



SUTHERLIN SCHOOL DISTRICT NO. 130
SUTHERLIN, OREGON

ANNUAL FINANCIAL REPORT

JUNE 30, 2021

SUTHERLIN SCHOOL DISTRICT NO. 130

531 East Central Avenue
Sutherlin, Oregon 97479
(541) 459-2228

DISTRICT OFFICIALS

JR GUTHRIE Board Chair
1736 E. Fourth Avenue, Sutherlin, OR 97479

JUSTIN PETERMAN Vice Chair
PO Box 1729, Sutherlin, OR 97479

TRIXY DIAMOND Director
350 Arch Avenue, Sutherlin, OR 97479

MICHAEL BOEHM Director
307 Cambridge Drive, Sutherlin, OR 97479

JACOB MASTERFIELD Director
1807 Montclair Drive, Sutherlin, OR 97479

ADMINISTRATION

DELLA MOCK Business Manager
531 East Central Avenue, Sutherlin, OR 97479

TERRY PRESTIANNI Superintendent
531 East Central Avenue, Sutherlin, OR 97479

SUTHERLIN SCHOOL DISTRICT NO. 130
AUDIT REPORT

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sutherlin School District No. 130,
531 East Central Avenue Sutherlin, Oregon 97479

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sutherlin School District No. 130 as of and for the year ended June 30, 2021 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 standards 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sutherlin School District No. 130 as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-9, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 52-54, and the pension schedules on pages 55-56 and OPEB schedules on pages 57-59 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.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 52-54 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. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sutherlin School District No. 130's basic financial statements. The other supplementary data on pages 60-85 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Sutherlin School District No. 130. The schedule of expenditures of federal awards on page 90 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 data on pages 60-85 and the schedule of expenditures of federal awards on page 90 are the responsibility of management and was 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 other 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 my opinion, the other supplementary data and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued our report dated November 19, 2021, on our consideration of the Sutherlin School District No. 130'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sutherlin School District No. 130's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 19, 2021 on our consideration of the Sutherlin School District No. 130'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 the District's compliance.



Steve Tuhscherer, CPA
November 19, 2021

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

The discussion and analysis of Sutherlin School District No. 130's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- Pension and OPEB asset and liability accounts are based on estimates from Oregon PERS that will fluctuate significantly from year to year, which impact several of the following highlights. See the pension and OPEB Notes for additional information.
- Total liabilities increased by \$2,570,801 during the year primarily due to the increase in the net pension liability of \$2,498,775. Deferred outflows of resources increased by \$2,374,863. Deferred inflows of resources decreased by \$223,052.
- The District's net position decreased by \$1,663,091 which represents a 69.2% increase from the previous year because of the above noted PERS and OPEB accrual fluctuations.
- General revenues accounted for \$14,973,865 in revenue, or 83% of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for \$3,076,104 or 17% of total revenues of \$18,049,969.
- Total assets of governmental activities increased by \$1,635,979, primarily due to an increase in cash and investments from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis. The District has no fiduciary funds.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Federal & Special Grants Fund #210. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was \$4,065,331. This is a \$1,663,091 increase from last year's net position and represents a 69.2% increase from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	<u>Governmental Activities</u>		Percentage Change
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	
Assets			
Current and Other Assets	\$ 13,775,169	\$ 11,984,421	14.9%
Capital Assets	5,960,177	6,114,946	-2.5%
Total Assets	19,735,346	18,099,367	9.0%
Deferred Outflow of Resources	5,167,110	2,792,247	85.1%
Liabilities			
Long-Term Liabilities	18,127,865	16,121,118	12.4%
Other Liabilities	1,359,077	795,023	70.9%
Total Liabilities	19,486,942	16,916,141	15.2%
Deferred Inflow of Resources	1,350,183	1,573,235	-14.2%
Net Position			
Net Investment in Capital Assets	4,840,245	4,883,694	-0.9%
Unrestricted	(774,914)	(2,481,454)	-68.8%
Total Net Position	<u>\$ 4,065,331</u>	<u>\$ 2,402,239</u>	69.2%

