)						
Repayment of advances to other funds	64,000	64,000	64,000	-	-	64,000
Transfers in	1,045,000	1,045,000	50,000	(995,000)	-	50,000
Transfers out	(1,646,688)	(2,146,688)	(268,752)	1,877,936	-	(268,752)
Sale of or compensation for loss of capital assets	-	-	33,395	33,395	-	33,395
<i>Total Other Financing Sources (Uses)</i>	<i>(537,688)</i>	<i>(1,037,688)</i>	<i>(121,357)</i>	<i>916,331</i>	<i>-</i>	<i>(121,357)</i>
NET CHANGES IN FUND BALANCE	(14,052,635)	(14,052,635)	2,895,792	16,948,427	-	2,895,792
FUND BALANCE, beginning	15,052,635	15,052,635	16,016,148	963,513	-	16,016,148
FUND BALANCE, ending	\$ 1,000,000	\$ 1,000,000	\$ 18,911,940	\$ 17,911,940	\$ -	\$ 18,911,940

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual Budget Basis</i>	<i>Variance with Final Budget</i>	<i>Budget to GAAP Differences</i>	<i>Actual GAAP Basis</i>
	<i>Original</i>	<i>Final</i>				
REVENUES						
Construction excise tax	\$ 120,000	\$ 120,000	\$ 167,760	\$ 47,760	\$ -	\$ 167,760
Intergovernmental						
Intermediate sources	530,915	530,915	518,210	(12,705)	-	518,210
State sources	8,350,999	8,350,999	6,809,018	(1,541,981)	-	6,809,018
Federal sources	24,647,553	24,647,553	13,890,056	(10,757,497)	-	13,890,056
Charges for services	50,000	50,000	789,753	739,753	-	789,753
Contributions	88,000	88,000	32,682	(55,318)	-	32,682
Investment earnings	6,000	6,000	9,784	3,784	-	9,784
Miscellaneous	2,247,500	2,247,500	296,400	(1,951,100)	-	296,400
<i>Total Revenues</i>	<u>36,040,967</u>	<u>36,040,967</u>	<u>22,513,663</u>	<u>(13,527,304)</u>	<u>-</u>	<u>22,513,663</u>
EXPENDITURES						
Current						
Instruction	29,449,420	27,749,420	11,658,268	16,091,152	(72,188)	11,586,080
Support services	3,251,808	4,751,808	4,619,927	131,881	(281,149)	4,338,778
Enterprise and community services	3,247,997	3,447,997	3,143,964	304,033	(29,348)	3,114,616
Facilities acquisition and construction	2,905,606	2,905,606	2,177,622	727,984	(2,164,248)	13,374
Debt Service						
Interest	185,088	185,088	185,009	79	-	185,009
Capital outlay	-	-	-	-	2,546,933	2,546,933
<i>Total Expenditures</i>	<u>39,039,919</u>	<u>39,039,919</u>	<u>21,784,790</u>	<u>17,255,129</u>	<u>-</u>	<u>21,784,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,998,952)	(2,998,952)	728,873	3,727,825	-	728,873
OTHER FINANCING SOURCES (USES)						
Transfers in	989,328	989,328	94,988	(894,340)	-	94,988
Transfers out	(525,121)	(525,121)	-	525,121	-	-
Sale of or compensation for loss of capital assets	2,000	2,000	2,238	238	-	2,238
<i>Total Other Financing Sources (Uses)</i>	<u>466,207</u>	<u>466,207</u>	<u>97,226</u>	<u>(368,981)</u>	<u>-</u>	<u>97,226</u>
NET CHANGES IN FUND BALANCE	(2,532,745)	(2,532,745)	826,099	3,358,844	-	826,099
FUND BALANCE, beginning	<u>2,532,745</u>	<u>2,532,745</u>	<u>2,614,151</u>	<u>81,406</u>	<u>-</u>	<u>2,614,151</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,440,250</u>	<u>\$ 3,440,250</u>	<u>\$ -</u>	<u>\$ 3,440,250</u>

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	<i>Final Budget</i>
REVENUES				
Charges for services	\$ 152,000	\$ 152,000	\$ 141,716	\$ (10,284)
Contributions	1,000	1,000	5,994	4,994
Investment earnings	4,000	4,000	5,005	1,005
Miscellaneous	103,000	103,000	103,462	462
<i>Total Revenues</i>	260,000	260,000	256,177	(3,823)
EXPENDITURES				
Current				
Support services	1,042,181	992,181	480,363	511,818
Enterprise and community services	226,800	226,800	-	226,800
<i>Total Expenditures</i>	1,268,981	1,218,981	480,363	738,618
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,008,981)	(958,981)	(224,186)	734,795
OTHER FINANCING SOURCES (USES)				
Transfers in	137,481	137,481	173,764	36,283
Transfers out	-	(50,000)	(50,000)	-
<i>Total Other Financing Sources (Uses)</i>	137,481	87,481	123,764	36,283
NET CHANGES IN FUND BALANCE	(871,500)	(871,500)	(100,422)	771,078
FUND BALANCE, beginning	871,500	871,500	965,052	93,552
FUND BALANCE, ending	\$ -	\$ -	\$ 864,630	\$ 864,630

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

BUDGETARY BASIS ACCOUNTING

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions follows:

	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
Properties acquired by long-term financing such as from capital leases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payments will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.
Long-term advances to other funds	The issuance of a new long-term interfund loan is presented in the other financing sources (uses) category. Repayment of previous advances are presented as debt service expenditures and other financing sources (uses).	Long-term interfund loans are reported on the balance sheet as advances to/from other funds and repayment of those loans reduce the related assets and liabilities.

OTHER SUPPLEMENTARY INFORMATION

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual Budget</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>and GAAP</i>	<i>with Final</i>
			<i>Basis</i>	<i>Budget</i>
REVENUES				
Property taxes	\$ 6,285,500	\$ 6,285,500	\$ 6,310,512	\$ 25,012
Intermediate sources	-	-	7,294	7,294
Charges for services	-	-	2,947,005	2,947,005
Investment earnings	12,000	12,000	12,549	549
Miscellaneous	-	-	100	100
<i>Total Revenues</i>	<u>6,297,500</u>	<u>6,297,500</u>	<u>9,277,460</u>	<u>2,979,960</u>
EXPENDITURES				
* Current				
Support services	20	20	505,614	(505,594)
* Debt Service				
Principal	2,607,706	2,607,706	4,326,399	(1,718,693)
Interest	3,650,165	3,650,165	4,878,477	(1,228,312)
<i>Total Expenditures</i>	<u>6,257,891</u>	<u>6,257,891</u>	<u>9,710,490</u>	<u>(3,452,599)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39,609	39,609	(433,030)	(472,639)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	68,905,000	68,905,000
Amounts paid to fiscal agent	-	-	(68,399,386)	(68,399,386)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>505,614</u>	<u>505,614</u>
NET CHANGES IN FUND BALANCE	39,609	39,609	72,584	32,975
FUND BALANCE, beginning	<u>220,000</u>	<u>220,000</u>	<u>411,530</u>	<u>191,530</u>
FUND BALANCE, ending	<u>\$ 259,609</u>	<u>\$ 259,609</u>	<u>\$ 484,114</u>	<u>\$ 224,505</u>

* Overexpenditure occurred as a result of debt issuance, and is therefore not considered noncompliance related to overexpenditure of appropriations under Oregon law.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual Budget Basis</i>	<i>Variance with Final Budget</i>	<i>Budget to GAAP Differences</i>	<i>Actual GAAP Basis</i>
	<i>Original</i>	<i>Final</i>				
REVENUES						
Intergovernmental						
State sources	\$ -	\$ -	\$ 5,329	\$ 5,329	\$ -	\$ 5,329
Investment earnings	242,000	242,000	344,605	102,605	-	344,605
Miscellaneous	5,000	5,000	-	(5,000)	-	-
<i>Total Revenues</i>	247,000	247,000	349,934	102,934	-	349,934
EXPENDITURES						
Current						
Instruction	-	5,000,000	-	5,000,000	-	-
Support services	-	100,000	53,213	46,787	(53,213)	-
Facilities acquisition and construction	110,168,650	105,068,650	7,513,828	97,554,822	(7,513,828)	-
Capital outlay	-	-	-	-	7,567,041	7,567,041
<i>Total Expenditures</i>	110,168,650	110,168,650	7,567,041	102,601,609	-	7,567,041
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(109,921,650)	(109,921,650)	(7,217,107)	102,704,543	-	(7,217,107)
NET CHANGES IN FUND BALANCE	(109,921,650)	(109,921,650)	(7,217,107)	102,704,543	-	(7,217,107)
FUND BALANCE, beginning	109,921,650	109,921,650	109,397,242	(524,408)	-	109,397,242
FUND BALANCE, ending	\$ -	\$ -	\$ 102,180,135	\$ 102,180,135	\$ -	\$ 102,180,135

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods or services provided by one District department to other District departments, on as cost reimbursement basis:

Included is:

