

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

EUGENE, OREGON

***Annual Comprehensive Financial Report
Year Ended June 30, 2021***

Prepared By

*Business Services Department
Simon Levear, Director*

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December 30, 2021

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, 2021 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, 2021, 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, 2021, 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 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, beginning on page 11.

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 the current 5,196. Enrollment projections for the 2021-22 school year reflect a slight decrease to 5,100. The District's total population is approximately 38,000.

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 has taken pride in maintaining its facilities and managing growth. 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. The two middle schools were constructed six years apart with Cascade being built in 1955 and Shasta in 1961. 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. The district is currently implementing a \$99.4M bond that will result in upgrades to most district facilities and a new Cascade Middle School. Construction on these projects will begin in earnest in Spring 2022.

Bethel School District is financially independent. A seven-member elected school board is responsible for the District's operations and programs, and accordingly appoints the administration of the District, who share accountability for oversight. The school board and administration take their stewardship responsibilities very seriously. Consistent with this, District facilities are well-maintained and well-equipped. There are no component units and the District is not a component unit of another entity.

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 appropriated budget approved by the District's Board of Directors. Activities of all funds are included in the annual appropriated budget.

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 appropriated 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.

LONG-TERM FINANCIAL PLANNING

The District's unassigned fund balance in the General Fund (19.5 percent of total General Fund revenues) just exceeds the Government Finance Officers Association recommended range of five to fifteen percent or no less than two months of operating expenditures. However, the District's ability to predict revenues in Oregon's unstable financial environment necessitated the need to maintain a larger ending fund balance. Regardless of the continued uncertainty, the District is in the process of reducing its ending fund balance. Since the District is dependent on the State of Oregon for a substantial portion of its operating funds, and funding levels can vary from year to year, maintaining adequate reserves is critical.

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 "Roots of Empathy programs at Fairfield and Malabon Elementary Schools; 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 has faced budget sustainability issues from the onset of the recession. These have included declining state revenue, increasing personnel costs, short-term federal and state funding, and use of District reserve funds. 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, 2020. This was the twenty-fourth 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 of Education for their continued support and dedication to the financial operations of the School District.

Respectfully submitted,



Kraig Sproles
Superintendent



Simon Levear
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**

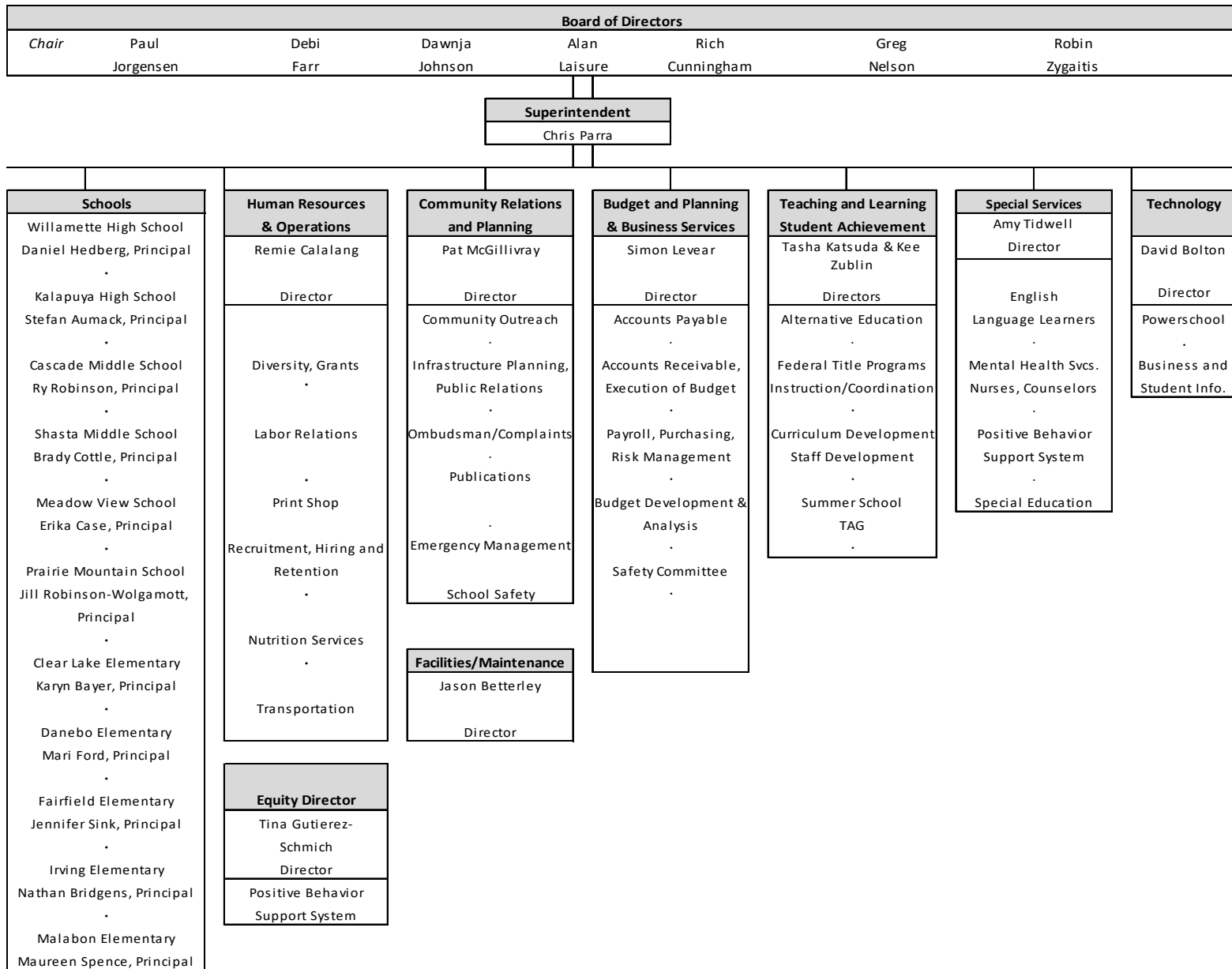
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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



BOARD OF DIRECTORS

Greg Nelson	Chairperson
Alan Laisure	Vice Chairperson
Paul Jorgensen	Director
Ashley Espinoza	Director
Rich Cunningham	Director
Robin Zygaitis	Director
Debi Farr	Director

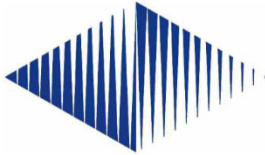
All Board members receive mail at the address below.

ADMINISTRATIVE OFFICERS

Kraig Sproles, Superintendent
Simon Levear, Director of Business Services

Administrative Office
4640 Barger Drive
Eugene, Oregon 97402

FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

INDEPENDENT AUDITOR'S REPORT

School Board
Bethel School District No. 52
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bethel School District No. 52, Lane County, Oregon as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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 comparisons 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.

Other 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, as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not required parts 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

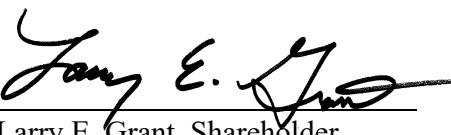
In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and

the results of that testing, and not to provide an opinion on the effectiveness of 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, 2021, 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, 2021

BETHEL SCHOOL DISTRICT No. 52
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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, 2021. 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, 2021 was a deficit \$19.4 million. Net position is composed of net investment in capital assets of \$32.9 million and a deficit unrestricted net position of \$52.3 million.
- The District's total net position decreased by \$4.4 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 \$8.9 million increase in the actuarially determined PERS net pension liability, a \$106 million increase in long-term liabilities as a result of bond refinancing and issuance of general obligation bonds and a \$1.0 million increase in the actuarially determined total OPEB liability for medical subsidy.
- The District's governmental funds reported a combined ending fund balance of \$129.4 million, an increase of \$106.8 million from the prior year. Approximately 9.3 percent of this total amount, \$12.0 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 \$12.0 million, which represents about 20.2 percent of total General Fund expenditures.
- Total cost of all the District's programs was \$88.7 million for the fiscal year, an increase of \$7.7 million (9.4 percent) 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 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 negative \$19.4 million on June 30, 2021.

Net investment in capital assets, which consist of the District's land, buildings, building improvements, site improvements, construction in progress, vehicles, and equipment less related debt. The District uses the 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 investments, cash, and grants and property taxes receivable.

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 almost entirely of payables on accounts and payroll benefits.

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

	<u>2021</u>	<u>2020*</u>	<u>Change</u>
Current and other assets	\$ 137,436,047	\$ 29,321,829	\$ 108,114,218
Net OPEB asset for RHIA	1,026,242	518,914	507,328
Capital assets, net	80,744,934	78,855,734	1,889,200
<i>Total assets</i>	<u>219,207,223</u>	<u>108,696,477</u>	<u>110,510,746</u>
Deferred outflows	35,720,317	31,580,174	4,140,143
<i>Total assets and deferred outflows</i>	<u>254,927,540</u>	<u>140,276,651</u>	<u>114,650,889</u>
Current liabilities	8,087,016	6,120,822	1,966,194
Long-term liabilities	161,099,417	55,059,856	106,039,561
Total pension liability for stipends	543,654	529,978	13,676
PERS net pension liability	74,160,768	65,253,707	8,907,061
Total OPEB liability for medical subsidy	23,130,799	22,081,970	1,048,829
<i>Total liabilities</i>	<u>267,021,654</u>	<u>149,046,333</u>	<u>117,975,321</u>
Deferred inflows	7,314,140	5,472,295	1,841,845
<i>Total liabilities and deferred inflows</i>	<u>274,335,794</u>	<u>154,518,628</u>	<u>119,817,166</u>
Net position:			
Net investment in capital assets	32,863,932	31,271,276	1,592,656
Restricted	-	243,804	(243,804)
Unrestricted	(52,272,186)	(45,757,057)	(6,515,129)
<i>Total net position</i>	<u>\$ (19,408,254)</u>	<u>\$ (14,241,977)</u>	<u>\$ (5,166,277)</u>

Statement of Activities. During the 2020-21 fiscal year, the District's net position decreased by \$5.2 million. The decrease in total net position is primarily related to the increase in the PERS net pension liability and total OPEB liability for medical subsidy and related deferred inflows of resources as well as issuance of and refunding of general obligation bonds.

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

	<u>2021</u>	<u>2020*</u>	<u>Change</u>
Revenues			
Program revenues			
Charges for services	\$ 566,080	\$ 1,229,677	\$ (663,597)
Operating grants and contributions	14,258,714	7,048,018	7,210,696
General revenues			
Property taxes	23,553,287	21,891,552	1,661,735
State school fund	41,238,080	40,786,945	451,135
Other	3,962,715	4,517,193	(554,478)
<i>Total revenues</i>	<u>83,578,876</u>	<u>75,473,385</u>	<u>8,105,491</u>
Expenses			
Instructional services	48,930,215	45,489,928	3,440,287
Support services	30,128,843	28,390,867	1,737,976
Other	6,040,347	5,122,010	918,337
Interest on long-term liabilities	3,645,748	2,087,177	1,558,571
<i>Total expenses</i>	<u>88,745,153</u>	<u>81,089,982</u>	<u>7,655,171</u>
Change in net position	(5,166,277)	(5,616,597)	450,320
Net position, beginning of year as restated	<u>(14,241,977)</u>	<u>(8,625,380)</u>	<u>(5,616,597)</u>
Net position, end of year	<u><u>\$(19,408,254)</u></u>	<u><u>\$(14,241,977)</u></u>	<u><u>\$ (5,166,277)</u></u>

* FY 2020 restated: see notes to basic financial statements

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$129.4 million.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2021, unassigned fund balance was \$12.0 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 19.5 percent of total General Fund revenues.

The fund balance increased by \$1.1 million during the current fiscal year. The change is attributed in part to a decrease in accounts payable.

Special Revenue Fund. The Special Revenue Fund has a total fund balance of \$2.6 million at the end of the fiscal year. The fund balance decreased \$0.1 million as a result of decreased revenues from the prior year.

Special Projects Fund. The Special Projects Fund has a total fund balance of \$965 thousand at the end of the fiscal year. The fund balance increased \$196 thousand as a result of a decrease in support service expenditures.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$109.4 million and increase of \$105.5 million from the prior year. This increase was caused by the receipt of bond monies for school improvement projects. These proceeds are being used to support school level security upgrades, district-wide technology upgrades, district wide maintenance projects, and architectural and engineering service.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$412 thousand at the end of the fiscal year. The fund balance increased \$220 thousand as a result of scheduled debt payments that were made during the year being slightly less than tax revenues received.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, there was one addition of appropriations by resolution affecting the original General Fund budget. The addition increased appropriations in Other Financing Uses, PERS UAL lump sum payment to PERS, and increased appropriations in Beginning Fund Balance within the General Fund.

Final budget compared to actual results. The most significant difference between estimated revenue and actual revenue was state source revenue. Actual revenue was \$564 thousand lower than anticipated, mostly due to lower-than-expected state school support and less than anticipated investment earnings.