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

	Changes in Net Position		
	Governmental Activities		Percentage Change
	2020-21	2019-20	
Revenues			
Program Revenues			
Charges for Services	\$ 125,895	\$ 280,056	-55.0%
Operating Grants and Contributions	2,950,209	1,828,474	61.3%
General Revenues			
Property Taxes	3,162,298	2,954,944	7.0%
State Basic School Support	11,323,203	10,772,145	5.1%
Federal Forest Fees	131,742	140,045	-5.9%
Other	356,622	479,965	-25.7%
Total Revenues	<u>18,049,969</u>	<u>16,455,629</u>	9.7%
Program Expenses			
Instruction	9,314,332	10,167,900	-8.4%
Support Services	5,893,709	5,666,928	4.0%
Community Services	523,584	649,577	-19.4%
Interest on Long-Term Debt	654,250	873,392	-25.1%
Total Program Expenses	<u>16,385,875</u>	<u>17,357,798</u>	-5.6%
Special Item: Gain (Loss) on disposition of assets	<u>(1,000)</u>	<u>17,999</u>	
Change in Net Position	<u>\$ 1,663,094</u>	<u>\$ (884,170)</u>	

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

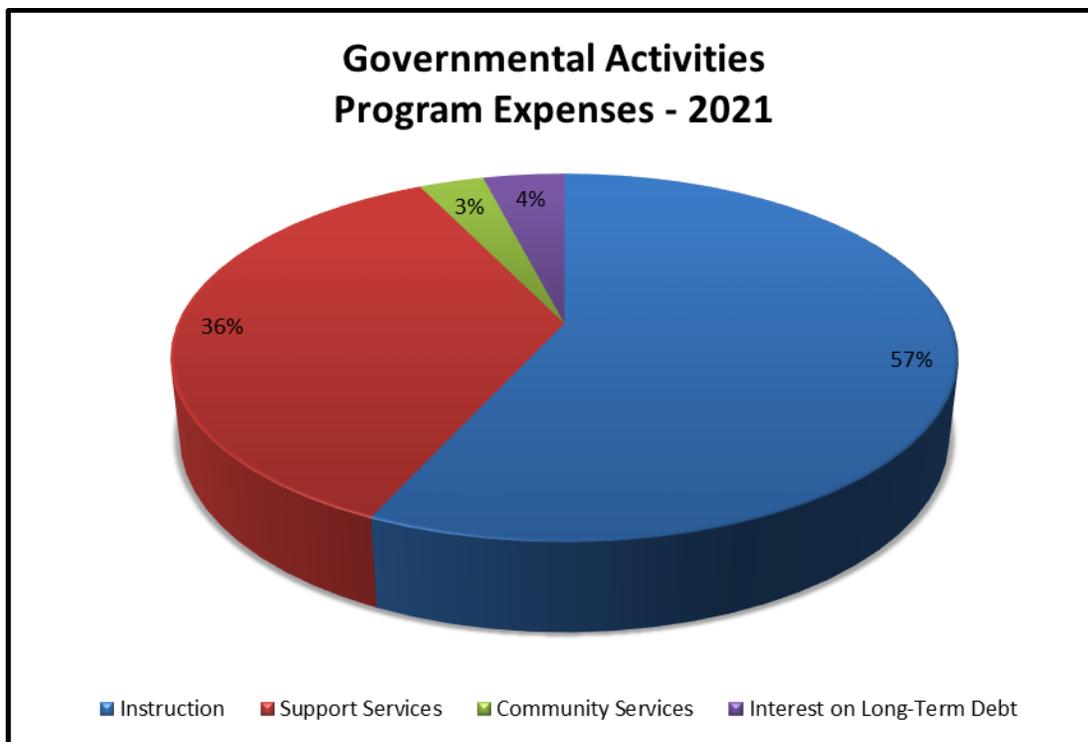
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

Governmental Activities

	2020-21		2019-20	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 9,314,332	\$ 7,675,903	\$ 10,167,900	\$ 9,094,598
Support Services	5,893,709	4,973,142	5,666,928	5,203,710
Community Services	523,584	6,476	649,577	77,567
Interest on Long-Term Debt	654,250	654,250	873,392	873,392
Total Program Expenses	\$ 16,385,875	\$ 13,309,771	\$ 17,357,798	\$ 15,249,268

The dependence on general revenues for general government activities is apparent. For the current year, 82% of general government activities are supported through general revenues.