Internal Service Fund – accounts for printing costs incurred by the District.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget</i>	<i>with Final</i>
			<i>Basis</i>	<i>Budget</i>
REVENUES				
Miscellaneous	\$ 207,000	\$ 207,000	\$ 65,821	\$ (141,179)
EXPENDITURES				
Current				
Instruction	175,000	175,000	33,126	141,874
Support services	32,000	32,000	12,204	19,796
	<u>207,000</u>	<u>207,000</u>	<u>45,330</u>	<u>161,670</u>
NET CHANGES IN FUND BALANCE	-	-	20,491	20,491
FUND BALANCE, beginning	-	-	25,071	25,071
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,562</u>	<u>\$ 45,562</u>

OTHER SCHEDULES

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
REVENUE SUMMARY – ALL FUNDS
YEAR ENDED JUNE 30, 2022

<i>Function</i>	<i>General Fund</i>	<i>Special Revenue</i>	<i>Special Projects</i>
LOCAL REVENUES			
Ad valorem taxes levied by district	\$ 17,686,872	\$ -	\$ -
Construction excise tax revenue	-	167,760	-
Penalties and interest on taxes	52,626	-	-
Revenue from local governmental units other than districts	275	31,550	-
Tuition from other districts within the state	217,500	-	-
Earnings on investments	147,319	9,784	5,005
Food service	-	4,202	-
Extracurricular activities	-	786,739	-
Community services activities	-	-	141,716
Rentals	101,499	-	-
Contributions, donations and general fundraising from private sources	470	32,682	5,994
Recovery of prior years' expenditures	(810)	-	-
Services provided other funds	2,796,779	-	-
Fees charged to grants	7,502	-	-
Miscellaneous	291,846	263,662	103,462
<i>Total Local Revenues</i>	21,301,878	1,296,379	256,177
INTERMEDIATE REVENUES			
County school funds	66,493	-	-
General education service district funds	1,260,162	-	-
Other intermediate sources	20,466	-	-
Restricted revenue	-	449,983	-
Revenue in lieu of taxes	-	68,227	-
<i>Total Intermediate Revenues</i>	1,347,121	518,210	-
STATE REVENUES			
State school fund - general support	41,413,452	-	-
State school fund - school lunch match	-	25,028	-
Common school fund	676,687	-	-
Other unrestricted grants-in-aid	11,959	-	-
State school fund (SSF) transportation equipment	-	169,804	-
Other restricted grants-in-aid	3,653	6,614,186	-
<i>Total State Revenues</i>	42,105,751	6,809,018	-
FEDERAL REVENUES			
Restricted revenue direct from the federal government	-	62,423	-
Restricted revenue from the federal government through the state	-	13,499,271	-
Grants-in-aid from the federal government through other intermediate agencies	-	117,257	-
Federal forest fees	222,218	-	-
Revenue for/on behalf of the district	-	211,105	-
<i>Total Federal Revenues</i>	222,218	13,890,056	-
OTHER SOURCES			
Long-term debt financing sources	64,000	-	-
Interfund transfers	50,000	94,988	173,764
Sale of or compensation for loss of capital assets	33,395	2,238	-
<i>Total Other Sources</i>	147,395	97,226	173,764
FUND BALANCE, Beginning of year	16,016,148	2,614,151	965,052
<i>Total Resources</i>	<u>\$ 81,140,511</u>	<u>\$ 25,225,040</u>	<u>\$ 1,394,993</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Internal Service</u>
\$ 6,296,521	\$ -	\$ -
-	-	-
13,991	-	-
100	-	-
-	-	-
12,549	344,605	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,947,005	-	23,793
-	-	-
-	-	42,028
<u>9,270,166</u>	<u>344,605</u>	<u>65,821</u>
-	-	-
-	-	-
7,294	-	-
-	-	-
-	-	-
<u>7,294</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	5,329	-
-	-	-
-	-	-
<u>-</u>	<u>5,329</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
68,905,000	-	-
-	-	-
-	-	-
<u>68,905,000</u>	<u>-</u>	<u>-</u>
411,530	109,397,242	25,071
<u>\$ 78,593,990</u>	<u>\$ 109,747,176</u>	<u>\$ 90,892</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – GENERAL FUND
YEAR ENDED JUNE 30, 2022

<i>Code</i>	<i>Function</i>	<i>Total</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>
INSTRUCTION				
1100	Regular programs			
1111	Elementary, K-5 or K-6	\$ 12,879,163	\$ 7,695,296	\$ 5,043,979
1113	Elementary extracurricular	12,955	7,707	5,248
1121	Middle/junior high school programs	5,847,958	3,473,257	2,250,679
1122	Middle/junior high school extracurricular	38,526	25,589	12,799
1131	High school programs	7,067,327	4,268,869	2,697,248
1132	High school extracurricular	689,624	482,873	195,250
1140	Pre-kindergarten programs	33,443	528	202
1200	Special programs			
1220	Restrictive programs for students with disabilities	3,556,423	1,783,933	1,297,808
1250	Less restrictive programs for students with disabilities	4,365,291	2,500,465	1,703,989
1270	Educationally disadvantaged			
1271	Remediation	27,926	21,518	6,376
1280	Alternative education	1,169,209	574,899	381,168
1290	Designated programs			
1291	English language learner	1,174,902	703,025	454,560
1292	Teen parent programs	9,660	6,858	2,609
1000	<i>Total Instruction</i>	36,872,407	21,544,817	14,051,915
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	272,521	81,077	65,280
2120	Guidance services	2,342,362	1,276,229	840,306
2130	Health services	796,883	385,762	214,633
2140	Psychological services	274,792	156,346	102,547
2150	Speech pathology and audiology services	1,093,809	571,266	390,213
2190	Service direction, student support services	645,313	382,992	218,233
2200	Instructional staff			
2210	Improvement of instruction services	990,648	553,319	301,753
2220	Educational media services	519,097	295,226	205,075
2230	Assessment and testing	2,803	1,213	442
2240	Instructional staff development	19,199	-	-
2300	General administration			
2310	Board of education services	288,352	-	-
2320	Executive administration services	537,547	308,076	188,955
2400	School administration			
2410	Office of the principal services	4,769,182	2,849,519	1,836,336
2500	Business			
2510	Direction of business support services	159,927	92,551	60,431
2520	Fiscal services	576,790	287,431	211,545
2540	Operation and maintenance of plant services	5,699,977	1,773,566	1,112,417
2550	Student transportation services	2,346,235	909,148	570,134
2570	Internal services	279,752	79,126	58,016
2600	Central activities			
2630	Information services	201,471	94,258	62,292
2640	Staff services	503,940	293,520	168,309
2660	Technology services	1,563,592	659,719	383,229
2700	Supplemental retirement program	628,954	44,087	584,867
2000	<i>Total Support Services</i>	24,513,146	11,094,431	7,575,013

<i>300</i>	<i>400</i>	<i>500</i>	<i>600</i>	<i>700</i>
<i>Purchased</i>	<i>Supplies &</i>	<i>Capital</i>	<i>Other</i>	<i>Transfers</i>
<i>Services</i>	<i>Materials</i>	<i>Outlay</i>	<i>Objects</i>	
\$ 16,691	\$ 123,197	\$ -	\$ -	\$ -
-	-	-	-	-
22,738	101,084	-	200	-
-	138	-	-	-
27,003	73,083	-	1,124	-
-	11,501	-	-	-
32,713	-	-	-	-
439,456	35,226	-	-	-
146,714	14,028	-	95	-
-	32	-	-	-
200,810	11,975	-	357	-
15,745	1,572	-	-	-
-	193	-	-	-
901,870	372,029	-	1,776	-
126,164	-	-	-	-
225,000	827	-	-	-
184,847	10,745	-	896	-
12,120	3,779	-	-	-
113,201	16,979	-	2,150	-
7,200	36,568	-	320	-
78,576	54,500	-	2,500	-
-	18,796	-	-	-
1,148	-	-	-	-
17,709	1,490	-	-	-
269,508	3,081	-	15,763	-
21,335	14,441	-	4,740	-
25,621	33,414	-	24,292	-
130	1,315	-	5,500	-
11,457	65,084	-	1,273	-
1,939,411	369,629	21,169	483,785	-
778,388	45,543	-	43,022	-
75,815	66,795	-	-	-
41,850	2,592	-	479	-
9,011	31,742	-	1,358	-
214,251	305,974	-	419	-
-	-	-	-	-
4,152,742	1,083,294	21,169	586,497	-

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2022

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>Salaries</u>	<u>Employee Benefits</u>
ENTERPRISE AND COMMUNITY SERVICES				
3300	Community services	\$ 136,092	\$ 74,982	\$ 60,342
FACILITIES ACQUISITION AND CONSTRUCTION				
4150	Building acquisition, construction, and improvement services	90,121	-	-
OTHER USES				
5100	Debt service	348,053	-	-
5200	Transfers of funds	268,752	-	-
5000	<i>Total Other Uses</i>	616,805	-	-
7000	FUND BALANCE, End of year	18,911,940	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 81,140,511</u>	<u>\$ 32,714,230</u>	<u>\$ 21,687,270</u>