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, 2021, the District had invested \$80.7 million in capital assets, net of accumulated depreciation.

Capital Assets

June 30,

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Land and improvements	\$ 3,352,218	\$ 3,352,218	\$ -
Construction in process	39,985	166,658	(126,673)
Buildings and improvements, equipment and vehicles	116,656,252	111,600,664	5,055,588
Accumulated depreciation	(39,303,521)	(36,263,806)	(3,039,715)
Total	<u>\$ 80,744,934</u>	<u>\$ 78,855,734</u>	<u>\$ 1,889,200</u>

Additional information on the District’s capital asset activity can be found on page 39.

Long-term debt. During the year ended June 30, 2021, \$12.5 million of principal was paid on long-term debt. At June 30, 2021, the District had total bonded debt outstanding of \$160.5 million.

In February 2021, the District issued advance refunding bonds totaling \$8.2 million to reduce future interest costs. This is more fully explained in notes to basic financial statements.

Additional information on the District’s long-term debt can be found on pages 40 through 43.

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, 2021, the State School Fund General Purpose Grant provided approximately 50 percent of the District's total revenues, and 67 percent of the District's General Fund revenues. The District is expecting decreasing revenue from the State School Fund for the year ended June 30, 2022, based on current projections for the 2021-2022 biennium from the State of Oregon Legislative Revenue Office. The District is expecting increased funding from the Student Success Act. The state economic forecast reveals a slow recovery for the District for the next few biennia.

Total enrollment in 2020-21 decreased 68 ADM (average daily membership) from the previous year. Enrollment is expected to decrease in 2021-22 due to the birth rates in Lane County.

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 2021-22 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
YEAR ENDED JUNE 30, 2021

ASSETS	
Cash and investments	\$ 130,913,932
Receivables	6,452,240
Inventories	69,875
Net OPEB asset - RHIA	1,026,242
Capital assets not being depreciated	
Land	3,352,218
Construction in process	39,985
Capital assets, net of accumulated depreciation	
Buildings and improvements	71,900,677
Equipment and vehicles	5,452,054
	<hr/>
<i>Total Assets</i>	219,207,223
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	28,105,568
Deferred outflows related to OPEB	4,240,771
Deferred charges on refunding	3,373,978
	<hr/>
<i>Total Deferred Outflows of Resources</i>	35,720,317
	<hr/>
<i>Total Assets and Deferred Outflows of Resources</i>	254,927,540
LIABILITIES	
Accounts payable and accrued liabilities	6,886,058
Accounts payable to other governments	11,915
Unearned revenue	390,255
Accrued interest	798,788
Noncurrent liabilities	
Due within one year	
Accrued compensated absences	487,722
Long-term debt	2,979,902
Due in more than one year	
Accrued compensated absences	162,574
Long-term debt	157,469,219
Total pension liability for stipends	543,654
PERS net pension liability	74,160,768
Total OPEB liability for medical subsidy	23,130,799
	<hr/>
<i>Total Liabilities</i>	267,021,654
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to PERS	6,914,952
Deferred inflows related to OPEB	399,188
	<hr/>
<i>Total Deferred Inflows of Resources</i>	7,314,140
	<hr/>
<i>Total Liabilities and Deferred Inflows of Resources</i>	274,335,794
NET POSITION	
Net investment in capital assets	32,863,932
Unrestricted	(52,272,186)
	<hr/>
<i>Total Net Position</i>	\$ (19,408,254)
	<hr/>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Instructional services	\$ 48,930,215	\$ 443,168	\$ 11,771,153	\$ (36,715,894)
Support services	30,128,843	122,892	166,789	(29,839,162)
Enterprise and community services	3,227,788	20	2,320,772	(906,996)
Facilities maintenance services	2,812,559	-	-	(2,812,559)
Interest on long-term liabilities	3,645,748	-	-	(3,645,748)
<i>Total Governmental Activities</i>	<u>\$ 88,745,153</u>	<u>\$ 566,080</u>	<u>\$ 14,258,714</u>	<u>(73,920,359)</u>
General Revenues:				
Property taxes, levied for general purposes				17,233,678
Property taxes, levied for debt service				6,319,609
Construction excise tax				199,740
State school fund				41,238,080
Common school fund				622,716
Unrestricted state and local funds				2,323,755
Earnings on investments				292,823
Miscellaneous				517,013
Gain on sale or compensation for loss of asset				6,668
<i>Total General Revenues</i>				<u>68,754,082</u>
Change in net position				(5,166,277)
Net position - July 1, 2020 as originally reported				(14,966,977)
<i>Restatement (see notes to basic financial statements)</i>				<u>725,000</u>
Net position - July 1, 2020 as restated				<u>(14,241,977)</u>
Net position - ending				<u>\$ (19,408,254)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Special</u>
		<u>Special Revenue</u>
ASSETS		
Cash and investments	\$ 19,514,194	\$ 364,657
Property taxes receivable	621,141	12,842
Other receivables	885,971	4,528,632
Inventories	-	69,875
	<hr/>	<hr/>
<i>Total Assets</i>	\$ 21,021,306	\$ 4,976,006
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 250,928	\$ 1,017,509
Accounts payable to other governments	-	-
Retainage payable	12,124	-
Accrued salaries and benefits	4,207,638	954,091
Unearned revenue	-	390,255
	<hr/>	<hr/>
<i>Total Liabilities</i>	4,470,690	2,361,855
Deferred Inflows of Resources		
Unavailable revenue - property taxes	534,468	-
Fund Balance		
Non-spendable		
Inventories	-	69,875
Restricted for		
Debt service	-	-
Capital projects	-	-
Committed to		
Grants	-	2,544,276
Insurance services	15,072	-
Other	279,733	-
Assigned for		
Specific education projects	3,707,340	-
Special projects	-	-
Unassigned	12,014,003	-
	<hr/>	<hr/>
<i>Total Fund Balances</i>	16,016,148	2,614,151
	<hr/>	<hr/>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$ 21,021,306	\$ 4,976,006
	<hr/> <hr/>	<hr/> <hr/>

Revenue

<u>Special Projects</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 925,645	\$ 382,235	\$ 109,747,601	\$ 130,934,332
-	215,069	-	849,052
56,847	10,298	64,302	5,546,050
-	-	-	69,875
<u>\$ 982,492</u>	<u>\$ 607,602</u>	<u>\$ 109,811,903</u>	<u>\$ 137,399,309</u>
\$ 7,817	\$ -	\$ 236,142	\$ 1,512,396
-	11,915	-	11,915
-	-	172,183	184,307
9,623	-	6,336	5,177,688
-	-	-	390,255
<u>17,440</u>	<u>11,915</u>	<u>414,661</u>	<u>7,276,561</u>
-	184,157	-	718,625
-	-	-	69,875
-	411,530	-	411,530
-	-	109,397,242	109,397,242
-	-	-	2,544,276
-	-	-	15,072
-	-	-	279,733
-	-	-	3,707,340
965,052	-	-	965,052
-	-	-	12,014,003
<u>965,052</u>	<u>411,530</u>	<u>109,397,242</u>	<u>129,404,123</u>
<u>\$ 982,492</u>	<u>\$ 607,602</u>	<u>\$ 109,811,903</u>	<u>\$ 137,399,309</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2021

FUND BALANCES		\$ 129,404,123
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 120,048,455	
Accumulated depreciation	<u>(39,303,521)</u>	80,744,934
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.		718,625
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.		25,071
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	(798,788)	
Accrued compensated absences	(650,296)	
Long-term debt	(160,449,121)	
Less deferred charges from refunding	<u>3,373,978</u>	(158,524,227)
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	(74,704,422)	
Deferred inflows of resources related to pensions	(6,914,952)	
Deferred outflows of resources related to pensions	<u>28,105,568</u>	(53,513,806)
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	1,026,242	
Total OPEB liability	(23,130,799)	
Deferred inflows of resources related to OPEB	(399,188)	
Deferred outflows of resources related to OPEB	<u>4,240,771</u>	<u>(18,262,974)</u>
TOTAL NET POSITION		<u><u>\$ (19,408,254)</u></u>

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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, 2021

	<u>General</u>	<u>Special</u>
		<u>Special Revenue</u>
REVENUES		
Property taxes	\$ 17,271,278	\$ -
Construction excise tax	-	199,740
Intergovernmental		
Intermediate sources	1,625,115	565,237
State sources	42,071,663	4,094,777
Federal sources	205,267	9,618,704
Charges for services	122,100	321,085
Contributions	-	60,379
Investment earnings	193,614	11,079
Miscellaneous	254,581	141,906
	<hr/>	<hr/>
<i>Total Revenues</i>	61,743,618	15,012,907
EXPENDITURES		
Current		
Instruction	35,533,613	8,113,604
Support services	22,940,414	3,631,702
Enterprise and community services	124,729	2,842,713
Facilities acquisition and construction	-	250
Debt Service		
Principal	64,000	-
Interest	-	185,033
Refunding bond issuance costs	-	-
Capital outlay	669,038	533,356
	<hr/>	<hr/>
<i>Total Expenditures</i>	59,331,794	15,306,658
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,411,824	(293,751)
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	-	-
Issuance of long-term debt	-	-
Premium on bonds issued	-	-
Payment to refunded bond escrow agent	-	-
Repayment of advances to other funds	64,000	-
Transfers in	358,470	184,938
Transfers out	(776,516)	-
Sale of/or compensation for loss of capital assets	5,668	1,000
PERS UAL lump sum payment to PERS	(1,000,000)	-
	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(1,348,378)	185,938
NET CHANGES IN FUND BALANCES	1,063,446	(107,813)
FUND BALANCES, beginning of year	14,952,702	2,721,964
	<hr/>	<hr/>
FUND BALANCES, ending	\$ 16,016,148	\$ 2,614,151
	<hr/> <hr/>	<hr/> <hr/>

<i>Revenue</i>			
<i>Special Projects</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total</i>
\$ -	\$ 6,320,354	\$ -	\$ 23,591,632
-	-	-	199,740
-	-	-	2,190,352
-	16,392	-	46,182,832
-	-	-	9,823,971
158,249	-	-	601,434
3,186	-	-	63,565
6,342	19,306	62,483	292,824
114,337	243	31,054	542,121
282,114	6,356,295	93,537	83,488,471
-	-	-	43,647,217
317,588	-	35,585	26,925,289
1,300	-	-	2,968,742
-	-	491,372	491,622
-	4,750,650	-	4,814,650
-	1,385,586	-	1,570,619
-	-	633,266	633,266
-	-	3,726,520	4,928,914
318,888	6,136,236	4,886,743	85,980,319
(36,774)	220,059	(4,793,206)	(2,491,848)
-	-	8,250,000	8,250,000
-	-	99,298,118	99,298,118
-	-	10,887,467	10,887,467
-	-	(8,187,427)	(8,187,427)
-	-	-	64,000
233,108	-	-	776,516
-	-	-	(776,516)
-	-	-	6,668
-	-	-	(1,000,000)
233,108	-	110,248,158	109,318,826
196,334	220,059	105,454,952	106,826,978
768,718	191,471	3,942,290	22,577,145
\$ 965,052	\$ 411,530	\$ 109,397,242	\$ 129,404,123

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, 2021

NET CHANGE IN FUND BALANCES		\$ 106,826,978
<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	\$ 4,928,915	
Less current year depreciation	<u>(3,039,716)</u>	1,889,199
<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>		
General obligation refunding bond proceeds	(107,548,118)	
General financing proceeds	(86,021)	
Premium from bond issuance	(10,887,467)	
Principal payment to refunded bond escrow agent	7,340,000	
Debt principal repaid	4,899,745	
Amortization of bond premium	230,905	
Amortization of deferred charges from refunding	<u>(222,438)</u>	(106,273,394)
<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>		
		(665,976)
<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>		
		(38,588)
<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>		
		25,569
<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	(8,907,061)	
Net change in PERS deferred outflows of resources	5,095,736	
Net change in PERS deferred inflows of resources	(1,544,252)	
Net change in total pension liability - stipends	(13,676)	
Net change in pension deferred outflows of resources - stipends	<u>(122,496)</u>	(5,491,749)
<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	507,328	
Net change in OPEB deferred outflows of resources	(610,659)	
Net change in OPEB deferred inflows of resources	(297,593)	
Net change in total OPEB liability - medical subsidy	<u>(1,048,829)</u>	(1,449,753)
<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>11,436</u>
CHANGE IN NET POSITION		<u>\$ (5,166,278)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

ASSETS

Cash and investments	\$	(20,400)
Other receivables		57,140
		<hr/>
<i>Total Assets</i>		36,740

LIABILITIES

Accounts payable and accrued liabilities		11,669
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NET POSITION

Unrestricted		25,071
		<hr/>
<i>Total Net Position</i>	\$	25,071
		<hr/> <hr/>

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, 2021

OPERATING REVENUES:	
Services to other funds	\$ 122,326
OPERATING EXPENSES:	
Salaries and benefits	95,757
Services, supplies and materials	1,000
	<hr/>
TOTAL OPERATING EXPENSES	96,757
	<hr/>
OPERATING INCOME (LOSS)	25,569
NET POSITION, July 1, 2020	(498)
	<hr/>
NET POSITION, June 30, 2021	\$ 25,071
	<hr/> <hr/>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Received from interfund services provided	\$ 396,539
Paid for goods and services	(304,297)
Paid to employees	(95,757)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,515)
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CASH AND CASH EQUIVALENTS, July 1, 2020	(16,885)
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CASH AND CASH EQUIVALENTS, June 30, 2021	\$ (20,400)
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RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 25,569
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	
Changes in assets and liabilities	
Receivables	274,213
Accounts payable	(303,297)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (3,515)
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BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

Special Revenue Fund - This fund is used to account for the expenditures and receipts of various local, state and federal grants and projects.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Special Projects Fund - This fund is used for various special programs administered by the District. This fund is presented as major due to the importance of the fund.