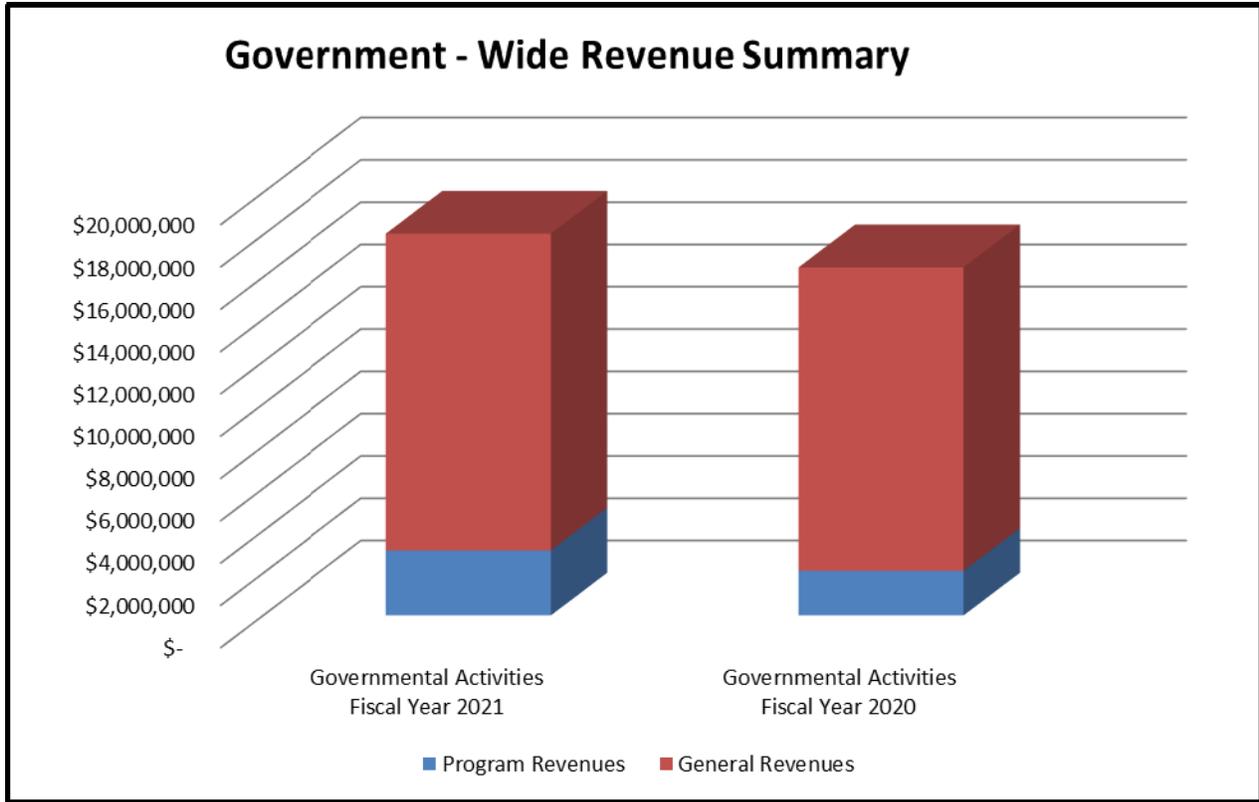
This graph represents the cost of the District's Program expenses by governmental activities.



SUTHERLIN SCHOOL DISTRICT NO. 130

**Management’s Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021
Unaudited**

The following chart analyzes the revenue between governmental activities from prior to current year.



FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District’s governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$9,224,144, an increase of \$2,017,803. The fund balance consists of nonspendable, restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$32,499 is nonspendable, \$218,046 is restricted, \$4,248,696 is committed and \$4,724,903 is unassigned and available for spending at the District’s discretion.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$834,100.