<u>Purchased Services</u>	<u>Supplies & Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Transfers</u>
\$ 150	\$ 618	\$ -	\$ -	\$ -
-	-	90,121	-	-
-	-	-	284,053	64,000
-	-	-	-	268,752
-	-	-	284,053	332,752
-	-	-	-	18,911,940
<u>\$ 5,054,762</u>	<u>\$ 1,455,941</u>	<u>\$ 111,290</u>	<u>\$ 872,326</u>	<u>\$ 19,244,692</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY - SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

Code	Function	Total	100 Salaries	200 Employee Benefits	300 Purchased Services
INSTRUCTION					
1100	Regular programs				
1111	Elementary, K-5 or K-6	\$ 3,634,545	\$ 1,966,415	\$ 1,306,545	\$ 108,206
1113	Elementary extracurricular	90,990	-	-	709
1121	Middle/junior high school programs	1,510,980	841,266	503,880	2,204
1122	Middle/junior high school extracurricular	28,327	1,000	228	254
1131	High school programs	1,548,966	744,825	472,966	10,143
1132	High school extracurricular	676,609	5,342	1,455	39,531
1140	Pre-kindergarten programs	58,833	42,021	14,040	-
1200	Special programs				
1220	Restrictive programs for students with disabilities	404,504	265,908	138,053	122
1250	Less restrictive programs for students with disabilities	919,947	581,232	338,715	-
1271	Remediation	1,066	-	-	-
1272	Title IA/D	1,782,162	1,074,849	693,512	8,899
1280	Alternative education	289,055	112,127	55,060	3,159
1290	Designated programs				
1291	English language learner - ORS 336.079	20,571	15,692	4,879	-
1292	Teen parent programs	2,862	1,000	382	-
1299	Other programs	9,829	1,056	189	2,767
1400	Summer school programs	679,022	310,361	88,811	118,580
1000	Total Instruction	11,658,268	5,963,094	3,618,715	294,574
SUPPORT SERVICES					
2100	Students				
2110	Attendance and social work services	25,265	16,023	5,511	2,700
2120	Guidance services	490,363	259,978	156,968	61,614
2130	Health services	354,729	104,726	68,772	179,326
2150	Speech pathology and audiology services	52,233	31,870	20,363	-
2190	Service direction, student support services	19,536	8,625	5,667	5,244
2200	Instructional staff				
2210	Improvement of instruction services	183,450	63,931	46,931	22,927
2220	Educational media services	59,411	13,000	4,442	-
2230	Assessment and testing	190,485	25,000	7,235	152,250
2240	Instructional staff development	1,032,202	541,517	295,119	68,619
2300	General administration				
2320	Executive administration services	1,382	1,000	382	-
2400	School administration				
2410	Office of the principal services	511,853	287,806	196,782	7,175
2500	Business				
2520	Fiscal services	4,162	2,000	765	-
2540	Operation and maintenance of plant services	160,185	33,950	13,683	38,022
2550	Student transportation services	601,442	140,493	52,240	102,857
2570	Internal services	6,595	5,000	1,595	-
2600	Central activities				
2620	Planning, research, development, evaluation services, grant writing and statistical services	12,714	11,013	1,701	-
2630	Information services	29,108	22,203	6,905	-
2640	Staff services	56,484	3,206	958	5,783
2660	Technology services	770,270	5,000	1,615	19,536
2690	Other support services - central	58,058	5,831	2,233	49,889
2000	Total Support Services	4,619,927	1,582,172	889,867	715,942

	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>
\$	253,379	\$ -	\$ -	\$ -
	87,258	-	3,023	-
	163,630	-	-	-
	26,785	-	60	-
	259,531	61,501	-	-
	626,737	-	3,544	-
	2,772	-	-	-
	335	-	86	-
	-	-	-	-
	1,066	-	-	-
	4,902	-	-	-
	116,431	-	2,278	-
	-	-	-	-
	1,480	-	-	-
	5,817	-	-	-
	150,346	10,687	239	-
	1,700,469	72,188	9,230	-
	1,001	-	30	-
	11,803	-	-	-
	1,846	-	59	-
	-	-	-	-
	-	-	-	-
	49,661	-	-	-
	41,969	-	-	-
	6,000	-	-	-
	120,841	-	6,106	-
	-	-	-	-
	6,192	-	13,898	-
	-	-	1,397	-
	72,505	2,025	-	-
	25	305,827	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	36,129	-	10,408	-
	744,119	-	-	-
	105	-	-	-
	1,092,196	307,852	31,898	-

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY - SPECIAL REVENUE FUND (Continued)
YEAR ENDED JUNE 30, 2022

<i>Code</i>	<i>Function</i>	<i>Total</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>
	<i>ENTERPRISE AND COMMUNITY SERVICES</i>			
3100	Food services	\$ 2,758,969	\$ 957,949	\$ 573,365
3300	Community services	38,330	17,107	2,685
3500	Custody and care of children services	346,665	216,017	120,861
3000	<i>Total Enterprise and Community Services</i>	3,143,964	1,191,073	696,911
	<i>FACILITIES ACQUISITION AND CONSTRUCTION</i>			
4150	Building acquisition, construction, and improvement services	2,177,622	-	-
	<i>OTHER USES</i>			
5100	Debt service	185,009	-	-
7000	<i>FUND BALANCE, End of year</i>	3,440,250	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 25,225,040	\$ 8,736,339	\$ 5,205,493

<i>300</i>	<i>400</i>	<i>500</i>	<i>600</i>	<i>700</i>
<i>Purchased</i>	<i>Supplies &</i>	<i>Capital</i>	<i>Other</i>	
<i>Services</i>	<i>Materials</i>	<i>Outlay</i>	<i>Objects</i>	<i>Transfers</i>
\$ 36,150	\$ 1,161,762	\$ 29,348	\$ 395	\$ -
9,749	7,315	-	1,474	-
2,080	7,612	-	95	-
47,979	1,176,689	29,348	1,964	-
13,373	-	2,164,249	-	-
-	-	-	185,009	-
-	-	-	-	3,440,250
<u>\$ 1,071,868</u>	<u>\$ 3,969,354</u>	<u>\$ 2,573,637</u>	<u>\$ 228,101</u>	<u>\$ 3,440,250</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

<i>Code</i>	<i>Function</i>	<i>Total</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>
SUPPORT SERVICES				
2100	Students			
2130	Health services	\$ 322,434	\$ 124,061	\$ 82,345
2500	Business			
2520	Fiscal services	157,929	-	157,929
2000	<i>Total Support Services</i>	480,363	124,061	240,274
OTHER USES				
5200	Transfers of funds	50,000	-	-
7000	FUND BALANCE, End of year	864,630	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,394,993</u>	<u>\$ 124,061</u>	<u>\$ 240,274</u>

<i>300 Purchased Services</i>	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>
\$ 78,815	\$ 30,949	\$ -	\$ 6,264	\$ -
-	-	-	-	-
78,815	30,949	-	6,264	-
-	-	-	-	50,000
-	-	-	-	864,630
<u>\$ 78,815</u>	<u>\$ 30,949</u>	<u>\$ -</u>	<u>\$ 6,264</u>	<u>\$ 914,630</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>100 Salaries</u>	<u>200 Employee Benefits</u>
	SUPPORT SERVICES			
2500	Business			
2520	Fiscal services	\$ 505,614	\$ -	\$ -
	OTHER USES			
5100	Debt service	9,204,876	-	-
5400	PERS UAL lump sum payment to PERS	68,399,386	-	-
5000	<i>Total Other Uses</i>	77,604,262	-	-
7000	FUND BALANCE, End of year	484,114	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 78,593,990</u>	<u>\$ -</u>	<u>\$ -</u>

<i>300 Purchased Services</i>	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>
\$ -	\$ -	\$ -	\$ 505,614	\$ -
-	-	-	9,204,876	-
-	-	-	68,399,386	-
-	-	-	77,604,262	-
-	-	-	-	484,114
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,109,876</u>	<u>\$ 484,114</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

<i>Code</i>	<i>Function</i>	<i>Total</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>
<i>SUPPORT SERVICES</i>				
2600	Central activities			
2660	Technology services	\$ 53,213	\$ -	\$ -
<i>FACILITIES ACQUISITION AND CONSTRUCTION</i>				
4110	Service area direction	215,302	150,309	58,536
4150	Building acquisition, construction, and improvement services	7,298,526	-	-
4000	<i>Total Facilities Acquisition and Construction</i>	7,513,828	150,309	58,536
7000	<i>FUND BALANCE, End of year</i>	102,180,135	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 109,747,176</u>	<u>\$ 150,309</u>	<u>\$ 58,536</u>

<i>300 Purchased Services</i>	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>
\$ -	\$ -	\$ 53,213	\$ -	\$ -
5,127	169	-	1,161	-
70,994	9,547	7,217,985	-	-
76,121	9,716	7,217,985	1,161	-
-	-	-	-	102,180,135
\$ 76,121	\$ 9,716	\$ 7,271,198	\$ 1,161	\$ 102,180,135