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). The LGIP is 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, 2021, 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 and a deferred compensation plan established pursuant to Section 457 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 net of 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 position 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 position 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, 2021

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, 2021:

<i>Cash and Deposits</i>	
Cash on hand	\$ 2,370
Deposits with financial institutions	2,528,165
<i>Investments</i>	
Local Government Investment Pool	128,383,397
	<hr/>
	<u>\$ 130,913,932</u>

Deposits

At June 30, 2021, the District's deposits with various financial institutions had a bank balance of \$3,191,157 and a book balance of \$2,528,165. 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, 2021, the balance covered by the PFCP was \$2,658,162.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

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, 2021, the District held the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Weighted average maturity in years</u>	<u>% of investment portfolio</u>
Local Government Investment Pool	\$ 128,383,397	0.003	100.0%

The "weighted average maturity in years" calculation assumes that all investments are held until maturity. The Oregon Local Government Investment Pool is unrated.

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:

<u>Investment type</u>	<u>Maximum % of portfolio</u>	<u>Maximum length to maturity</u>
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

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

CASH AND INVESTMENTS (Continued)

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, 2021, 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

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

At June 30, 2021, 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	\$ -	\$ -	\$ -	\$ 128,383,397	\$ 128,383,397

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, 2021

CAPITAL ASSETS

Capital assets activity for the year was as follows:

	<i>Balance</i> <i>July 1, 2020</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>June 30, 2021</i>
Capital assets not being depreciated:				
Land	\$ 3,352,218	\$ -	\$ -	\$ 3,352,218
Construction in process	166,658	4,363,871	(4,490,544)	39,985
<i>Total capital assets not being depreciated</i>	3,518,876	4,363,871	(4,490,544)	3,392,203
Capital assets being depreciated:				
Buildings and improvements	104,097,403	3,583,067	-	107,680,470
Equipment	4,103,342	1,178,503	-	5,281,845
Vehicles	3,399,919	294,018	-	3,693,937
<i>Total capital assets being depreciated</i>	111,600,664	5,055,588	-	116,656,252
Less accumulated depreciation for:				
Buildings and improvements	(33,382,749)	(2,397,044)	-	(35,779,793)
Equipment	(1,331,923)	(449,135)	-	(1,781,058)
Vehicles	(1,549,134)	(193,536)	-	(1,742,670)
<i>Total accumulated depreciation</i>	(36,263,806)	(3,039,715)	-	(39,303,521)
<i>Total capital assets being depreciated, net</i>	75,336,858	2,015,873	-	77,352,731
<i>Total capital assets, net</i>	\$ 78,855,734	\$ 6,379,744	\$ (4,490,544)	\$ 80,744,934

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

<i>Program</i>	
Instructional services	\$ 129,519
Support services	
Pupil transportation	170,480
Other support services	8,178
Enterprise and community services	
Food services	14,565
Other enterprise and community services	166,398
Facilities maintenance services	2,550,575
<i>Total</i>	\$ 3,039,715

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2021:

	<i>Balance July 1, 2020</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2021</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 46,764,035	\$ 107,548,118	\$ 12,090,650	\$ 142,221,503	\$ 2,607,706
Notes from direct borrowings	4,943,205	86,021	149,095	4,880,131	372,196
Total	51,707,240	107,634,139	12,239,745	147,101,634	2,979,902
Unamortized premium, Series 2013	722,330	-	90,291	632,039	-
Unamortized premium, Series 2013 B & C	1,968,595	-	140,614	1,827,981	-
Unamortized premium, Series 2021 B	-	10,887,467	-	10,887,467	-
Total issuance premiums	2,690,925	-	230,905	13,347,487	-
Total	\$ 54,398,165	\$ 107,634,139	\$ 12,470,650	\$ 160,449,121	\$ 2,979,902

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 2016 - In November 2016, the District issued advance refunding bonds in the amount of \$4,162,000 to refund a portion of the General Obligation Bonds, Series 2013 B. The bond is due in annual installments of \$124,000 to \$1,803,000 plus interest paid semi-annually at 1.44% through 2021.

The bonds are 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, however the bonds shall not be subject to acceleration.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

LONG-TERM DEBT (Continued)

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.

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>
2022	\$ 2,607,706	\$ 3,650,165	\$ 6,257,871
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
2027-2031	23,311,626	11,460,528	34,772,154
2032-2036	24,415,000	7,273,966	31,688,966
2037-2041	30,416,452	5,012,448	35,428,900
2042-2046	22,936,982	17,633,018	40,570,000
2047-2051	22,659,685	23,805,508	46,465,193
	<u>\$ 142,221,503</u>	<u>\$ 80,303,634</u>	<u>\$ 222,525,137</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, 2021, 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, 2021

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, 2021. 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, 2021 was \$808,906 net of accumulated amortization of \$38,521.

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, 2021

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</i> <i>Ending</i> <i>June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2022	\$ 372,196	\$ 96,945	\$ 469,141
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
2027-2031	1,537,001	286,159	1,823,160
2032-2036	1,454,958	118,457	1,573,415
2037	170,307	2,018	172,325
	<u>\$ 4,880,131</u>	<u>\$ 892,928</u>	<u>\$ 5,773,059</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</i> <i>July 1, 2020</i>	<i>Increases</i>	<i>Decreases</i>	<i>Outstanding</i> <i>June 30, 2021</i>	<i>Amount Due</i> <i>in One Year</i>
<u>\$ 661,732</u>	<u>\$ 418,931</u>	<u>\$ 430,367</u>	<u>\$ 650,296</u>	<u>\$ 487,722</u>

INTERFUND ADVANCES

The Insurance Reserve Fund loaned a total of \$320,000 to the General Fund to finance the purchase of new accounting software and an overall technology upgrade. The remaining balance of \$64,000 was repaid during the current year.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 358,470	\$ 776,516
Special Revenue	184,938	-
Special Projects	233,108	-
	<u>\$ 776,516</u>	<u>\$ 776,516</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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	\$ -	\$ 74,160,768	\$ 74,160,768
Total Pension Liability	543,654	-	543,654
Pension Deferred Outflows of Resources	107,183	27,998,385	28,105,568
Pension Deferred Inflows of Resources	-	6,914,952	6,914,952
Pension Expense	57,657	15,686,471	15,744,128

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, 2021, the District was providing early retirement benefits to 12 former licensed teachers or administrators, and there were 582 active administrators and licensed staff.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

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, 2021, governmental fund expenditures related to early retirement stipend benefits totaled \$41,092.

Total Pension Liability Related to Stipends

The District's total pension liability for stipends of \$543,654 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019 using the Entry Age Normal Level Percent of Pay Cost Method.

Actuarial assumptions and other inputs

The total pension liability in the July 1, 2019 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	2.50%
Salary increases, average, including inflation	3.50%
Discount rate	2.75%

- 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, 2017 PERS actuarial valuation.
- The actuarial assumptions used in the July 1, 2019 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
	<u> </u>
Balance at July 1, 2020	\$ 529,978
Changes for the year:	
Service cost	27,410
Interest on total pension liability	14,934
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments - Stipends	(28,668)
	<u> </u>
Net changes	13,676
	<u> </u>
Total Pension Liability at end of the year	<u>\$ 543,654</u>

The 2.75 percent discount rate assumption is the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This rate was decreased from 3.75 percent in the 2017 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, 2021

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 (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(1.75%)</u>	<u>Discount Rate</u> <u>(2.75%)</u>	<u>1% Increase</u> <u>(3.75%)</u>
Total Pension Liability for Stipends on June 30, 2021	\$ 591,047	\$ 543,654	\$ 509,823

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

For the year ended June 30, 2021, the District recognized stipend pension expense of \$57,657.

At June 30, 2021, there were deferred outflows of resources related to stipends from the following sources:

	<u>Deferred Outflow</u> <u>of Resources</u>
Difference between expected and actual experience	\$ 35,507
Changes of assumptions and other inputs	71,676
Total deferred outflow of resources	<u>\$ 107,183</u>

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

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 15,313
2023	15,313
2024	15,313
2025	15,313
2026	15,313
Thereafter	30,618
Total	<u>\$ 107,183</u>

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>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

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, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2021 were \$10,451,183, excluding amounts to fund employer specific liabilities. Employer pension expense of \$15,686,471 was recognized during the reporting period.

At June 30, 2021 the District reported a net pension liability of \$74,160,768 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to a measurement date of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.34 percent, which is a decrease of approximately .04 percent from its proportion measured as of June 30, 2019.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

PENSION PLANS (Continued)

Contributions (Continued)

At June 30, 2021, 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	\$ 3,263,971	\$ -	
Changes in assumptions	3,979,974	(139,450)	
Changes in proportionate share	-	(6,775,502)	
Net difference between projected and actual earnings on pension plan investments	8,720,343	-	
Differences between District contributions and employers proportionate share of contributions	1,582,914	-	
	<hr/>	<hr/>	
Subtotal - Amortized deferrals (below)	17,547,202	(6,914,952)	\$ 10,632,250
	<hr/>	<hr/>	
District contributions subsequent to measurement date	10,451,183	-	
	<hr/>	<hr/>	
Net deferred outflow (inflow) of resources	\$ 27,998,385	\$ (6,914,952)	

Deferred outflows of resources related to PERS of \$10,451,183 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, 2022. Other amounts reported as deferred outflows or inflow of resources related to PERS will be recognized in pension expense as follows:

<u><i>Year ending June 30,</i></u>	<u><i>Amount</i></u>
2022	\$ 2,274,960
2023	3,388,600
2024	3,083,372
2025	2,088,786
2026	(203,468)
Total	<hr/> <u>\$ 10,632,250</u> <hr/>

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 12, 2021. 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, 2021

PENSION PLANS (Continued)

Actuarial Valuations

The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), 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, 2018
Measurement date	June 30, 2020
Experience study	2018, published July 2019
Actuarial Assumptions	
Actuarial cost method	Entry age normal
Inflation Rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
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	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Rub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

(Source: June 30, 2020 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 7.20 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 68 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, 2020 Oregon PERS ACFR; page 70)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

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	31.8
Real Estate	9.5 - 15.5	11.4
Private Equity	14.0 - 21.0	22.9
Alternative Equity	0.0 - 3.0	10.5
Opportunity Portfolio	0.0 - 2.5	2.1
Risk Parity	0.0 - 2.5	1.3
Total		100.0%

(Source: June 30, 2020 Oregon PERS ACFR; page 102)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2018 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, 2020 Oregon PERS ACFR; page 70)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

PENSION PLANS (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation *	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	9.60 %	4.14 %	4.07 %	3.90 %
Short-Term Bonds	9.60	3.70	3.68	2.10
Bank/Leveraged Loans	3.60	5.40	5.19	6.85
High Yield Bonds	1.20	6.13	5.74	9.35
Large/Mid Cap US Equities	16.17	7.35	6.30	15.50
Small Cap US Equities	1.35	8.35	6.68	19.75
Micro Cap US Equities	1.35	8.86	6.79	22.10
Developed Foreign Equities	13.48	8.30	6.91	17.95
Emerging Market Equities	4.24	10.35	7.69	25.35
Non-US Small Cap Equities	1.93	8.81	7.25	19.10
Private Equity	17.50	11.95	8.33	30.00
Real Estate (Property)	10.00	6.19	5.55	12.00
Real Estate (REITS)	2.50	8.29	6.69	21.00
Hedge Fund of Funds - Diversified	1.50	4.28	4.06	6.90
Hedge Funds - Event-driven	0.38	5.89	5.59	8.10
Timber	1.13	6.36	5.61	13.00
Farmland	1.13	6.87	6.12	13.00
Infrastructure	2.25	7.51	6.67	13.85
Commodities	1.13	5.34	3.79	18.70
Assumed Inflation - Mean			2.50 %	1.65 %
* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017				
* 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				

(Source: June 30, 2020 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 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 110,122,616	\$ 74,160,768	\$ 44,005,092

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

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 \$1,946,087 in employee contributions for the year ended June 30, 2021.