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

BUDGETARY HIGHLIGHTS

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues were budgeted and anticipated to be collected in the amount of \$13,459,369 during the fiscal year. Actual revenues of \$14,964,509 were more than budgeted revenues by \$1,505,113. General Fund expenditures budget was under-spent by \$1,823,689. The actual ending fund balance was more than the budgeted ending fund balance by \$3,572,031.

The Federal & Special Grants Fund #210 ending fund balance decreased by \$1,765. Actual revenues were less than final budgeted revenues by \$2,180,122 and actual expenditures were \$2,178,347 less than the final budgeted expenditures. Resolution #21-10, adopted June 14, 2021, increased the resources and requirements of the fund by \$2,810,858 because of the grants awarded to the District in excess of those anticipated at the time of the adoption of the original budget.

The Debt Service Fund #300 ending fund balance increased by \$1,397,189. Actual revenues were more than budgeted revenues by \$298,764, and actual expenditures were \$207,718 under budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the District had invested \$16,524,411 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a net increase prior to depreciation of \$273,814 from last year due to additions of \$360,034 and deletions of \$86,220.

Total depreciation expense for the year was \$513,802. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2021, the District had \$7,815,822 in long-term debt outstanding. The District paid \$270,472 toward the principal balance of the long-term debt. The District paid \$691,810 in interest on total debt.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

SUTHERLIN SCHOOL DISTRICT NO. 130

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2021

Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The General Fund is the chief operating fund of Sutherlin School District. The National and State economies continue to be recovering slightly. As with years past, current funding for public education continues to be unstable and difficult to predict, even as the District's state revenues have shown significant increases. Sutherlin School District's proposed budget is based on an \$9.1 billion projection from the House Ways and Means Committee. Based on the latest information from the state, the District's State School Fund will decrease by about \$251,863 from the projected 2020-21 State School Fund. The decrease in general fund revenues will have a direct impact on the District's Unappropriated Ending Fund Balance. The budget reflects an increase in total FTE for the District to account for an increase in funding from the Student Investment Account. Funds from the Student Investment Account are targeted to specific needs and are not treated as General Fund dollars.

The District's adopted budget for the fiscal year ending June 30, 2022, represents an overall increase of \$5,817,787 or 23.4% when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2022, is \$30,708,869. The most significant change in the 2021-22 budget is the increase of the budgeted expenditures for the Federal & Special Grant fund of \$2,731,068 due to Covid-19 grant funds. The remaining operating costs of governmental activities are expected to be similar to those of the current period.

The District will levy its maximum permanent property tax rate of \$4.0815 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Sutherlin School District No. 130 at 531 East Central Avenue, Sutherlin, Oregon 97479.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

SUTHERLIN SCHOOL DISTRICT NO. 130

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>	
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 8,645,111	
Property Taxes Receivable	250,782	
Accounts Receivable	1,219,030	
Prepaid Expenses	(16,188)	
Inventory-Food, Supplies & Commodities	32,499	
Total Current Assets		\$ 10,131,234
Restricted Assets:		
Net OPEB Asset (RHIA)	59,823	
Total Restricted Assets		59,823
Capital Assets:		
Land	331,513	
Construction in Progress	148,277	
Land Improvement	2,022,976	
Building and Building Improvement	10,743,917	
Machinery and Equipment	3,277,728	
Less: Accumulated Depreciation	(10,564,234)	
Total Capital Assets, Net of Depreciation		5,960,177
Other Assets:		
Prepaid Expense - Pension Obligation	10,752,342	
Less: Accumulated Amortization	(7,168,230)	
Total Other Assets, Net of Amortization		3,584,112
Total Assets		19,735,346
DEFERRED OUTFLOW OF RESOURCES		
Pension Related Deferrals	4,994,977	
OPEB Related Deferrals - RHIA	48,409	
OPEB Related Deferrals - OEBO	123,724	
Total Deferred Outflow of Resources		5,167,110
LIABILITIES:		
Accounts Payable	\$ 30,158	
Payroll Liabilities	646,117	
Refundable Deposits	15,895	
Accrued Vacation Benefits	37,840	
Bonds Payable		
Due within one year	629,067	
Due in more than one year	7,186,755	
Net OPEB Obligation - OEBO	417,343	
Net Pension Liability	10,523,767	
Total Liabilities		19,486,942
DEFERRED INFLOW OF RESOURCES		
Pension Related Deferrals	1,340,626	
OPEB Related Deferrals - RHIA	9,317	
OPEB Related Deferrals - OEBO	240	
Total Deferred Inflow of Resources		1,350,183
NET POSITION:		
Net Investment in Capital Assets	4,840,245	
Unrestricted	\$ (774,914)	
Total Net Position		\$ 4,065,331