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022

Code	Function	Total	100 Salaries	200 Employee Benefits
	INSTRUCTION			
1100	Regular programs			
1111	Elementary, K-5 or K-6	\$ 34,406	\$ 26,558	\$ 7,848
1132	High school extracurricular	(1,280)	-	-
1000	<i>Total Instruction</i>	33,126	26,558	7,848
	SUPPORT SERVICES			
2200	Instructional staff			
2240	Instructional staff development	7,166	-	-
2550	Student transportation services	232	-	-
2570	Internal services	4,806	-	-
2000	<i>Total Support Services</i>	12,204	-	-
7000	FUND BALANCE, End of year	45,562	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 90,892	\$ 26,558	\$ 7,848

<i>300 Purchased Services</i>	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>
\$ -	\$ -	\$ -	\$ -	\$ -
-	(1,280)	-	-	-
-	(1,280)	-	-	-
7,166	-	-	-	-
232	-	-	-	-
-	4,806	-	-	-
7,398	4,806	-	-	-
-	-	-	-	45,562
<u>\$ 7,398</u>	<u>\$ 3,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,562</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF SUPPLEMENTAL INFORMATION AS REQUIRED BY OREGON DEPARTMENT OF
EDUCATION
YEAR ENDED JUNE 30, 2022

SUPPLEMENTAL INFORMATION, 2021-2022

A. Energy Bill for Heating - **All Funds:**
 Please enter your expenditures for electricity,
 heating fuel, & water & sewage for these
 Functions & Objects.

		Objects 325 & 326 & 327
Function 2540	\$	1,397,657
Function 2550	\$	107,430

B. Replacement of Equipment – **General Fund:**
 Include all General Fund expenditures in object 542, except for the following exclusions:

\$	5,463
----	-------

Exclude these functions:

- 1113 Elementary Extracurricular
- 1122 Middle/Junior High School Extracurricular
- 1132 High School Extracurricular
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services
- 4150 Construction

STATISTICAL SECTION

Statistical Section

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	95-102
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	103-108
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	109-112
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.	
<i>Demographic and Economic Information</i>	113-114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<i>Operating Information</i>	115-118
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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
CONDENSED STATEMENT OF NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year		
	2022	2021	2020
ASSETS			
Current and other assets	\$ 133,202,953	\$ 138,462,289	\$ 29,840,743
Net capital assets	87,522,630	80,744,934	78,855,734
<i>Total Assets</i>	220,725,583	219,207,223	108,696,477
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows	97,233,206	35,720,317	31,580,174
<i>Total Assets and Deferred Outflows of Resources</i>	317,958,789	254,927,540	140,276,651
LIABILITIES			
Accounts payable and other liabilities	7,808,692	8,087,017	6,120,822
Long-term liabilities	283,651,477	258,934,637	143,650,551
<i>Total Liabilities</i>	291,460,169	267,021,654	149,771,373
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows	40,034,376	7,314,140	5,472,295
<i>Total Liabilities and Deferred Inflows of Resources</i>	331,494,545	274,335,794	155,243,668
NET POSITION			
Net investment in capital assets	35,956,594	32,863,932	31,271,276
Restricted for:			
Debt service	-	-	243,804
Unrestricted	(49,492,350)	(52,272,186)	(46,482,097)
<i>Total Net Position</i>	<u>\$ (13,535,756)</u>	<u>\$ (19,408,254)</u>	<u>\$ (14,967,017)</u>

Unrestricted net position decreased in fiscal years 2016 and 2017 due to the effects of GASBS Nos. 68, 73 and 75.

Fiscal Year						
2019	2018	2017	2016	2015	2014	2013
\$ 24,439,670	\$ 23,306,203	\$ 22,294,555	\$ 27,426,735	\$ 50,817,680	\$ 66,710,355	\$ 25,210,993
79,842,480	79,673,176	79,296,438	78,330,746	73,575,133	46,825,511	43,334,118
104,282,150	102,979,379	101,590,993	105,757,481	124,392,813	113,535,866	68,545,111
25,745,425	22,655,578	36,360,478	7,314,155	5,560,386	-	-
130,027,575	125,634,957	137,951,471	113,071,636	129,953,199	113,535,866	68,545,111
5,979,069	5,372,588	5,455,338	5,188,640	8,501,598	5,969,686	3,269,057
127,552,557	125,576,559	137,530,894	86,267,132	63,660,124	65,738,686	27,473,315
133,531,626	130,949,147	142,986,232	91,455,772	72,161,722	71,708,372	30,742,372
5,121,329	2,173,523	1,280,171	6,267,158	21,221,774	-	-
138,652,955	133,122,670	144,266,403	97,722,930	93,383,496	71,708,372	30,742,372
29,685,176	30,572,383	30,377,559	27,146,288	28,370,475	29,980,258	29,155,144
372,702	621,115	878,207	975,048	852,641	217,755	767,399
(38,683,258)	(38,681,211)	(35,944,491)	(12,772,630)	7,346,587	11,629,481	7,880,196
<u>\$ (8,625,380)</u>	<u>\$ (7,487,713)</u>	<u>\$ (4,688,725)</u>	<u>\$ 15,348,706</u>	<u>\$ 36,569,703</u>	<u>\$ 41,827,494</u>	<u>\$ 37,802,739</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2022	2021	2020	2019
EXPENSES				
Instructional services	\$ 47,487,968	\$ 48,930,215	\$ 45,489,928	\$ 42,133,247
Support services	29,391,207	30,128,843	28,390,867	24,094,300
Enterprise and community services	3,248,858	3,227,788	3,311,222	3,272,278
Facilities acquisition and construction	2,858,828	2,812,559	1,810,788	2,381,547
Interest on long-term liabilities	5,731,934	3,645,748	2,812,217	1,895,909
<i>Total Expenses</i>	<u>88,718,795</u>	<u>88,745,153</u>	<u>81,815,022</u>	<u>73,777,281</u>
PROGRAM REVENUES				
Charges for services				
Instructional services	787,925	443,168	921,028	1,241,550
Support services	101,499	122,892	105,704	142,672
Enterprise and community services	3,015	20	202,945	266,530
Operating grants and contributions				
Instructional services	20,672,290	11,771,153	6,860,882	8,037,804
Support services	177,098	166,789	150,394	83,410
Enterprise and community services	3,383,962	2,320,772	36,742	46,917
<i>Total Program Revenues</i>	<u>25,125,789</u>	<u>14,824,794</u>	<u>8,277,695</u>	<u>9,818,883</u>
NET (EXPENSES)	(63,593,006)	(73,920,359)	(73,537,327)	(63,958,398)
GENERAL REVENUES				
Property taxes, levies for general purposes	17,781,263	17,233,678	16,678,859	16,026,122
Property taxes, levies for debt service	6,331,489	6,319,609	5,212,693	4,898,462
Construction excise tax	167,760	199,740	202,434	136,927
State school fund	41,413,452	41,238,080	40,786,945	38,596,756
Common school fund	676,687	622,716	586,373	637,724
Unrestricted state and local funds	1,807,665	2,323,755	2,043,881	1,102,395
Earnings on investments	519,261	292,823	649,823	726,947
Miscellaneous	732,294	517,013	885,198	617,314
Gain on disposal of capital assets	35,633	6,668	149,484	78,084
<i>Total General Revenues</i>	<u>69,465,504</u>	<u>68,754,082</u>	<u>67,195,690</u>	<u>62,820,731</u>
CHANGE IN NET POSITION	<u>\$ 5,872,498</u>	<u>\$ (5,166,277)</u>	<u>\$ (6,341,637)</u>	<u>\$ (1,137,667)</u>