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	\$ 23,130,799	\$ -	\$ 23,130,799
Net OPEB Asset	-	1,026,242	1,026,242
OPEB Deferred Outflows of Resources	4,119,846	120,925	4,240,771
OPEB Deferred Inflows of Resources	-	399,188	399,188
OPEB Expense (Revenue)	2,640,567	(290,285)	2,350,282

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	49
Active employees	582
	<u>631</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, 2021

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 \$23,130,799 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019 using the Entry Age Normal Level Percent of Pay Cost Method.

Actuarial assumptions and other inputs

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

Valuation date	July 1, 2019
Measurement date	June 30, 2020
Experience study	2016, published July 2017
Actuarial cost method	Entry age normal
Actuarial Assumptions	
Inflation Rate	2.50%
Discount rate	2.75%
Projected salary increases	3.50%
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 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, 2020 reporting date is 2.75%, reflecting the Bond Buyer 20-Year General Obligation Bond Index.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

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 5.50% in the first year, 6.00% in the second year and third year, and varying from 5.90% to 4.50% over the remainder of the projection period. These trends are based in part on the 2019 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 2018.

Changes in the Total OPEB Liability for Medical Subsidy

	<u>Total OPEB Liability Medical Subsidy</u>
Balance at July 1, 2020	\$ 22,081,970
Changes for the year:	
Service cost	1,318,235
Interest on total OPEB liability	631,123
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	<u>(900,529)</u>
Net changes	<u>1,048,829</u>
Balance at June 30, 2021	<u><u>\$ 23,130,799</u></u>

The 2.75 percent discount rate assumption is the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This rate was decreased from 3.75 percent in the 2017 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 (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

	<u>1% Decrease (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase (3.75%)</u>
Total OPEB Liability for Medical Subsidy on June 30, 2021	<u>\$ 24,967,873</u>	<u>\$ 23,130,799</u>	<u>\$ 21,422,195</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

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, 2021	\$ 20,273,362	\$ 23,130,799	\$ 26,709,910

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$2,640,567 related to the Medical Subsidy. At June 30, 2021, the District reported deferred outflows of resources related to the Medical Subsidy from the following sources:

	<u>Deferred Outflow of Resources</u>
Difference between expected and actual experience	\$ 2,771,444
Changes of assumptions and other inputs	1,348,402
Total deferred outflow of resources	<u>\$ 4,119,846</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>
2022	\$ 691,209
2023	691,209
2024	691,209
2025	691,209
2026	691,209
Thereafter	663,801
Total	<u>\$ 4,119,846</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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The District's contribution rates for the period were 0.60 percent for Tier One/Tier Two members, and 0.00 percent for OPSRP members. The District's contributions for the year ended June 30, 2021 totaled \$4,614.

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

At June 30, 2021 the District reported an asset of \$1,026,242 for its proportionate share of the net OPEB asset related to RHIA. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset/liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of June 30, 2020. 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 0.5037% changed from 0.2685% at the prior measurement date.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

For the year ended June 30, 2021, the District recognized OPEB revenue reduction of \$290,285 related to the RHIA. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB 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	\$ -	\$ (104,912)	
Changes of assumptions	-	(54,550)	
Net difference between projected and actual earnings on investments	114,126	-	
Changes in proportionate share	2,185	(239,726)	
Subtotal - Amortized deferrals (below)	<u>116,311</u>	<u>(399,188)</u>	<u>\$ (282,877)</u>
Contributions subsequent to measurement date	4,614	-	
Net deferred outflow (inflow) of resources	<u>\$ 120,925</u>	<u>\$ (399,188)</u>	

Deferred outflows of resources related to RHIA of \$4,614 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, 2022. Other amounts reported as deferred outflows or inflow of resources related to RHIA will be recognized in OPEB expense as follows:

<i>Year ending June 30,</i>	<i>Amount</i>
2022	\$ (226,505)
2023	(134,559)
2024	42,187
2025	36,000
Total	<u>\$ (282,877)</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 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, 2018
Measurement date	June 30, 2020
Experience study	2018, published July 2019
Actuarial Assumptions	
Actuarial cost method	Entry age normal
Inflation Rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Retiree healthcare participation	Healthy retirees: 35% 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, 2020 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 May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current discount rate:

	<i>1% Decrease</i> <i>(6.20%)</i>	<i>Discount Rate</i> <i>(7.20%)</i>	<i>1% Increase</i> <i>(8.20%)</i>
	<u> </u>	<u> </u>	<u> </u>
District's proportionate share of net OPEB Liability (Asset) for RHIA	\$ (828,518)	\$ (1,026,242)	\$ (1,195,305)
	<u> </u>	<u> </u>	<u> </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 (\$1,026,242). 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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2021

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 \$49,975 under agreements entered into by Lane County for the fiscal year ended June 30, 2021.

BUDGET COMPLIANCE

Excess of Expenditures over Appropriations

Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function. For the year ended June 30, 2021, expenditures exceeded appropriations as follows:

<u>Fund/Appropriation Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
<i>General Fund</i>			
Facilities acquisition and construction	\$ 270,000	\$ 275,965	\$ (5,965)
Transfers out	350,506	776,516	(426,010)
<i>Special Revenue Fund</i>			
Support services	3,416,521	3,949,189	(532,668)
<i>Capital Projects Fund</i>			
Support services	-	35,585	(35,585)

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2021

RISKS AND UNCERTAINTIES

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding fluctuations at the State level, future funding for school districts is impacted by the economic growth statewide, which has been negatively affected by the COVID-19 pandemic and its resulting economic uncertainty. The ultimate effect of this on the District’s future operation is not yet determinable.

RESTATEMENT OF PRIOR YEAR NET POSITION

The District paid a principal payment in the prior year on their GO Bond 2013 series that was not previously recorded. A restatement of prior year net position was required to properly state Long-Term Debt due within one year and Long-Term Debt due in more than one year.

The restatement is as follows:

<i>Restatement of Beginning Net Position</i>	
<i>Net position as previously reported at June 30, 2020</i>	\$ 14,966,977
<i>Prior period adjustment:</i>	
Noncurrent liabilities	
Due within one year	
Long-term debt	(45,000)
Due in more than one year	
Long-term debt	(680,000)
Total prior period adjustment	(725,000)
<i>Net position as restated, at July 1, 2020</i>	\$ 14,241,977

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, 2021**

Schedule of Changes in the Total Pension Liability for Stipends

<i>Year ended June 30,</i>	<i>Service costs</i>	<i>Interest on total pension liability</i>	<i>Difference between expected and actual results</i>	<i>Changes of assumptions or other inputs</i>	<i>Benefit payments</i>	<i>Net change in total pension liability</i>
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

<i>Year ended June 30,</i>	<i>Total pension liability beginning</i>	<i>Net change in total pension liability</i>	<i>Total pension liability ending (1)</i>	<i>Covered - employee payroll</i>	<i>Total pension liability as percentage of covered - employee payroll</i>	<i>Discount rate</i>
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.

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
YEAR ENDED JUNE 30, 2021**

<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>
2021	0.33%	\$ 74,160,768	\$ 30,567,517	242.6%	75.8%
2020	0.39%	65,253,707	29,711,317	219.6%	80.2%
2019 (6)	0.40%	60,305,358	27,933,033	215.9%	82.1%
2018	0.41%	55,111,874	28,547,885	193.1%	83.1%
2017 (5)	0.43%	64,047,150	28,167,171	227.4%	80.5%
2016 (4)	0.44%	25,040,002	25,881,214	96.7%	91.9%
2015 (3)	0.47%	(10,764,630)	22,490,011	-47.9%	103.6%
2014	0.47%	24,234,847	23,498,326	103.1%	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%.

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF CONTRIBUTIONS FOR PERS
YEAR ENDED JUNE 30, 2021

<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>
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%

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, 2021

<u>Year Ended June 30,</u>	<u>District's proportion of net OPEB liability</u>	<u>District's proportionate share of the net OPEB liability (NOL) (1)</u>	<u>Covered payroll (2)</u>	<u>NOL as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
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, 2021

<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>
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%

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 CHANGES IN THE TOTAL OPEB LIABILITY AND THE SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS FOR MEDICAL SUBSIDY
YEAR ENDED JUNE 30, 2021**

Schedule of Changes in the Total OPEB Liability for Medical Subsidy

<i>Year ended June 30,</i>	<i>Service costs</i>	<i>Interest on total OPEB liability</i>	<i>Difference between expected and actual results</i>	<i>Changes of assumptions or other inputs</i>	<i>Benefit payments</i>	<i>Net change in total OPEB liability</i>
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 June 30,</i>	<i>Total OPEB liability beginning</i>	<i>Net change in total OPEB liability</i>	<i>Total OPEB liability ending (1)</i>	<i>Covered employee payroll</i>	<i>Total OPEB liability as percentage of covered payroll</i>	<i>Discount rate</i>
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.

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.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<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	\$ 17,173,183	\$ 17,173,183	\$ 17,271,278	\$ 98,095	\$ -	\$ 17,271,278
Intergovernmental						
Intermediate sources	1,640,540	1,640,540	1,625,115	(15,425)	-	1,625,115
State sources	42,635,911	42,635,911	42,071,663	(564,248)	-	42,071,663
Federal sources	215,000	215,000	205,267	(9,733)	-	205,267
Charges for services	-	-	122,100	122,100	-	122,100
Investment earnings	461,000	461,000	193,614	(267,386)	-	193,614
Miscellaneous	612,000	612,000	254,581	(357,419)	-	254,581
<i>Total Revenues</i>	<i>62,737,634</i>	<i>62,737,634</i>	<i>61,743,618</i>	<i>(994,016)</i>	<i>-</i>	<i>61,743,618</i>
EXPENDITURES						
Current						
Instruction	40,601,933	40,601,933	35,533,613	5,068,320	-	35,533,613
Support services	27,520,299	27,250,299	23,333,487	3,916,812	(393,073)	22,940,414
Enterprise and community services	126,174	126,174	124,729	1,445	-	124,729
Facilities acquisition and construction	-	270,000	275,965	(5,965)	(275,965)	-
Debt service	64,000	64,000	64,000	-	-	64,000
Capital outlay	-	-	-	-	669,038	669,038
<i>Total Expenditures</i>	<i>68,312,406</i>	<i>68,312,406</i>	<i>59,331,794</i>	<i>8,980,612</i>	<i>-</i>	<i>59,331,794</i>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,574,772)	(5,574,772)	2,411,824	7,986,596	-	2,411,824
OTHER FINANCING SOURCES (USES)						
Repayment of advances to other funds	64,000	64,000	64,000	-	-	64,000
Transfers in	150,000	150,000	358,470	208,470	-	358,470
Transfers out	(350,506)	(350,506)	(776,516)	(426,010)	-	(776,516)
Sale of or compensation for loss of capital assets	-	-	5,668	5,668	-	5,668
PERS UAL lump sum payment to PERS	-	(1,000,000)	(1,000,000)	-	-	(1,000,000)
<i>Total Other Financing Sources (Uses)</i>	<i>(136,506)</i>	<i>(1,136,506)</i>	<i>(1,348,378)</i>	<i>(211,872)</i>	<i>-</i>	<i>(1,348,378)</i>
NET CHANGES IN FUND BALANCE	(5,711,278)	(6,711,278)	1,063,446	7,774,724	-	1,063,446
FUND BALANCE, beginning	13,224,403	14,224,403	14,952,702	728,299	-	14,952,702
FUND BALANCE, ending	\$ 7,513,125	\$ 7,513,125	\$ 16,016,148	\$ 8,503,023	\$ -	\$ 16,016,148

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	<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	\$ 100,000	\$ 100,000	\$ 199,740	\$ 99,740	\$ -	\$ 199,740
Intergovernmental						
Intermediate sources	534,915	534,915	565,237	30,322	-	565,237
State sources	7,136,694	7,136,694	4,094,777	(3,041,917)	-	4,094,777
Federal sources	7,664,723	7,664,723	9,618,704	1,953,981	-	9,618,704
Charges for services	250,000	250,000	321,085	71,085	-	321,085
Contributions	92,500	92,500	60,379	(32,121)	-	60,379
Investment earnings	21,500	21,500	11,079	(10,421)	-	11,079
Miscellaneous	2,276,000	2,276,000	141,906	(2,134,094)	-	141,906
<i>Total Revenues</i>	<u>18,076,332</u>	<u>18,076,332</u>	<u>15,012,907</u>	<u>(3,063,425)</u>	<u>-</u>	<u>15,012,907</u>
EXPENDITURES						
Current						
Instruction	12,916,523	12,916,523	8,279,108	4,637,415	(165,504)	8,113,604
Support services	3,416,521	3,416,521	3,949,189	(532,668)	(317,487)	3,631,702
Enterprise and community services	3,502,860	3,502,860	2,842,713	660,147	-	2,842,713
Facilities acquisition and construction	887,799	887,799	50,615	837,184	(50,365)	250
Debt Service:						
Interest	185,089	185,089	185,033	56	-	185,033
Capital outlay	-	-	-	-	533,356	533,356
<i>Total Expenditures</i>	<u>20,908,792</u>	<u>20,908,792</u>	<u>15,306,658</u>	<u>5,602,134</u>	<u>-</u>	<u>15,306,658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,832,460)	(2,832,460)	(293,751)	2,538,709	-	(293,751)
OTHER FINANCING SOURCES (USES)						
Transfers in	73,025	73,025	184,938	111,913	-	184,938
Sale of or compensation for loss of capital assets	2,000	2,000	1,000	(1,000)	-	1,000
<i>Total Other Financing Sources (Uses)</i>	<u>75,025</u>	<u>75,025</u>	<u>185,938</u>	<u>110,913</u>	<u>-</u>	<u>185,938</u>
NET CHANGES IN FUND BALANCE	(2,757,435)	(2,757,435)	(107,813)	2,649,622	-	(107,813)
FUND BALANCE, beginning	<u>2,757,435</u>	<u>2,757,435</u>	<u>2,721,964</u>	<u>(35,471)</u>	<u>-</u>	<u>2,721,964</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,614,151</u>	<u>\$ 2,614,151</u>	<u>\$ -</u>	<u>\$ 2,614,151</u>