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 40,768,082	\$ 50,531,685	\$ 49,907,806	\$ 24,093,425	\$ 29,306,992	\$ 28,827,126
23,753,421	27,259,401	25,962,277	14,532,451	18,122,976	18,036,716
3,142,288	3,513,512	3,181,898	2,019,680	2,334,837	3,268,376
2,342,307	3,560,375	4,460,894	3,577,005	3,308,316	444,777
1,836,724	1,867,984	1,848,912	1,886,502	1,315,665	518,847
<u>71,842,822</u>	<u>86,732,957</u>	<u>85,361,787</u>	<u>46,109,063</u>	<u>54,388,786</u>	<u>51,095,842</u>
1,297,221	2,213,306	33,474	9,600	12,820	66,859
124,444	127,969	122,730	95,339	88,289	103,846
290,861	207,019	233,911	306,370	283,623	276,587
6,407,070	6,275,170	7,406,012	5,935,859	5,526,146	5,380,686
50,120	51,849	59,461	1,610,000	1,579,747	1,555,538
24,027	23,535	20,758	20,657	28,561	46,945
<u>8,193,743</u>	<u>8,898,848</u>	<u>7,876,346</u>	<u>7,977,825</u>	<u>7,519,186</u>	<u>7,430,461</u>
(63,649,079)	(77,834,109)	(77,485,441)	(38,131,238)	(46,869,600)	(43,665,381)
14,977,715	14,297,136	13,794,212	13,130,246	12,021,803	12,092,378
4,762,834	4,615,732	4,608,926	4,591,214	4,747,104	4,489,989
255,323	310,969	131,098	146,908	153,512	144,847
38,659,745	34,751,908	35,072,395	31,631,980	31,184,043	28,116,085
623,529	759,223	734,385	604,536	592,073	626,493
554,214	481,682	520,694	653,526	505,212	752,783
463,102	323,047	228,111	285,080	242,200	121,277
546,446	630,773	1,174,623	1,167,159	1,448,408	1,166,475
7,183	-	-	-	-	-
<u>60,850,091</u>	<u>56,170,470</u>	<u>56,264,444</u>	<u>52,210,649</u>	<u>50,894,355</u>	<u>47,510,327</u>
<u>\$ (2,798,988)</u>	<u>\$ (21,663,639)</u>	<u>\$(21,220,997)</u>	<u>\$ 14,079,411</u>	<u>\$ 4,024,755</u>	<u>\$ 3,844,946</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2022	2021	2020	2019
General Fund				
Non-spendable	\$ -	\$ -	\$ 278,113	\$ -
Committed	4,014,865	294,805	786,462	995,107
Assigned	4,744,617	3,707,340	2,607,004	2,015,078
Unassigned	10,152,458	12,014,003	11,280,627	10,234,960
Total general fund	<u>\$ 18,911,940</u>	<u>\$ 16,016,148</u>	<u>\$ 14,952,206</u>	<u>\$ 13,245,145</u>
All Other Governmental Funds				
Non-spendable	\$ 82,913	\$ 69,875	\$ 167,761	\$ 66,069
Restricted	102,664,249	109,808,772	4,133,761	1,026,765
Committed	2,394,168	2,544,276	2,554,162	1,116,439
Assigned	1,827,799	965,052	768,716	2,641,976
Total all other governmental funds	<u>\$ 106,969,129</u>	<u>\$113,387,975</u>	<u>\$ 7,624,400</u>	<u>\$ 4,851,249</u>

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 256,000	\$ -	\$ -	\$ -	\$ -	\$ -
4,188	395,267	437,938	491,499	506,520	517,427
-	-	-	-	-	-
7,737,949	6,078,226	7,050,308	8,483,932	9,242,354	5,606,433
<u>\$ 7,998,137</u>	<u>\$ 6,473,493</u>	<u>\$ 7,488,246</u>	<u>\$ 8,975,431</u>	<u>\$ 9,748,874</u>	<u>\$ 6,123,860</u>

\$ 156,366	\$ 39,967	\$ 43,592	\$ 23,505	\$ 24,107	\$ 26,608
2,065,549	3,698,616	7,853,470	16,512,007	46,897,897	11,036,495
2,860,172	2,431,490	2,813,756	2,035,941	1,216,115	1,150,613
4,038,049	3,244,820	3,097,380	3,198,572	2,855,935	2,645,022
<u>\$ 9,120,136</u>	<u>\$ 9,414,893</u>	<u>\$ 13,808,198</u>	<u>\$ 21,770,025</u>	<u>\$ 50,994,054</u>	<u>\$ 14,858,738</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2022	2021	2020	2019
REVENUES				
Local sources	\$ 32,469,205	\$ 25,291,316	\$ 25,460,424	\$ 24,846,345
Intermediate sources	1,872,625	2,190,352	2,007,666	2,053,759
State sources	48,920,098	46,182,832	42,704,000	41,543,297
Federal sources	14,112,274	9,823,971	5,644,679	6,317,136
<i>Total Revenues</i>	<u>97,374,202</u>	<u>83,488,471</u>	<u>75,816,769</u>	<u>74,760,537</u>
EXPENDITURES				
Current operating				
Instruction	48,458,487	43,647,218	39,688,779	38,700,198
Support services	29,816,732	26,925,289	25,179,695	23,894,025
Enterprise and community services	3,250,708	2,968,741	2,991,723	3,064,686
Facilities acquisition & construction	(167,944)	491,622	731,853	113,356
Debt service				
Principal	4,609,415	4,814,650	4,332,342	3,440,249
Interest	5,128,523	1,570,619	1,199,861	1,955,790
Refinancing costs	-	633,266	35,800	-
Capital outlay	10,406,582	4,928,914	1,225,443	2,699,262
<i>Total Expenditures</i>	<u>101,502,503</u>	<u>85,980,319</u>	<u>75,385,496</u>	<u>73,867,566</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,128,301)	(2,491,848)	431,273	892,971
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	68,905,000	-	-	-
Amounts paid to fiscal agent	(68,399,386)	-	-	-
Transfers in	318,752	776,516	413,888	572,854
Transfers out	(318,752)	(776,516)	(413,888)	(572,854)
Issuance of long-term debt	-	107,548,118	33,254,573	-
Premium on refunding bonds issued	-	10,887,467	-	-
Amounts paid to fiscal agent	-	(8,187,427)	(29,355,118)	-
Repayment of advances to other funds	64,000	64,000	-	-
Proceeds from the sale of property	35,633	6,668	149,484	85,149
PERS UAL lump sum payment to PERS	-	(1,000,000)	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>605,247</u>	<u>109,318,826</u>	<u>4,048,939</u>	<u>85,149</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (3,523,054)</u></u>	<u><u>\$ 106,826,978</u></u>	<u><u>\$ 4,480,212</u></u>	<u><u>\$ 978,120</u></u>
Debt service as a percentage of noncapital expenditures	10.69%	7.88%	7.46%	7.58%

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 23,201,414	\$ 22,874,423	\$ 20,685,904	\$ 19,996,500	\$ 19,316,806	\$ 18,762,877
1,590,709	1,413,513	1,823,136	2,456,056	1,502,394	465,757
39,881,036	35,744,779	37,146,370	34,547,412	33,500,167	30,489,306
6,048,357	6,169,925	6,094,870	5,418,416	5,523,511	5,246,800
<u>70,721,516</u>	<u>66,202,640</u>	<u>65,750,280</u>	<u>62,418,384</u>	<u>59,842,878</u>	<u>54,964,740</u>
36,900,233	37,471,572	36,264,812	33,456,684	29,444,718	28,871,580
23,100,711	22,188,147	21,872,637	21,165,499	19,330,945	18,001,375
2,929,725	2,939,729	2,607,229	2,428,783	2,307,429	2,120,990
423,191	1,235,535	1,553,429	2,457,010	2,131,372	848,373
3,053,909	2,699,000	2,435,000	1,720,000	3,695,000	3,760,000
2,016,200	2,039,497	2,200,659	3,037,189	744,293	556,954
-	-	-	-	-	-
2,674,843	3,107,621	8,265,526	28,150,691	4,813,715	24,105
<u>71,098,812</u>	<u>71,681,101</u>	<u>75,199,292</u>	<u>92,415,856</u>	<u>62,467,472</u>	<u>54,183,377</u>
(377,296)	(5,478,461)	(9,449,012)	(29,997,472)	(2,624,594)	781,363
-	-	-	-	-	-
-	-	-	-	-	-
484,974	816,962	538,453	865,043	40,000	1,251,601
(484,974)	(816,962)	(538,453)	(865,043)	(40,000)	(1,251,601)
1,600,000	4,162,000	-	-	42,384,924	22,843,994
-	-	-	-	-	-
-	(4,091,597)	-	-	-	(11,365,000)
-	-	-	-	-	-
7,183	-	-	-	-	-
-	-	-	-	-	-
<u>1,607,183</u>	<u>70,403</u>	<u>-</u>	<u>-</u>	<u>42,384,924</u>	<u>11,478,994</u>
<u>\$ 1,229,887</u>	<u>\$ (5,408,058)</u>	<u>\$ (9,449,012)</u>	<u>\$ (29,997,472)</u>	<u>\$ 39,760,330</u>	<u>\$ 12,260,357</u>
7.41%	6.91%	6.93%	7.40%	7.70%	7.97%

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
ASSESSED VALUES OF TAXABLE PROPERTY WITHIN SCHOOL DISTRICT NO. 52 BOUNDARIES
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Assessed Value (not including exempt property)				Total Assessed Value
	Real Property	Personal Property	Manufactured		
			Structure	Public Utility	
2022	\$ 3,595,687,847	\$ 146,831,770	\$ 92,015,920	\$ 268,535,960	\$ 4,103,071,497
2021	3,486,876,346	146,891,666	88,568,176	265,817,110	3,988,153,298
2020	3,378,982,481	140,274,247	82,624,776	250,241,460	3,852,122,964
2019	3,272,240,888	138,067,166	76,157,799	218,389,400	3,704,855,253
2018	3,102,822,094	132,792,535	67,119,581	211,648,939	3,514,383,149
2017	2,949,074,402	125,753,101	62,839,372	173,178,610	3,310,845,485
2016	2,846,651,434	115,457,228	60,451,992	163,103,130	3,185,663,784
2015	2,699,161,238	107,747,411	56,388,531	144,893,183	3,008,190,363
2014	2,596,180,808	107,636,361	55,751,335	137,735,580	2,897,304,084
2013	2,515,540,078	108,118,076	60,774,386	133,673,430	2,818,105,970

Notes:

Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value." For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source:

FY 2010-2020: Oregon Department of Revenue Property Tax Statistics Supplement for the appropriate fiscal year; Lane County Table 4A Detail of Taxing District Levies.

Total Direct	Amount Tax	Less: Reduction and	Total Taxes
Tax Rate	Rate Will Raise	Adjustments	Imposed
			(Net Levy)
6.09	\$ 24,997,142	\$ (215,456)	\$ 24,781,686
6.13	24,472,106	(227,168)	24,244,938
5.89	22,707,494	(171,417)	22,536,077
5.88	21,787,883	(187,761)	21,600,122
5.93	20,822,720	(200,899)	20,621,821
5.94	19,660,131	(236,726)	19,423,405
6.04	19,235,675	(230,606)	19,005,069
6.13	18,440,206	(184,899)	18,255,307
6.06	17,557,662	(358,808)	17,198,854
6.15	17,331,351	(313,060)	17,018,291

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	General Tax Permanent Rate	General Obligation Debt Service Rate	Total Direct Tax Rate
2022	\$ 4.5067	\$ 1.59	\$ 6.09
2021	4.5067	1.62	6.13
2020	4.5067	1.39	5.90
2019	4.5067	1.37	5.88
2018	4.5067	1.42	5.93
2017	4.5067	1.43	5.94
2016	4.5067	1.53	6.04
2015	4.5067	1.62	6.13
2014	4.5067	1.55	6.06
2013	4.5067	1.64	6.15

Fiscal Year	Overlapping Total Property Tax Rates				
	City of Eugene	Junction City Water Control	Lane County	Lane Community College	River Road Park and Recreation
2022	\$ 8.0274	\$ 0.2523	\$ 1.8573	\$ 0.9554	\$ 3.5259
2021	8.0580	0.2523	1.8443	0.9628	3.5259
2020	8.0690	0.2523	1.8443	0.8410	3.5259
2019	8.1340	0.2523	1.8093	0.8449	3.5259
2018	7.9642	0.2523	1.6743	0.8464	3.5259
2017	8.0223	0.2523	1.6743	0.8419	3.5259
2016	7.9659	0.2523	1.8293	0.8198	3.5259
2015	7.9800	0.2523	1.9345	0.8616	3.8535
2014	9.3880	0.0252	1.3876	0.8646	3.8631
2013	8.1376	0.0253	1.3908	0.8640	3.8730

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

Source: Lane County Department of Assessment and Taxation.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON**PRINCIPAL PROPERTY TAXPAYERS FOR LANE COUNTY- TAXING DISTRICT, SCHOOL DISTRICT
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022			Percentage of Total Taxable Assessed
	Tax Amount	Assessed Amount	Rank	
Ten Largest Taxpayers				
Verizon Communications	\$ 1,467,326	\$ 86,216,000	1	2.10
Seneca Sawmill Co	1,025,544	91,693,380	2	2.23
Weyerhaeuser NR Company	862,264	50,578,517	3	1.23
Shepard Investment Group LLC	589,863	33,925,870	4	0.83
SFPP LP	443,700	39,667,210	5	0.97
Heron Meadows SIG LLC	399,688	22,992,723	6	0.56
Skywest Airlines	381,811	41,758,000	7	1.02
Taft Group I Inc	329,709	18,968,907	8	0.46
Attune Foods LLC	299,034	26,758,431	9	0.65
Airport Industrial Properties LLC	279,928	17,524,506	10	0.43
Subtotal of Ten Largest Taxpayers		430,083,544		10.5
All Other Taxpayers		3,672,987,953		89.5
Total All Taxpayers		\$ 4,103,071,497		100.00%

Taxpayer	2013			Percentage of Total Taxable Assessed Value
	Tax Amount	Assessed Amount	Rank	
Verizon Communications	\$ 844,545	\$ 51,464,300	1	1.8
Weyerhaeuser NR Company	343,387	20,841,290	2	0.7
SFPP LP	313,426	29,157,432	3	1.0
Heron Meadows Apartments NW LLC	295,188	17,615,364	4	0.6
Shepard Investment Group LLC	288,564	17,292,494	5	0.6
Datalogic Scanning Inc	277,043	16,868,594	6	0.6
Taft Group I Inc	245,220	14,635,628	7	0.5
Seneca Sawmill	244,353	22,995,533	8	0.8
Flakeboard America LTD	235,629	14,348,330	9	0.5
Metropolitan Life Ins Co	215,291	12,920,158	10	0.5
Subtotal of Ten Largest Taxpayers		218,139,123		7.7
All Other Taxpayers		2,599,966,847		92.3
Total All Taxpayers		\$ 2,818,105,970		100.00%

Source:
Lane County, Division of Assessment and Taxation.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Net Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 24,759,368	\$ 23,676,111	95.62%	\$ 307,283	\$ 23,983,394	96.87%
2021	24,226,312	23,163,138	95.61	346,634	23,509,772	97.04
2020	22,463,903	21,481,309	95.63	296,687	21,777,996	96.95
2019	21,541,113	20,627,486	95.76	762,087	21,389,573	99.30
2018	20,583,567	19,688,268	95.65	281,792	19,970,060	97.02
2017	19,406,588	18,390,467	94.76	318,070	18,708,537	96.40
2016	18,980,851	17,958,916	94.62	269,714	18,228,630	96.04
2015	18,212,398	17,289,838	94.93	304,345	17,594,183	96.61
2014	17,195,775	16,316,341	94.89	381,160	16,697,501	97.10
2013	16,996,461	16,002,240	94.15	430,373	16,432,613	96.68

Note:

The net taxes levied are for Lane county. Responsibility for the collection of all property taxes rests within the County's Department of Assessment and Taxation. Current taxes are assessed as of July, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold."

¹ The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source: SAL Table 4A, Line 28

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS FOR LANE COUNTY- TAXING DISTRICT, LANE COUNTY
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2022			Percentage of Total Taxable Assessed Value
	Tax Amount	Assessed Amount	Rank	
Ten Largest Taxpayers				
IP Eat Three LLC	\$ 3,970,209	\$ 300,721,680	1	0.79
Lumen Technologies Inc	2,441,271	161,201,000	2	0.42
Verizon Communications Inc	2,436,865	151,053,000	3	0.40
Northwest Natural Gas Company	1,960,729	129,602,200	4	0.34
Valley River Center	1,814,890	104,242,716	5	0.27
Comcast Corporation	1,742,303	102,197,000	6	0.27
Shepard Investment Group LLC	1,725,527	95,839,376	7	0.25
McKenzie Willamette Regional Medical Ctr	1,589,885	86,088,176	8	0.23
Weyerhaeuser Company	1,525,715	164,817,242	9	0.43
Emerald PUD	1,486,206	135,776,806	10	0.36
Subtotal of Ten Largest Taxpayers		1,431,539,196		3.8
All Other Taxpayers		36,688,393,470		96.2
Total All Taxpayers		<u>\$ 38,119,932,666</u>		<u>100.00%</u>

Taxpayer	2013			Percentage of Total Taxable Assessed Value
	Tax Amount	Assessed Amount	Rank	
IP Eat Three LLC	\$ 3,770,391	\$ 225,962,099	1	0.8
Comcast Corporation	2,602,779	147,874,300	2	0.5
Valley River Center	1,731,106	106,139,760	3	0.4
Symantec Corporation	1,497,535	86,747,813	4	0.3
Shepard Investment Group LLC	1,439,540	84,305,700	5	0.3
Northwest Natural Gas Co	1,208,503	90,592,000	6	0.3
Century Link	1,177,826	79,190,700	7	0.3
Verizon Communications	1,114,787	72,462,800	8	0.3
Gateway Mall Partners	1,083,424	63,219,398	9	0.2
Weyerhaeuser Company	1,062,612	125,827,365	10	0.5
Subtotal of Ten Largest Taxpayers		1,082,321,935		3.9
All Other Taxpayers		26,632,386,717		96.1
Total All Taxpayers		<u>\$ 27,714,708,652</u>		<u>100.00%</u>

Source:
Lane County, Division of Assessment and Taxation.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

General Bonded Debt					
Fiscal Year	General Obligation Bonds	Less Restricted	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property	Per Student
		Amount Available for Repayment of Debt Principal			
2022	\$ 223,334,567	\$ -	\$ 223,334,567	5.44	\$ 46,577
2021	160,449,121	-	160,449,121	4.02	\$ 30,302
2020	54,398,165	180,264	54,217,901	1.41	\$ 9,927
2019	50,786,838	260,214	50,526,624	1.37	\$ 9,064
2018	54,457,992	376,566	54,081,426	1.55	\$ 9,842
2017	56,262,118	541,909	55,720,209	1.70	\$ 10,061
2016	58,359,335	652,324	57,707,011	1.83	\$ 10,403
2015	61,144,552	540,056	60,604,496	2.03	\$ 10,878
2014	63,214,769	498,159	62,716,610	2.18	\$ 11,829
2013	24,810,927	394,125	24,416,802	0.88	\$ 4,391