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	<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	\$ 158,249	\$ 6,249
Contributions	1,000	1,000	3,186	2,186
Investment earnings	4,000	4,000	6,342	2,342
Miscellaneous	103,000	103,000	114,337	11,337
<i>Total Revenues</i>	260,000	260,000	282,114	22,114
EXPENDITURES				
Current				
Support services	922,181	922,181	317,588	604,593
Enterprise and community services	226,800	226,800	1,300	225,500
<i>Total Expenditures</i>	1,148,981	1,148,981	318,888	830,093
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(888,981)	(888,981)	(36,774)	852,207
OTHER FINANCING SOURCES (USES)				
Transfers in	127,481	127,481	233,108	105,627
NET CHANGES IN FUND BALANCE	(761,500)	(761,500)	196,334	957,834
FUND BALANCE, beginning	761,500	761,500	768,718	7,218
FUND BALANCE, ending	\$ -	\$ -	\$ 965,052	\$ 965,052

See notes to required supplementary information.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

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 BALANCES –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	<i>Budgeted Amounts</i>		<i>Actual Budget and GAAP Basis</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Property taxes	\$ 6,080,500	\$ 6,080,500	\$ 6,320,354	\$ 239,854
Intergovernmental				
State sources	-	-	16,392	16,392
Investment earnings	60,000	60,000	19,306	(40,694)
Miscellaneous	-	-	243	243
<i>Total Revenues</i>	<u>6,140,500</u>	<u>6,140,500</u>	<u>6,356,295</u>	<u>215,795</u>
EXPENDITURES				
Current				
Support services	20	20	-	20
* Debt Service				
Principal	4,615,650	4,615,650	4,750,650	(135,000)
Interest	1,524,815	1,524,815	1,385,586	139,229
<i>Total Expenditures</i>	<u>6,140,485</u>	<u>6,140,485</u>	<u>6,136,236</u>	<u>4,249</u>
NET CHANGES IN FUND BALANCE	15	15	220,059	220,044
FUND BALANCE, beginning	<u>270,000</u>	<u>270,000</u>	<u>191,471</u>	<u>(78,529)</u>
FUND BALANCE, ending	<u>\$ 270,015</u>	<u>\$ 270,015</u>	<u>\$ 411,530</u>	<u>\$ 141,515</u>

* Level at which expenditure appropriation authority is measured - not an overexpenditure

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	<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						
Investment earnings	\$ 20,000	\$ 20,000	\$ 62,483	\$ 42,483	\$ -	\$ 62,483
Miscellaneous	-	-	31,054	31,054	-	31,054
<i>Total Revenues</i>	20,000	20,000	93,537	73,537	-	93,537
EXPENDITURES						
Current						
Support services	-	-	35,585	(35,585)	-	35,585
Facilities acquisition and construction	3,993,046	114,178,630	4,217,892	109,960,738	(3,726,520)	491,372
Capital outlay	-	-	-	-	3,726,520	3,726,520
Debt service						
*Refunding bond issuance costs	-	-	633,266	(633,266) *	-	633,266
<i>Total Expenditures</i>	3,993,046	114,178,630	4,886,743	109,291,887	-	4,886,743
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,973,046)	(114,158,630)	(4,793,206)	109,365,424	-	(4,793,206)
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	-	8,250,000	8,250,000	-	8,250,000
Issuance of long-term debt	-	99,298,118	99,298,118	-	-	99,298,118
Premium on bonds issued	-	10,887,466	10,887,467	1	-	10,887,467
Payment to refunded bond escrow agent	-	-	(8,187,427)	(8,187,427) *	-	(8,187,427)
<i>Total Other Financing Sources (Uses)</i>	-	110,185,584	110,248,158	62,574	-	110,248,158
NET CHANGES IN FUND BALANCE	(3,973,046)	(3,973,046)	105,454,952	109,427,998	-	105,454,952
FUND BALANCE, beginning	3,973,046	3,973,046	3,942,290	(30,756)	-	3,942,290
FUND BALANCE, ending	\$ -	\$ -	\$ 109,397,242	\$ 109,397,242	\$ -	\$ 109,397,242

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

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 a 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 BALANCES –
BUDGET AND ACTUAL – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 254,123	\$ 254,123	\$ 122,326	\$ (131,797)
EXPENDITURES				
Current				
Instruction	175,000	175,000	95,757	79,243
Support services	79,123	79,123	1,000	78,123
<i>Total Expenditures</i>	<u>254,123</u>	<u>254,123</u>	<u>96,757</u>	<u>157,366</u>
NET CHANGES IN FUND BALANCE	-	-	25,569	25,569
FUND BALANCE, beginning	-	-	(498)	(498)
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,071</u>	<u>\$ 25,071</u>

OTHER SCHEDULES

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
REVENUE SUMMARY – ALL FUNDS
YEAR ENDED JUNE 30, 2021

<i>Code</i>	<i>Function</i>	<i>General Fund</i>	<i>Special Revenue</i>
LOCAL REVENUES			
1110	Ad valorem taxes levied by district	\$ 17,211,846	\$ -
1130	Construction excise tax revenue	-	199,740
1190	Penalties and interest on taxes	59,432	-
1200	Revenue from local governmental units other than districts	744	22,969
1312	Tuition from other districts within the state	122,100	-
1500	Earnings on investments	193,614	11,079
1600	Food service	-	23
1700	Extracurricular activities	-	321,065
1800	Community services activities	-	-
1910	Rentals	122,890	-
1920	Contributions, donations and general fundraising from private sources	583	60,379
1970	Services provided other funds	-	-
1980	Fees charged to grants	5,396	-
1990	Miscellaneous	124,966	118,934
1000	<i>Total Local Revenues</i>	17,841,571	734,189
INTERMEDIATE REVENUES			
2101	County school funds	192,229	-
2102	General education service district funds	1,388,170	-
2199	Other intermediate sources	44,716	-
2200	Restricted revenue	-	455,132
2800	Revenue in lieu of taxes	-	110,105
2000	<i>Total Intermediate Revenues</i>	1,625,115	565,237
STATE REVENUES			
3101	State school fund - general support	41,238,080	-
3102	State school fund - school lunch match	-	25,028
3103	Common school fund	622,716	-
3199	Other unrestricted grants-in-aid	210,867	24,979
3222	State school fund (SSF) transportation equipment	-	150,397
3299	Other restricted grants-in-aid	-	3,894,373
3000	<i>Total State Revenues</i>	42,071,663	4,094,777
FEDERAL REVENUES			
4300	Restricted revenue direct from the federal government	-	20,185
4500	Restricted revenue from the federal government through the state	17,468	9,284,866
4700	Grants-in-aid from the federal government through other intermediate agencies	-	153,432
4801	Federal forest fees	187,800	-
4900	Revenue for/on behalf of the district	-	160,221
4000	<i>Total Federal Revenues</i>	205,268	9,618,704
OTHER SOURCES			
5100	Long-term debt financing sources	64,000	-
5200	Interfund transfers	358,470	184,938
5300	Sale of or compensation for loss of capital assets	5,668	1,000
5000	<i>Total Other Sources</i>	428,138	185,938
5400	FUND BALANCE, Beginning of year	14,952,702	2,721,964
6000	<i>Total Resources</i>	\$ 77,124,457	\$ 17,920,809

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – GENERAL FUND
YEAR ENDED JUNE 30, 2021

<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	\$ 12,943,682	\$ 7,477,614	\$ 5,302,973
1121	Middle/junior high school programs	5,534,718	3,217,969	2,231,271
1122	Middle/junior high school extracurricular	17,380	11,703	5,178
1131	High school programs	6,552,194	3,795,472	2,666,560
1132	High school extracurricular	594,781	414,660	177,464
1140	Pre-kindergarten programs	36,702	7,988	2,158
1200	Special programs			
1220	Restrictive programs for students with disabilities	3,298,003	1,622,250	1,278,759
1250	Less restrictive programs for students with disabilities	3,881,655	2,174,771	1,617,050
1270	Educationally disadvantaged			
1271	Remediation	40,288	32,319	7,262
1272	Title IA/D	180	128	52
1280	Alternative education	1,403,327	603,288	413,562
1290	Designated programs			
1291	English language learner	1,170,522	693,113	476,635
1292	Teen parent programs	23,005	16,355	6,650
1400	Summer school programs	37,176	26,584	10,593
1000	<i>Total Instruction</i>	35,533,613	20,094,214	14,196,167
SUPPORT SERVICES				
2100	Students			
2110	Attendance and social work services	279,852	83,297	80,396
2120	Guidance services	1,675,718	972,487	693,978
2130	Health services	574,785	343,132	220,799
2140	Psychological services	234,955	133,310	91,758
2150	Speech pathology and audiology services	949,607	552,525	378,313
2190	Service direction, student support services	555,724	313,614	206,806
2200	Instructional staff			
2210	Improvement of instruction services	827,545	459,803	282,237
2220	Educational media services	558,021	288,433	252,936
2230	Assessment and testing	409	279	130
2240	Instructional staff development	22,867	12,371	4,991
2300	General administration			
2310	Board of education services	232,324	-	-
2320	Executive administration services	527,399	289,349	184,749
2400	School administration			
2410	Office of the principal services	4,914,010	2,864,117	1,978,446
2500	Business			
2510	Direction of business support services	213,625	127,856	76,090
2520	Fiscal services	568,114	271,349	210,741
2540	Operation and maintenance of plant services	5,801,797	1,681,799	1,125,106
2550	Student transportation services	2,310,962	758,685	545,092
2570	Internal services	299,807	101,868	79,675
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	2,000	-	-
2630	Information services	264,110	159,698	87,422
2640	Staff services	567,561	224,537	308,122
2660	Technology services	1,327,290	611,729	371,294
2700	Supplemental retirement program	625,005	47,101	577,904
2000	<i>Total Support Services</i>	23,333,487	10,297,339	7,756,985

<i>300 Purchased Services</i>	<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>
\$ 20,076	\$ 143,019	\$ -	\$ -	\$ -
9,209	76,269	-	-	-
-	499	-	-	-
22,447	66,347	1,368	-	-
1,264	1,393	-	-	-
26,530	26	-	-	-
377,297	19,697	-	-	-
75,435	14,399	-	-	-
-	707	-	-	-
-	-	-	-	-
381,446	5,020	-	11	-
-	774	-	-	-
-	-	-	-	-
-	-	-	-	-
913,704	328,150	1,368	11	-
116,159	-	-	-	-
8,346	907	-	-	-
4,940	5,734	-	180	-
5,580	4,307	-	-	-
11,930	4,814	-	2,025	-
3,898	31,406	-	-	-
65,831	12,324	-	7,350	-
-	16,652	-	-	-
-	-	-	-	-
4,536	969	-	-	-
216,445	1,250	-	14,629	-
44,006	4,659	-	4,636	-
27,206	22,516	-	21,725	-
6,583	1,106	-	1,990	-
8,622	76,139	-	1,263	-
1,613,719	553,512	393,073	434,588	-
948,546	25,620	-	33,019	-
56,217	62,047	-	-	-
2,000	-	-	-	-
12,275	4,715	-	-	-
4,934	28,254	-	1,714	-
172,119	171,848	-	300	-
-	-	-	-	-
3,333,892	1,028,779	393,073	523,419	-

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2021

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>Salaries</u>	<u>Benefits</u>
ENTERPRISE AND COMMUNITY SERVICES				
3300	Community services	\$ 124,729	\$ 61,252	\$ 58,327
FACILITIES ACQUISITION AND CONSTRUCTION				
4150	Building acquisition, construction, and improvement services	275,965	-	-
OTHER USES				
5100	Debt service	64,000	-	-
5200	Transfers of funds	776,516	-	-
5400	PERS UAL lump sum payment to PERS	1,000,000	-	-
5000	<i>Total Other Uses</i>	1,840,516	-	-
7000	FUND BALANCE, End of year	16,016,148	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 77,124,458</u>	<u>\$ 30,452,805</u>	<u>\$ 22,011,479</u>