Other Governmental Activities Debt

Fiscal Year	Capital Leases	Total District	Per Student	Per Capita	Total Debt as Percentage of Personal Income
2022	\$ -	\$ 223,334,567	46,577	n/a*	n/a*
2021	-	160,449,121	30,302	419	7.59
2020	-	54,398,165	9,927	142	2.86
2019	-	50,786,838	9,064	133	2.81
2018	-	54,457,992	9,842	143	3.12
2017	-	56,262,118	10,061	150	3.46
2016	-	58,359,335	10,403	158	3.85
2015	-	61,144,552	10,878	168	4.23
2014	-	63,214,769	11,829	176	4.72
2013	-	24,810,927	4,391	70	1.95

* Data not available at time of publishing

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: School District records

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022

Overlapping Issuer	Outstanding Net Property-tax Backed Debt	Percent Overlapping	Net Overlapping Debt
City of Eugene	\$ 37,213,000	16.37%	\$ 6,091,061
Lane Community College	219,475,000	9.85%	21,628,383
Lane County	302,263,289	10.00%	30,235,397
Lane County Housing Authority	8,183,487	10.00%	818,594
Lane ESD	5,467,639	10.03%	548,213
River Road Parks & Recreation	272,000	2.11%	5,749
Subtotal, overlapping debt	\$ 572,874,415		\$ 59,327,397
Direct District net property-tax backed debt			223,334,567
Total direct and overlapping debt			\$ 282,661,964

¹ The overlapping debt is the issuer's Net Property-tax Backed Debt times the percentage of taxable value within the District's boundaries.

Source: Oregon State Treasury, Debt Management Division.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 199,985,436	\$ 206,396,374	\$ 214,583,318	\$ 226,308,789	\$ 234,451,415	\$ 246,674,356
Total net debt applicable to limit	<u>24,416,802</u>	<u>62,716,610</u>	<u>60,604,496</u>	<u>57,707,011</u>	<u>55,720,209</u>	<u>54,081,426</u>
Legal debt margin	<u>\$ 175,568,634</u>	<u>\$ 143,679,764</u>	<u>\$ 153,978,822</u>	<u>\$ 168,601,778</u>	<u>\$ 178,731,206</u>	<u>\$ 192,592,930</u>
Total net debt applicable to the limit as a percentage of debt limit	12.21%	30.39%	28.24%	25.50%	23.77%	21.92%

¹ ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District based on the following:

^A For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

^B For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:

^A Kindergarten through eighth grade, 9 x .0055	4.95%
^B Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	<u>7.95%</u>

Source: Lane County Department of Assessment and Taxation.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$260,143,151	\$268,629,107	\$ 277,206,670	\$ 285,857,184

<u>50,526,624</u>	<u>54,217,901</u>	<u>160,449,121</u>	<u>223,334,567</u>
<u>\$209,616,527</u>	<u>\$214,411,206</u>	<u>\$ 116,757,549</u>	<u>\$ 62,522,617</u>

19.42%	20.18%	57.88%	78.13%
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BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2022	n/a	n/a	n/a	4.2
2021	383,189	\$ 21,131,525	\$ 55,146	6.4
2020	382,986	18,989,468	49,583	3.5
2019	382,067	18,087,217	47,340	4.6
2018	379,611	17,431,415	45,919	4.2
2017	374,748	16,275,162	43,430	4.4
2016	369,519	15,160,278	41,027	5.2
2015	362,895	14,468,971	39,871	6.5
2014	358,337	13,392,647	37,374	6.7
2013	356,212	12,724,475	36,630	7.9

Sources:

Population, personal income and per capita information: US Department of Commerce, Bureau of Economic Analysis. Regional Economic Accounts AMSA04-Advance Metropolitan Statistical Area Income Summary Eugene-Springfield, OR (MSA)

Unemployment rate information: Oregon Employment Department Labor Force Data.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NUMBER OF FULL TIME EQUIVALENT (FTE) EMPLOYEES
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30,</i>	<i>Certified</i>	<i>Classified</i>	<i>Administrative</i>	<i>Total</i>
2022	294	324	50	668
2021	295	324	49	668
2020	294	321	46	661
2019	286	307	44	637
2018	285	301	46	632
2017	285	295	45	625
2016	297	310	45	652
2015	287	316	44	647
2014	270	344	40	654
2013	261	334	39	634
2012	287	340	38	665

Source:

District Budget Office/ Management Information Services.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30,</i>	<i>General Fund Expenditures</i>	<i>Enrollment</i>	<i>Cost per Pupil</i>	<i>Percentage Change</i>
2022	\$ 61,959,819	4,795	\$ 12,922	15.32%
2021	59,331,794	5,295	11,205	3.04%
2020	59,588,957	5,480	10,874	9.22%
2019	55,782,662	5,603	9,956	2.87%
2018	53,548,023	5,533	9,678	6.30%
2017	50,914,272	5,592	9,105	-0.77%
2016	51,472,034	5,610	9,175	9.01%
2015	47,309,581	5,621	8,417	8.77%
2014	43,526,847	5,625	7,738	7.28%
2013	40,752,717	5,650	7,213	-7.50%
2012	43,954,506	5,637	7,798	1.69%

Note:
Student enrollment figures are as of October 1.

Source:
School District records

<i>Certified Staff</i>	<i>Pupil/Teacher Ratio</i>	<i>ADMr</i>
294	16.31	5,248
295	17.95	5,245
294	18.64	5,415
286	19.59	5,513
285	19.41	5,517
285	19.62	5,561
297	18.89	5,575
287	19.59	5,357
270	20.83	5,344
261	21.65	5,650
287	19.64	5,637

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS - CAPITAL ASSETS
YEAR ENDED JUNE 30, 2022

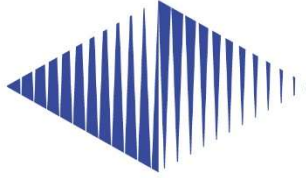
<u>Building</u>	<u>Original Year Built</u>	<u>Square Feet</u>	<u>Student Capacity</u>	<u>Student Capacity Used</u>	<u>Percent Used</u>
Administration Complex	1950	10,600	N/A	N/A	N/A
Clear Lake Elementary	1976	51,800	416	252	61%
Danebo Elementary	1965	46,200	464	254	55%
Fairfield Elementary	2015	65,000	680	332	49%
Irving Elementary	1965	56,000	492	248	50%
Malabon Elementary	2015	61,500	760	336	44%
Meadow View School	1998	114,800	836	605	72%
Prairie Mountain School	2004	125,700	848	523	62%
Cascade Middle School	1955	86,700	504	367	73%
Shasta Middle School	1961	88,900	560	339	61%
Kalapuya Alternative School	2002	12,400	175	89	51%
Willamette High School	1949	265,770	1,550	1,450	94%
			<u>7,285</u>	<u>4,795</u>	<u>66%</u>

Source:
School District records.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS - FREE AND REDUCED LUNCHES
YEAR ENDED JUNE 30, 2022

This NSLP information was not collected during the 2021-22 School Year due to COVID-19. A waiver was taken through the Oregon Department of Education to allow the District to receive payment for all meals served under the Seamless Summer Option (SSO) program.

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
Bethel School District No. 52
Eugene, Oregon

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 basic financial statements of Bethel School District No. 52, Lane County, Oregon (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 30, 2022.