<u>Services</u>	<u>Materials</u>	<u>Outlay</u>	<u>Objects</u>	<u>Transfers</u>
\$ 150	\$ -	\$ -	\$ 5,000	\$ -
-	-	275,965	-	-
-	-	-	-	64,000
-	-	-	-	776,516
-	-	-	1,000,000	-
-	-	-	1,000,000	840,516
-	-	-	-	16,016,148
<u>\$ 4,247,746</u>	<u>\$ 1,356,929</u>	<u>\$ 670,406</u>	<u>\$ 1,528,430</u>	<u>\$ 16,856,664</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY - SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

Code	Function	Total	100 Salaries	200 Employee Benefits
	INSTRUCTION			
1100	Regular programs			
1111	Elementary, K-5 or K-6	\$ 2,103,031	\$ 1,101,658	\$ 627,727
1113	Elementary extracurricular	99,047	-	-
1121	Middle/junior high school programs	1,003,915	519,076	211,103
1122	Middle/junior high school extracurricular	21,871	-	-
1131	High school programs	1,606,559	469,725	287,920
1132	High school extracurricular	270,035	5,178	2,086
1140	Pre-kindergarten programs	7,620	-	-
1200	Special programs			
1220	Restrictive programs for students with disabilities	160,793	85,074	74,323
1250	Less restrictive programs for students with disabilities	778,034	450,817	326,105
1270	Educationally disadvantaged			
1271	Remediation	591	420	171
1272	Title IA/D	1,692,810	978,980	701,664
1280	Alternative education	354,851	149,888	85,586
1290	Designated programs			
1291	English language learner - ORS 336.079	48,743	181	157
1299	Other programs	18,526	4,786	388
1400	Summer school programs	112,682	35,235	9,336
1000	Total Instruction	8,279,108	3,801,018	2,326,566
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	31,009	21,487	9,227
2120	Guidance services	391,309	56,312	23,558
2130	Health services	299,636	82,767	42,915
2140	Psychological services	24,387	13,260	9,145
2150	Speech pathology and audiology services	60,361	35,222	25,139
2190	Service direction, student support services	29,635	14,845	10,426
2200	Instructional staff			
2210	Improvement of instruction services	112,825	63,335	47,709
2220	Educational media services	3,562	-	-
2230	Assessment and testing	179,386	25,000	11,536
2240	Instructional staff development	211,164	120,041	65,731
2300	General administration			
2310	Board of education services	34	-	-
2320	Executive administration services	339	-	-
2400	School administration			
2410	Office of the principal services	63,874	23,258	10,419
2500	Business			
2540	Operation and maintenance of plant services	129,640	1,591	679
2550	Student transportation services	303,919	-	-
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	67,603	44,528	14,784
2640	Staff services	41,034	-	-
2660	Technology services	1,943,249	6,208	2,421
2690	Other support services - central	56,223	4,850	1,972
2000	Total Support Services	3,949,189	512,704	275,661

<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>	
\$ 246,035	\$ 126,549	\$ -	\$ 1,062	\$ -
104	98,943	-	-	-
5,589	206,116	62,031	-	-
-	21,871	-	-	-
2,783	698,115	135,337	12,679	-
-	262,771	-	-	-
-	7,620	-	-	-
-	1,396	-	-	-
140	972	-	-	-
-	-	-	-	-
10,022	2,144	-	-	-
9,144	94,156	14,441	1,637	-
12,339	36,067	-	-	-
1,800	11,553	-	-	-
3,417	64,007	-	688	-
291,373	1,632,280	211,809	16,066	-
223	72	-	-	-
282,123	29,316	-	-	-
172,065	1,694	-	195	-
-	1,982	-	-	-
-	-	-	-	-
4,364	-	-	-	-
800	11	-	970	-
-	3,562	-	-	-
136,850	6,000	-	-	-
16,843	3,153	-	5,396	-
-	34	-	-	-
-	339	-	-	-
10,163	17,712	-	2,322	-
50,723	36,376	40,271	-	-
-	-	303,919	-	-
4,165	-	-	4,126	-
-	41,034	-	-	-
44,135	1,890,485	-	-	-
49,321	79	-	-	-
771,775	2,031,849	344,190	13,009	-

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY - SPECIAL REVENUE FUND (Continued)
YEAR ENDED JUNE 30, 2021

<i>Code</i>	<i>Function</i>	<i>Total</i>	<i>100</i> <i>Salaries</i>	<i>200</i> <i>Employee</i> <i>Benefits</i>
	<i>ENTERPRISE AND COMMUNITY SERVICES</i>			
3100	Food services	\$ 2,504,907	\$ 842,307	\$ 589,452
3300	Community services	84,242	28,731	13,906
3500	Custody and care of children services	253,564	138,056	95,813
3000	<i>Total Enterprise and Community Services</i>	2,842,713	1,009,094	699,171
	<i>FACILITIES ACQUISITION AND CONSTRUCTION</i>			
4150	Building acquisition, construction, and improvement services	50,615	-	-
	<i>OTHER USES</i>			
5100	Debt service	185,033	-	-
7000	<i>FUND BALANCE, End of year</i>	2,614,151	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 17,920,809	\$ 5,322,816	\$ 3,301,398

<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>	
\$ 17,949	\$ 1,055,199	\$ -	\$ -	\$ -
6,072	29,196	-	6,337	-
3,175	16,520	-	-	-
27,196	1,100,915	-	6,337	-
250	-	50,365	-	-
-	-	-	185,033	-
-	-	-	-	2,614,151
\$ 1,090,594	\$ 4,765,044	\$ 606,364	\$ 220,445	\$ 2,614,151

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>100 Salaries</u>	<u>200 Employee Benefits</u>
	SUPPORT SERVICES			
2100	Students			
2130	Health services	\$ 317,588	\$ 110,925	\$ 79,222
	ENTERPRISE AND COMMUNITY SERVICES			
3300	Community services	1,300	-	-
7000	FUND BALANCE, End of year	<u>965,052</u>	<u>-</u>	<u>-</u>
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,283,940</u>	<u>\$ 110,925</u>	<u>\$ 79,222</u>

<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>	
\$ 94,322	\$ 27,054	\$ -	\$ 6,065	\$ -
-	-	-	1,300	-
-	-	-	-	965,052
<u>\$ 94,322</u>	<u>\$ 27,054</u>	<u>\$ -</u>	<u>\$ 7,365</u>	<u>\$ 965,052</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>100 Salaries</u>	<u>200 Employee Benefits</u>
	OTHER USES			
5100	Debt service	\$ 6,136,236	\$ -	\$ -
7000	FUND BALANCE, End of year	<u>411,530</u>	<u>-</u>	<u>-</u>
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 6,547,766</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>
\$ -	\$ -	\$ -	\$ 6,136,236	\$ -
-	-	-	-	411,530
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,136,236</u>	<u>\$ 411,530</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>100 Salaries</u>	<u>200 Employee Benefits</u>
	SUPPORT SERVICES			
2600	Central activities			
2660	Technology services	\$ 35,585	\$ -	\$ -
	FACILITIES ACQUISITION AND CONSTRUCTION			
4110	Service area direction	182,040	40,209	17,111
4150	Building acquisition, construction, and improvement services	3,794,123	-	-
4180	Other capital items	241,729	-	-
4000	<i>Total Facilities Acquisition and Construction</i>	4,217,892	40,209	17,111
	OTHER USES			
5100	Debt service	8,820,693	-	-
7000	FUND BALANCE, End of year	109,397,242	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 122,471,412</u>	<u>\$ 40,209</u>	<u>\$ 17,111</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>
\$ -	\$ 35,585	\$ -	\$ -	\$ -
123,462	825	-	433	-
339,516	289	3,452,172	2,146	-
-	10,559	231,052	118	-
462,978	11,673	3,683,224	2,697	-
-	-	-	8,820,693	-
-	-	-	-	109,397,242
<u>\$ 462,978</u>	<u>\$ 47,258</u>	<u>\$ 3,683,224</u>	<u>\$ 8,823,390</u>	<u>\$ 109,397,242</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
REVENUE SUMMARY – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

<u>Code</u>	<u>Function</u>	<u>Internal Service</u>
LOCAL REVENUES		
1970	Services provided other funds	\$ 26,644
1990	Miscellaneous	95,682
		<hr/>
1000	<i>Total Local Revenues</i>	122,326
5400	FUND BALANCE, Beginning of year	(498)
		<hr/>
6000	<i>Total Resources</i>	<u>\$ 121,828</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
EXPENDITURE SUMMARY – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

<u>Code</u>	<u>Function</u>	<u>Total</u>	<u>100 Salaries</u>	<u>200 Employee Benefits</u>
	<i>INSTRUCTION</i>			
1100	Regular programs			
1111	Elementary, K-5 or K-6	\$ 93,021	\$ 59,864	\$ 32,767
1132	High school extracurricular	2,736	-	-
		<hr/>	<hr/>	<hr/>
1000	<i>Total Instruction</i>	95,757	59,864	32,767
	<i>SUPPORT SERVICES</i>			
2200	Instructional staff			
2240	Instructional staff development	1,000	-	-
		<hr/>	<hr/>	<hr/>
7000	<i>FUND BALANCE, End of year</i>	25,071	-	-
		<hr/>	<hr/>	<hr/>
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 121,828</u>	<u>\$ 59,864</u>	<u>\$ 32,767</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>
\$ -	\$ 390	\$ -	\$ -	\$ -
-	2,795	-	(59)	-
-	3,185	-	(59)	-
-	1,000	-	-	-
-	-	-	-	25,071
<u>\$ -</u>	<u>\$ 4,185</u>	<u>\$ -</u>	<u>\$ (59)</u>	<u>\$ 25,071</u>

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF SUPPLEMENTAL INFORMATION AS REQUIRED BY OREGON DEPARTMENT OF
EDUCATION
YEAR ENDED JUNE 30, 2021

SUPPLEMENTAL INFORMATION, 2020-2021

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	\$	1,279,465
Function 2550	\$	36,724

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

\$	17,254
----	--------

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>	98-105
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>	106-110
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	111-114
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>	115-117
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>	118-121
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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Current and other assets	\$ 138,462,289	\$ 29,840,743	\$ 24,439,670
Net capital assets	80,744,934	78,855,734	79,842,480
<i>Total Assets</i>	219,207,223	108,696,477	104,282,150
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows	35,720,317	31,580,174	25,745,425
<i>Total Assets and Deferred Outflows of Resources</i>	254,927,540	140,276,651	130,027,575
LIABILITIES			
Accounts payable and other liabilities	8,087,017	6,120,822	5,979,069
Long-term liabilities	258,934,637	143,650,551	127,552,557
<i>Total Liabilities</i>	267,021,654	149,771,373	133,531,626
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows	7,314,140	5,472,295	5,121,329
<i>Total Liabilities and Deferred Inflows of Resources</i>	274,335,794	155,243,668	138,652,955
NET POSITION			
Net investment in capital assets	32,863,932	31,271,276	29,685,176
Restricted for:			
Debt service	-	243,804	372,702
Unrestricted	(52,272,186)	(46,482,097)	(38,683,258)
<i>Total Net Position</i>	<u>\$ (19,408,254)</u>	<u>\$ (14,967,017)</u>	<u>\$ (8,625,380)</u>

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

Fiscal Year						
2018	2017	2016	2015	2014	2013	2012
\$ 23,306,203	\$ 22,294,555	\$ 27,426,735	\$ 50,817,680	\$ 66,710,355	\$ 25,210,993	\$ 19,058,506
79,673,176	79,296,438	78,330,746	73,575,133	46,825,511	43,334,118	44,096,686
102,979,379	101,590,993	105,757,481	124,392,813	113,535,866	68,545,111	63,155,192
22,655,578	36,360,478	7,314,155	5,560,386	-	-	-
125,634,957	137,951,471	113,071,636	129,953,199	113,535,866	68,545,111	63,155,192
5,372,588	5,455,338	5,188,640	8,501,598	5,969,686	3,269,057	9,183,036
125,576,559	137,530,894	86,267,132	63,660,124	65,738,686	27,473,315	19,832,587
130,949,147	142,986,232	91,455,772	72,161,722	71,708,372	30,742,372	29,015,623
2,173,523	1,280,171	6,267,158	21,221,774	-	-	-
133,122,670	144,266,403	97,722,930	93,383,496	71,708,372	30,742,372	29,015,623
30,572,383	30,377,559	27,146,288	28,370,475	29,980,258	29,155,144	26,971,686
621,115	878,207	975,048	852,641	217,755	767,399	588,933
(38,681,211)	(35,944,491)	(12,772,630)	7,346,587	11,629,481	7,880,196	6,578,950
<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>	<u>\$ 34,139,569</u>

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

	2021	2020	2019	2018
EXPENSES				
Instructional services	\$ 48,930,215	\$ 45,489,928	\$ 42,133,247	\$ 40,768,082
Support services	30,128,843	28,390,867	24,094,300	23,753,421
Enterprise and community services	3,227,788	3,311,222	3,272,278	3,142,288
Facilities acquisition and construction	2,812,559	1,810,788	2,381,547	2,342,307
Interest on long-term liabilities	3,645,748	2,812,217	1,895,909	1,836,724
<i>Total Expenses</i>	<u>88,745,153</u>	<u>81,815,022</u>	<u>73,777,281</u>	<u>71,842,822</u>
PROGRAM REVENUES				
Charges for services				
Instructional services	443,168	921,028	1,241,550	1,297,221
Support services	122,892	105,704	142,672	124,444
Enterprise and community services	20	202,945	266,530	290,861
Operating grants and contributions				
Instructional services	11,771,153	6,860,882	8,037,804	6,407,070
Support services	166,789	150,394	83,410	50,120
Enterprise and community services	2,320,772	36,742	46,917	24,027
<i>Total Program Revenues</i>	<u>14,824,794</u>	<u>8,277,695</u>	<u>9,818,883</u>	<u>8,193,743</u>
NET (EXPENSES)	(73,920,359)	(73,537,327)	(63,958,398)	(63,649,079)
GENERAL REVENUES				
Property taxes, levies for general purposes	17,233,678	16,678,859	16,026,122	14,977,715
Property taxes, levies for debt service	6,319,609	5,212,693	4,898,462	4,762,834
Construction excise tax	199,740	202,434	136,927	255,323
State school fund	41,238,080	40,786,945	38,596,756	38,659,745
Common school fund	622,716	586,373	637,724	623,529
Unrestricted state and local funds	2,323,755	2,043,881	1,102,395	554,214
Earnings on investments	292,823	649,823	726,947	463,102
Miscellaneous	517,013	885,198	617,314	546,446
Gain on disposal of capital assets	6,668	149,484	78,084	7,183
<i>Total General Revenues</i>	<u>68,754,082</u>	<u>67,195,690</u>	<u>62,820,731</u>	<u>60,850,091</u>
CHANGE IN NET POSITION	\$ (5,166,277)	\$ (6,341,637)	\$ (1,137,667)	\$ (2,798,988)

		Fiscal Year					
		2017	2016	2015	2014	2013	2012
\$	50,531,685	\$ 49,907,806	\$ 24,093,425	\$ 29,306,992	\$ 28,827,126	\$ 31,164,003	
	27,259,401	25,962,277	14,532,451	18,122,976	18,036,716	19,391,817	
	3,513,512	3,181,898	2,019,680	2,334,837	3,268,376	2,170,139	
	3,560,375	4,460,894	3,577,005	3,308,316	444,777	764,784	
	1,867,984	1,848,912	1,886,502	1,315,665	518,847	961,803	
	<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>	<u>54,452,546</u>	
	2,213,306	33,474	9,600	12,820	66,859	36,672	
	127,969	122,730	95,339	88,289	103,846	110,103	
	207,019	233,911	306,370	283,623	276,587	295,732	
	6,275,170	7,406,012	5,935,859	5,526,146	5,380,686	7,222,202	
	51,849	59,461	1,610,000	1,579,747	1,555,538	1,519,739	
	23,535	20,758	20,657	28,561	46,945	21,607	
	<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>	<u>9,206,055</u>	
	(77,834,109)	(77,485,441)	(38,131,238)	(46,869,600)	(43,665,381)	(45,246,491)	
	14,297,136	13,794,212	13,130,246	12,021,803	12,092,378	12,040,513	
	4,615,732	4,608,926	4,591,214	4,747,104	4,489,989	4,267,847	
	310,969	131,098	146,908	153,512	144,847	76,936	
	34,751,908	35,072,395	31,631,980	31,184,043	28,116,085	27,621,735	
	759,223	734,385	604,536	592,073	626,493	567,476	
	481,682	520,694	653,526	505,212	752,783	389,885	
	323,047	228,111	285,080	242,200	121,277	136,170	
	630,773	1,174,623	1,167,159	1,448,408	1,166,475	1,213,796	
	-	-	-	-	-	-	
	<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>46,314,358</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>	<u>\$ 1,067,867</u>	

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Non-spendable	\$ -	\$ 278,113	\$ -	\$ 256,000
Committed	294,805	786,462	995,107	4,188
Assigned	3,707,340	2,607,004	2,015,078	-
Unassigned	12,014,003	11,280,627	10,234,960	7,737,949
Total general fund	<u>\$ 16,016,148</u>	<u>\$ 14,952,206</u>	<u>\$ 13,245,145</u>	<u>\$ 7,998,137</u>
All Other Governmental Funds				
Non-spendable	\$ 69,875	\$ 167,761	\$ 66,069	\$ 156,366
Restricted	109,808,772	4,133,761	1,026,765	2,065,549
Committed	2,544,276	2,554,162	1,116,439	2,860,172
Assigned	965,052	768,716	2,641,976	4,038,049
Total all other governmental funds	<u>\$ 113,387,975</u>	<u>\$ 7,624,400</u>	<u>\$ 4,851,249</u>	<u>\$ 9,120,136</u>

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
395,267	437,938	491,499	506,520	517,427	-
-	-	-	-	-	-
6,078,226	7,050,308	8,483,932	9,242,354	5,606,433	4,704,418
<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>	<u>\$ 4,704,418</u>
\$ 39,967	\$ 43,592	\$ 23,505	\$ 24,107	\$ 26,608	\$ 35,130
3,698,616	7,853,470	16,512,007	46,897,897	11,036,495	240,399
2,431,490	2,813,756	2,035,941	1,216,115	1,150,613	1,511,931
3,244,820	3,097,380	3,198,572	2,855,935	2,645,022	2,412,139
<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>	<u>\$ 4,199,599</u>

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

	2021	2020	2019	2018
REVENUES				
Local sources	\$ 25,291,316	\$ 25,460,424	\$ 24,846,345	\$ 23,201,414
Intermediate sources	2,190,352	2,007,666	2,053,759	1,590,709
State sources	46,182,832	42,704,000	41,543,297	39,881,036
Federal sources	9,823,971	5,644,679	6,317,136	6,048,357
<i>Total Revenues</i>	<u>83,488,471</u>	<u>75,816,769</u>	<u>74,760,537</u>	<u>70,721,516</u>
EXPENDITURES				
Current operating				
Instruction	43,647,218	39,688,779	38,700,198	36,900,233
Support services	26,925,289	25,179,695	23,894,025	23,100,711
Enterprise and community services	2,968,741	2,991,723	3,064,686	2,929,725
Facilities acquisition & construction	491,622	731,853	113,356	423,191
Debt service				
Principal	4,814,650	4,332,342	3,440,249	3,053,909
Interest	1,570,619	1,199,861	1,955,790	2,016,200
Refinancing costs	633,266	35,800	-	-
Capital outlay	4,928,914	1,225,443	2,699,262	2,674,843
<i>Total Expenditures</i>	<u>85,980,319</u>	<u>75,385,496</u>	<u>73,867,566</u>	<u>71,098,812</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,491,848)	431,273	892,971	(377,296)
OTHER FINANCING SOURCES (USES)				
Transfers in	776,516	413,888	572,854	484,974
Transfers out	(776,516)	(413,888)	(572,854)	(484,974)
Issuance of long-term debt	107,548,118	33,254,573	-	1,600,000
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	-	-	-
Proceeds from the sale of property	6,668	149,484	85,149	7,183
PERS UAL lump sum payment to PERS	(1,000,000)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>109,318,826</u>	<u>4,048,939</u>	<u>85,149</u>	<u>1,607,183</u>
NET CHANGE IN FUND BALANCES	<u>\$ 106,826,978</u>	<u>\$ 4,480,212</u>	<u>\$ 978,120</u>	<u>\$ 1,229,887</u>
Debt service as a percentage of noncapital expenditures	7.88%	7.46%	7.58%	7.41%

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 22,874,423	\$ 20,685,904	\$ 19,996,500	\$ 19,316,806	\$ 18,762,877	\$ 18,223,061
1,413,513	1,823,136	2,456,056	1,502,394	465,757	418,279
35,744,779	37,146,370	34,547,412	33,500,167	30,489,306	31,260,764
6,169,925	6,094,870	5,418,416	5,523,511	5,246,800	5,785,666
<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>	<u>55,687,770</u>
37,471,572	36,264,812	33,456,684	29,444,718	28,871,580	31,159,833
22,188,147	21,872,637	21,165,499	19,330,945	18,001,375	19,370,791
2,939,729	2,607,229	2,428,783	2,307,429	2,120,990	2,142,818
1,235,535	1,553,429	2,457,010	2,131,372	848,373	4,231
2,699,000	2,435,000	1,720,000	3,695,000	3,760,000	9,575,000
2,039,497	2,200,659	3,037,189	744,293	556,954	961,623
-	-	-	-	-	-
3,107,621	8,265,526	28,150,691	4,813,715	24,105	374,617
<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>	<u>63,588,913</u>
(5,478,461)	(9,449,012)	(29,997,472)	(2,624,594)	781,363	(7,901,143)
816,962	538,453	865,043	40,000	1,251,601	977,634
(816,962)	(538,453)	(865,043)	(40,000)	(1,251,601)	(977,634)
4,162,000	-	-	42,384,924	22,843,994	-
-	-	-	-	-	-
(4,091,597)	-	-	-	(11,365,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,403</u>	<u>-</u>	<u>-</u>	<u>42,384,924</u>	<u>11,478,994</u>	<u>-</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>	<u>\$ (7,901,143)</u>
6.91%	6.93%	7.40%	7.70%	7.97%	16.67%

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	
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
2012	2,451,476,747	111,719,503	60,736,127	135,062,690	2,758,995,067

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)
\$ 6.13	\$ 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
6.11	16,857,459	(199,736)	16,657,723

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
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
2012	4.5067	1.60	6.11

Fiscal Year	Overlapping Total Property Tax Rates				
	City of Eugene	Junction City Water Control	Lane County	Lane Community College	River Road Park and Recreation
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
2012	8.1842	0.0283	1.3942	0.8782	3.8791
2011	8.4400	0.2800	1.3900	0.8600	3.8900

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
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021			Percentage of Total Taxable
	Tax Amount	Assessed Amount	Rank	
Ten Largest Taxpayers				
Verizon Communications	\$ 1,339,089	\$ 78,689,000	1	1.97 %
Seneca Sawmill Co	1,007,594	90,625,653	2	2.27
Weyerhaeuser NR Company	887,924	52,088,363	3	1.31
Shepard Investment Group LLC	573,417	32,961,688	4	0.83
Arauco North America	422,398	24,761,433	5	0.62
SFPP LP	401,810	36,135,305	6	0.91
Heron Meadows SIG LLC	388,031	22,314,615	7	0.56
Taft Group I Inc	322,574	18,504,636	8	0.46
Metropolitan Life Ins Co	303,925	17,569,875	9	0.44
Skywest Airlines	300,225	32,796,600	10	0.82
Subtotal of Ten Largest Taxpayers		406,447,168		10.2
All Other Taxpayers		3,581,706,130		89.8
Total All Taxpayers		<u>\$ 3,988,153,298</u>		<u>100.00%</u>

Taxpayer	2012			Percentage of Total Taxable
	Tax Amount	Assessed Amount	Rank	
Ten Largest Taxpayers				
Verizon Communications	\$ 839,344	\$ 51,158,400	1	1.9 %
Weyerhaeuser NR Company	336,742	20,434,143	2	0.7
SFPP LP	317,890	28,901,700	3	1.0
Heron Meadows Apartments NW LLC	286,534	17,102,295	4	0.6
Datalogic Scanning Inc	266,045	16,201,843	5	0.6
Seneca Sawmill Co	247,472	23,281,546	6	0.8
Taft Group I Inc	238,061	14,211,171	7	0.5
Flakeboard America LTD	235,071	14,012,435	8	0.5
Metropolitan Life Ins Co	207,890	12,476,323	9	0.5
Sun Communities Operating	189,545	11,314,279	10	0.4
Subtotal of Ten Largest Taxpayers		209,094,135		7.6
All Other Taxpayers		2,549,900,932		92.4
Total All Taxpayers		<u>\$ 2,758,995,067</u>		<u>100.00%</u>

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
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
2012	16,646,181	15,719,062	94.43	284,977	16,004,039	96.14

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
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

General Bonded Debt					
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property	Per Student
2021	\$ 160,449,121	\$ 392,532	\$ 160,056,589	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
2012	17,125,000	6,161,960	10,963,040	0.62	3,038

Other Governmental Activities Debt

Fiscal Year	Capital Leases	Total District	Per Student	Per Capita	Total Debt as Percentage of Personal Income
2021	\$ -	\$ 160,449,121	\$ 30,302	n/a*	n/a*
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
2012	-	17,125,000	3,038	48	1.34