Compliance and Other Matters

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

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


Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Restriction on Use

This report is intended solely for the information and use of the school board and management of the Bethel School District No. 52 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Larry E. Grant, A Shareholder
December 30, 2022

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal Assistance Listing Number</i>	<i>Expenditures</i>
U.S. Department of Education			
Direct programs			
Indian Education Grants to Local Educational Agencies	S060A212424	84.060A	\$ 8,961
Indian Education Grants to Local Educational Agencies	S060A202424	84.060A	1,807
<i>Subtotal Indian Education Grants</i>			10,768
Passed Through Oregon Department of Education			
Title I Grants to Local Educational Agencies	66926	84.010	1,729,339
Title I Grants to Local Educational Agencies	58216	84.010	201,735
Title I Grants to Local Educational Agencies	67940	84.010	32,148
Title I Grants to Local Educational Agencies	65079	84.010	39,713
<i>Subtotal Title I Grants to Local Educational Agencies</i>			2,002,935
Student Support and Academic Enrichment Program	54473	84.424	53,794
Student Support and Academic Enrichment Program	58533	84.424	2,326
<i>Subtotal Student Support and Academic Enrichment Program</i>			56,120
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA, Part B)	73528	84.027	184,485
Special Education - Grants to States (IDEA, Part B)	68575	84.027	473,136
Special Education - Grants to States (IDEA, Part B)	60615	84.027	442,253
Special Education - Grants to States (IDEA, Part B)	56602	84.027	923
Special Education - Preschool Grants (IDEA Preschool)	69109	84.173	4,693
Special Education - Preschool Grants (IDEA Preschool)	68865	84.173	7,357
<i>Subtotal Special Education Grants Cluster (IDEA)</i>			1,112,847
English Language Acquisition State Grants	53404	84.365	2,265
English Language Acquisition State Grants	58456	84.365	8,999
English Language Acquisition State Grants	67120	84.365	7,470
<i>Subtotal English Language Acquisition State Grants</i>			18,734
Supporting Effective Instruction State Grants	67359	84.367	224,088
Supporting Effective Instruction State Grants	53483	84.367	62,103
Supporting Effective Instruction State Grants	58714	84.367	85,175
<i>Subtotal Supporting Effective Instruction State Grants</i>			371,366
COVID-19 Education Stabilization Fund	64533	84.425D	2,373,327
COVID-19 Education Stabilization Fund	64838	84.425U	4,366,913
COVID-19 Education Stabilization Fund	69321	84.425	3,744
Passed through Higher Education Coordinating Commission			
COVID-19 Education Stabilization Fund	21-038T	84.425C	8,818
<i>Subtotal COVID-19 Education Stabilization Fund</i>			6,752,802
Passed Through Lane ESD			
Career and Technical Education - Basic Grants to States	IGA LESD	84.048	14,940
Total U.S. Department of Education			10,340,512

See notes to schedule of expenditures of federal awards.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal Assistance Listing Number</i>	<i>Expenditures</i>
U.S. Department of Transportation			
Passed through Lane Council of Governments			
Highway Planning and Construction	IGA	20.205	\$ 21,466
<i>Subtotal Highway Planning and Construction Cluster</i>			<u>21,466</u>
Total U.S. Department of Transportation			21,466
U.S. Department of Labor			
Passed through Lane Education Service District			
WIOA Youth Activities	WIOA-22-02	17.259	79,154
<i>Subtotal WIOA Cluster</i>			<u>79,154</u>
Total U.S. Department of Labor			79,154
U.S. Department of Health & Human Services			
Passed through the United Way			
MaryLee Allen Promoting Safe and Stable Families	N/A	93.556	1,698
<i>Subtotal Promoting Safe and Stable Families</i>			<u>1,698</u>
Total U.S. Department of Health & Human Services			1,698
U.S. Department of Interior			
Passed through Bureau of Land Management Oregon State Office			
Secure Rural Schools and Community Self-Determination	L22AC00031	15.234	5,830
Total U.S. Department of Interior			<u>5,830</u>
U.S. Department of Agriculture			
Direct programs			
Farm to School Grant Program	CN-F2S-IMPL-21-OR	10.575	45,825
Passed Through Lane County, Oregon			
Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	N/A	10.665	222,218
Passed Through Oregon Department of Education			
Child Nutrition Cluster			
School Breakfast Program (SBP)	N/A	10.553	870,636
National School Lunch Program (NSLP)	N/A	10.555	25,492
National School Lunch Program (NSLP)	N/A	10.555	211,105 *
National School Lunch Program (NSLP)	N/A	10.555	1,989,759
National School Lunch Program (NSLP) - covid sponsor reimbursement payment	N/A	10.555	153,617
Summer Food Service Program for Children (SFSPC)	N/A	10.559	75,868
Fresh Fruit and Vegetable Program DAN	69496	10.582	14,055
Fresh Fruit and Vegetable Program FF	69497	10.582	14,192
Fresh Fruit and Vegetable Program MAL	69498	10.582	15,082
<i>Subtotal Child Nutrition Cluster</i>			<u>3,369,806</u>

See notes to schedule of expenditures of federal awards.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal Assistance Listing Number</i>	<i>Expenditures</i>
Child and Adult Care Food Program (CACFP)	N/A	10.558	11,094
Child and Adult Care Food Program (CACFP) - covid sponsor reimbursement payment	N/A	10.558	<u>3,102</u>
<i>Subtotal Child and Adult Care Food Program</i>			14,196
Pandemic EBT Administrative Costs	N/A	10.649	<u>3,064</u>
<i>Total U.S. Department of Agriculture</i>			3,655,109
U.S. Department of Defense			
<i>Passed through Department of the Army, Office of the Chief of Engineers</i>			
Youth Conservation Services	W9127N2120002	12.010	<u>8,505</u>
<i>Total U.S. Department of Defense</i>			<u>8,505</u>
Total Federal Expenditures			<u><u>\$ 14,112,274</u></u>

* Includes noncash donated commodities

See notes to schedule of expenditures of federal awards.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (“the Schedule”) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present either the financial position, changes in fund balances, or the operating funds’ revenues and expenditures for the District.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance due to the District having a negotiated indirect cost rate with Oregon Department of Education and thus is not allowed to use the de minimis rate.

Federal Financial Assistance

Pursuant to 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

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the Bethel School District No. 52 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.

Reporting Entity

The reporting entity is fully described in the notes to the financial statements. Additionally, the Schedule includes all federal programs administered by the District for the year ended June 30, 2022.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2022

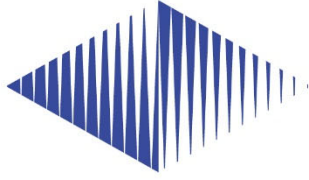
SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

RESTATED SEFA DUE TO CORRECTION OF AN ERROR

Subsequent to the issuance of the District's ACFR dated December 30, 2022, the District discovered that expenditures of funds from the Schools and Roads – Grants to States, ALN 10.665, totaling \$222,218, were mistakenly excluded from the SEFA as the related revenues were reported as intermediate sourced funds rather than as funds from federal grants. The District revised and reissued the SEFA previously reported to reflect correction of this error. The restatement did not result in the performance of any additional audit procedures and the opinions in the independent auditor's report were not modified for this change.



GROVE, MUELLER & SWANK, P.C.

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

School Board
Bethel School District No. 52
Eugene, Oregon

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 and each major fund of Bethel School District No. 52, Lane County, Oregon (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2022, except for the SEFA, as to which the date is January 19, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 or other matters that are required to be reported under *Government Auditing Standards*.

Emphasis of Matter

As further discussed in the notes to the Schedule of Expenditures of Federal Awards (SEFA), the District has revised and reissued the SEFA previously reported on December 30, 2022, to include expenditures of funds from the Schools and Roads – Grants to States, ALN 10.665, totaling \$222,218. The previously issued auditor's report with respect to the SEFA dated December 30, 2022, is not to be relied upon due to the restatement of the SEFA. Our audit opinion is not modified with respect to this matter.

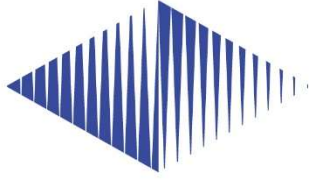
Purpose of this Report

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2022, except for the SEFA,
as to which the date is January 19, 2023



GROVE, MUELLER & SWANK, P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

School Board
Bethel School District No. 52
Eugene, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bethel School District No. 52, Lane County, Oregon (the District)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's 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, Bethel School District No. 52 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bethel School District No. 52 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 the District's 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 the District's 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 the District's

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's 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 the District's 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Bethel School District No. 52's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2022

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	Yes

Major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Education Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Department of Education

Finding 2022-001

Significant Deficiency in Internal Control over Compliance - Inadequate documentation of eligibility calculation

Title I Grants to Local Education Agencies
 Assistance Listing No. 84.010
 Grant Period: Year Ended June 30, 2022

Criteria and Condition: Grantees are required to document that their schools meet the eligibility requirements for Title I support including the percentage of students from low-income families. The District does not have documentation supporting the calculations and associated percentages claimed.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2022

Context: As part of our audit procedures, we reviewed the targeting report submitted to the State and compared it to the Community Eligibility Provision (CEP) Identified Percentages report. The numbers did not match. Inquired with the client and noted that the grant manager who created the targeting figures was no longer employed by the District and they had no backup to support the figures. An alternative method to calculate the percentage of students from low-income families is to use the CEP poverty figures multiplied by 1.6. This also did not match the targeting information submitted to the State however all the percentages reported were less than the allowable 1.6 multiplier and therefore there are no questioned costs due to the control deficiency over compliance.

Effect or Potential Effect: Without sufficient supporting documentation, the calculation of the poverty percentages for the targeting submission to the State could be incorrect. Incorrect poverty figures could result in the misappropriation of grant funds and unallowed expenditures.

Cause: The District's grant manager failed to maintain adequate records supporting the calculation of the poverty percentages.

Recommendation: Management should strengthen the controls over the calculation of eligibility requirements and proper record keeping to ensure all necessary information is created, reviewed, and maintained per the grant requirements.

Views of Responsible Official(s) and Planned Corrective Actions: Management agrees with the finding and has reviewed record keeping requirements with the new Grants Manager to ensure that appropriate supporting documentation is maintained per the grant agreement.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.