* 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, 2021

Overlapping Issuer	Outstanding Net Property-tax Backed Debt	Percent Overlapping	Net Overlapping Debt
City of Eugene	\$ 40,242,000	16.37%	\$ 6,586,851
Lane Community College	158,975,000	9.85%	15,666,350
Lane County	16,355,000	10.00%	1,635,991
Lane County Housing Authority	8,533,828	10.00%	853,639
Lane ESD	6,001,972	10.03%	601,788
River Road Parks & Recreation	329,000	2.11%	6,954
Subtotal, overlapping debt	\$ 230,436,800		\$ 25,351,573
Direct District net property-tax backed debt			147,101,634
Total direct and overlapping debt			\$ 172,453,207

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 194,892,401	\$ 199,985,436	\$ 206,396,374	\$ 214,583,318	\$ 226,308,789	\$ 234,451,415
Total net debt applicable to limit	<u>10,963,040</u>	<u>22,465,601</u>	<u>62,716,610</u>	<u>60,604,496</u>	<u>57,707,011</u>	<u>55,720,209</u>
Legal debt margin	<u>\$ 183,929,361</u>	<u>\$ 177,519,835</u>	<u>\$ 143,679,764</u>	<u>\$ 153,978,822</u>	<u>\$ 168,601,778</u>	<u>\$ 178,731,206</u>
Total net debt applicable to the limit as a percentage of debt limit	5.63%	11.23%	30.39%	28.24%	25.50%	23.77%

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$246,674,356	\$260,143,151	\$ 268,629,107	\$ 277,206,670
<u>54,081,426</u>	<u>50,526,624</u>	<u>54,217,901</u>	<u>160,056,589</u>
<u>\$192,592,930</u>	<u>\$209,616,527</u>	<u>\$ 214,411,206</u>	<u>\$ 117,150,081</u>
21.92%	19.42%	20.18%	57.74%

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
2021	n/a	n/a	n/a	7.5
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
2012	354,542	12,778,642	35,940	8.9

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
PRINCIPAL EMPLOYERS FOR THE EUGENE AREA
CURRENT YEAR AND NINE YEARS AGO

<i>Company</i>	2021			2012		
	<i>Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>	<i>Number of Employees</i>	<i>Rank</i>	<i>Percentage of Total Employment</i>
PeaceHealth Corporation	5,347	1	3.54 %	4,212	1	2.62 %
University of Oregon	5,038	2	3.34	4,038	2	2.51
Lane County School District 4J	2,347	3	1.56	2,794	3	1.74
U.S. Government	1,813	4	1.20	1,667	6	1.04
Oregon State Government	1,805	5	1.20	1,781	5	1.11
City of Eugene	1,733	6	1.15	1,310	7	0.82
Lane Community College	1,721	7	1.14	1,118	9	0.70
Lane County Government	1,552	8	1.03	2,000	4	1.24
Springfield School District	1,130	9	0.75	1,300	8	0.81
Mckenzie-Willamette Medical Center	1,060	10	0.70	0	0	0.00
Wal-Mart				1,050	10	0.65
<i>Total Major Employers</i>	<u>23,546</u>		<u>15.61</u>	<u>21,270</u>		<u>13.24</u>
<i>Total All Employers</i>	<u><u>150,839</u></u>		<u><u>100.00 %</u></u>	<u><u>160,650</u></u>		<u><u>100.00 %</u></u>

Source:

Eugene Chamber of Commerce and Oregon Employment Department

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>
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>
2021	\$ 59,276,220	5,295	\$ 11,195	2.95%
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>
295	17.95	5,275
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, 2021

<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	266	64%
Danebo Elementary	1965	46,200	464	274	59%
Fairfield Elementary	2015	65,000	680	367	54%
Irving Elementary	1965	56,000	492	280	57%
Malabon Elementary	2015	61,500	760	360	47%
Meadow View School	1998	114,800	836	693	83%
Prairie Mountain School	2004	125,700	848	642	76%
Cascade Middle School	1955	86,700	504	371	74%
Shasta Middle School	1961	88,900	560	425	76%
Kalapuya Alternative School	2002	12,400	175	86	49%
Willamette High School	1949	265,770	1,550	1,531	99%
			<u>7,285</u>	<u>5,295</u>	<u>73%</u>

Source:
School District records.

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
OPERATING STATISTICS - FREE AND REDUCED LUNCHES
YEAR ENDED JUNE 30, 2021

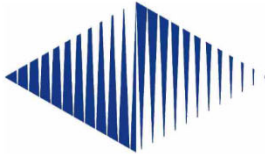
<u>School</u>	<u>Enrollment</u>	<u>Non-Community Eligibility Provision (CEP) Counts by School</u>			<u>Percent Free or Reduced</u>
		<u>Free</u>	<u>Reduced</u>	<u>FFRD</u>	
Willamette High School	1,541	527	101	628	41%
Total	1,541	527	101	628	41%

Non-CEP Schools reflect actual Free and Reduced percentages.

<u>School</u>	<u>Enrollment</u>	<u>Community Eligibility Provision (CEP) Counts by School</u>			<u>Percent Free or Reduced</u>
		<u>Identified Eligible</u>	<u>Factor</u>		
Cascade Middle	368	177	1.6	283	77%
Clear Lake Elementary	257	121	1.6	194	75%
Danebo Elementary	291	139	1.6	222	76%
Fairfield Elementary	379	223	1.6	357	94%
Irving Elementary	327	84	1.6	134	41%
Kalapuya Alternative School	149	72	1.6	115	77%
Malabon Elementary	419	212	1.6	339	81%
Meadow View School	765	208	1.6	333	44%
Prairie Mountain School	678	252	1.6	403	59%
Shasta Middle	377	142	1.6	227	60%
Total	4,010	1,630	1.6	2,607	65%
District Totals	5,551			3,236	58%

Community Eligibility Provision (CEP) is a meal service option for school districts allowing breakfast and lunch to be served at no cost to all enrolled students. A proxy percentage is used based on multiplying the number of students identified eligible for SNAP, TANF or FDPIR benefits, are certified McKinney-Vento, migrant or in foster care x 1.6.

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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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, 2021, and have issued our report thereon dated December 30, 2021.

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, except for expenditures that exceeded budget appropriations as noted in the notes to the basic financial statements.

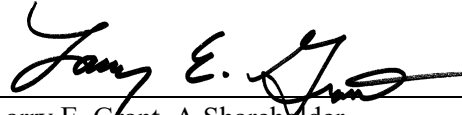
Internal Control

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, 2021

BETHEL SCHOOL DISTRICT NO. 52, LANE COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Expenditures</i>
U.S. Department of Education			
Direct programs			
Indian Education Grants to Local Educational Agencies	S060A192424	84.060A	\$ 9,649
Indian Education Grants to Local Educational Agencies	S060A202424	84.060A	10,536
<i>Subtotal Indian Education Grants</i>			20,185
Passed Through Oregon Department of Education			
Title I Grants to Local Educational Agencies	53221	84.010	136,756
Title I Grants to Local Educational Agencies	58216	84.010	1,645,252
Title I Grants to Local Educational Agencies	60357	84.010	43,700
Title I Grants to Local Educational Agencies	65079	84.010	4,156
<i>Subtotal Title I Grants to Local Educational Agencies</i>			1,829,864
Student Support and Academic Enrichment Program	54473	84.424	2,191
Student Support and Academic Enrichment Program	58533	84.424	32,290
<i>Subtotal Student Support and Academic Enrichment Program</i>			34,481
Special Education Cluster (IDEA)			
Special Education - Grants to States	59420	84.027	173,386
Special Education - Grants to States	53756	84.027	454,143
Special Education - Grants to States	60615	84.027	551,600
Special Education - Grants to States	56602	84.027	651
<i>Subtotal Special Education - Grants to States</i>			1,179,780
Special Education Preschool Grants	60462	84.173	6,697
<i>Subtotal Special Education Grants Cluster (IDEA)</i>			1,186,477
Special Education - State Personnel Development	47582	84.323	22,405
English Language Acquisition State Grants	53404	84.365	23,039
English Language Acquisition State Grants	58456	84.365	11,258
<i>Subtotal English Language Acquisition State Grants</i>			34,297
Supporting Effective Instruction State Grants	49260	84.367	31,244
Supporting Effective Instruction State Grants	53483	84.367	100,431
Supporting Effective Instruction State Grants	58714	84.367	66,867
<i>Subtotal Supporting Effective Instruction State Grants</i>			198,542
Covid-19 Education Stabilization Fund	57763	84.425D	1,304,291
Covid-19 Education Stabilization Fund	60881	84.425D	149,343
Covid-19 Education Stabilization Fund	64533	84.425D	2,124,720
Covid-19 Education Stabilization Fund	64838	84.425U	226,598
Passed through Higher Education Coordinating Commission			
Covid-19 Education Stabilization Fund	21-038T	84.425C	3,137
<i>Subtotal Covid-19 Education Stabilization Fund</i>			3,808,089

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, 2021

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Expenditures</i>
<i>Passed Through Lane ESD</i>			
Career and Technical Education - Basic Grants to States	IGA LESD	84.048	\$ 13,521
<i>Total U.S. Department of Education</i>			7,127,676
<i>U.S. Department of Transportation</i>			
<i>Passed through Lane Transit District</i>			
<i>Highway Planning and Construction Cluster</i>			
Highway Planning and Construction	IGA 2017-70	20.205	12,771
<i>Passed through Lane Council of Governments</i>			
Highway Planning and Construction	IGA	20.205	18,156
<i>Subtotal Highway Planning and Construction Cluster</i>			30,927
<i>Total U.S. Department of Transportation</i>			30,927
<i>U.S. Department of Labor</i>			
<i>Passed through Lane Education Service District</i>			
<i>WIOA Cluster</i>			
WIOA Youth Activities	WIOA-21-01	17.259	93,659
<i>Subtotal WIOA Cluster</i>			93,659
<i>Total U.S. Department of Labor</i>			93,659
<i>U.S. Department of Health & Human Services</i>			
<i>Passed through Oregon Department of Education</i>			
Foster Care Title IV-E	57109	93.658	197
<i>Subtotal Foster Care Title IV-E</i>			197
<i>Passed through Oregon Department of Human Services</i>			
Medical Assistance Program	N/A	93.778	5,580
<i>Subtotal Medical Assistance Program</i>			5,580
<i>Passed through the United Way</i>			
Promoting Safe and Stable Families	N/A	93.556	4,967
Promoting Safe and Stable Families	N/A	93.556	10,349
<i>Subtotal Promoting Safe and Stable Families</i>			15,316
<i>Total U.S. Department of Health & Human Services</i>			21,093

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, 2021

<i>Federal Grantor/Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Expenditures</i>
U.S. Department of Homeland Security			
Passed Through Oregon Office of Emergency Management			
Disaster Grants - Public Assistance	FEMA-DR-4562-OR	97.036	\$ 11,690
Total U.S. Department of Homeland Security			<u>11,690</u>
U.S. Department of Agriculture			
Passed Through Lane County, Oregon			
<i>Forest Service Schools and Roads Cluster</i>			
Schools and Roads - Grants to States	N/A	10.665	187,800
Subtotal Forest Service Schools and Roads Cluster			<u>187,800</u>
Passed Through Oregon Department of Education			
<i>Child Nutrition Cluster</i>			
National School Lunch Program (NSLP)	N/A	10.555	160,221
Summer Food Service Program for Children (SFSPC)	N/A	10.559	2,104,273
Subtotal Child Nutrition Cluster			<u>2,264,494</u>
Child and Adult Care Food Program (CACFP)	N/A	10.558	6,640
Fresh Fruit and Vegetable Program	Various	10.582	48,033
Total U.S. Department of Agriculture			<u>2,506,967</u>
U.S. Environmental Protection Agency			
Passed through Other Intermediate Agencies			
Environmental Education Grants	N/A	66.951	11
Total U.S. Environmental Protection Agency			<u>11</u>
U.S. Department of Defense			
Passed through Department of the Army, Office of the Chief of Engineers			
Youth Conservation Services	W9127N2120002	12.010	11,765
Total U.S. Department of Defense			<u>11,765</u>
Total Federal Expenditures			<u>\$ 9,823,972</u>

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, 2021

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, 2021. 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

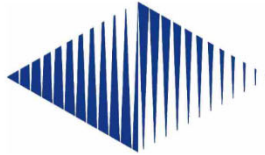
Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the Bethel School District No. 52 are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as 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, 2021.

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.



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, 2021, 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, 2021.

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. 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 may exist that have not been 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*.

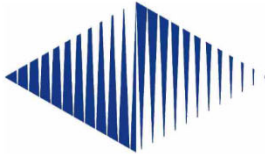
Purpose of this Report

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.



CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2021



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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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

We have audited Bethel School District No. 52, Lane County, Oregon (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance


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

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

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

Purpose of this Report

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.


CERTIFIED PUBLIC ACCOUNTANTS
December 30, 2021

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

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?	None reported
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)?	No

Major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 & 84.173 84.425	Special Education Cluster (IDEA) Education Stabilization Fund

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

BETHEL SCHOOL DISTRICT NO. 52. LANE COUNTY, OREGON
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.