The accompanying notes to the basic financial statements are an integral part of this statement.

SUTHERLIN SCHOOL DISTRICT NO. 130

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

	(Expenses)	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expense) Revenue and Change in Net Position
					Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction	\$ 9,314,332	\$ 125,494	\$ 1,512,935	\$ -	\$ (7,675,903)
Support Services	5,893,709	-	920,567	-	(4,973,142)
Enterprise and Community Services	523,584	401	516,707	-	(6,476)
Interest on Long-Term Debt	654,250	-	-	-	(654,250)
Total Governmental Activities	\$ 16,385,875	\$ 125,895	\$ 2,950,209	\$ -	\$ (13,309,771)

GENERAL REVENUES:

Local Sources:

Property Taxes, Levied for General Purposes	\$ 3,162,298
Earnings on Investments	47,326
Unrestricted State	46,258
Intermediate Sources	131,330
State School Fund for Education and Support Services	11,323,203
State Common School Fund	131,708
Federal Forest Fees for General Purposes	131,742
Subtotal - General Revenues	14,973,865

Special Items:

Gain on Disposition of Assets	(1,000)
Change in Net Position	1,663,094
Net Position, July 1, 2020	2,402,237
Net Position, June 30, 2021	\$ 4,065,331

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

SUTHERLIN SCHOOL DISTRICT NO. 130

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2021

	General Fund #100	Federal & Special Grants Fund #210	Student Success Act Fund #251	Debt Service Fund #300	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 4,004,167	\$ -	\$ -	\$ 3,889,696	\$ 751,248	\$ 8,645,111
Property Taxes Receivable	228,311	-	-	22,471	-	250,782
Accounts Receivable	71,081	894,172	218,756	-	35,021	1,219,030
Due From Other Funds	1,062,838	-	-	-	-	1,062,838
Prepaid Expenses	(16,188)	-	-	-	-	(16,188)
Inventory-Food, Supplies & Commodities	-	-	-	-	32,499	32,499
Total Assets	\$ 5,350,209	\$ 894,172	\$ 218,756	\$ 3,912,167	\$ 818,768	\$ 11,194,072
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>						
LIABILITIES:						
Accounts Payable	\$ 11,243	\$ 18,863	\$ -	\$ -	\$ 52	\$ 30,158
Payroll Liabilities	645,695	259	99	-	64	646,117
Due to Other Funds	-	865,202	197,636	-	-	1,062,838
Refundable Deposits	-	-	-	-	15,895	15,895
Total Liabilities	656,938	884,324	197,735	-	16,011	1,755,008
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	194,584	-	-	20,336	-	214,920
Total Deferred Inflows of Resources	194,584	-	-	20,336	-	214,920
FUND BALANCES:						
Nonspendable	-	-	-	-	32,499	32,499
Restricted for:						
Equipment Acquisition	-	-	-	-	37,128	37,128
Special Programs	-	9,848	-	-	-	9,848
Student Body Activities	-	-	-	-	171,070	171,070
Committed for:						
Capital Construction & Building Maintenance	-	-	-	-	128,342	128,342
Debt Service	-	-	-	3,891,831	-	3,891,831
Equipment Acquisition	-	-	-	-	68,251	68,251
Food Service Program	-	-	-	-	34,914	34,914
Special Programs	-	-	-	-	125,358	125,358
Unassigned	4,498,687	-	21,021	-	205,195	4,724,903
Total Fund Balances	4,498,687	9,848	21,021	3,891,831	802,757	9,224,144
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,350,209	\$ 894,172	\$ 218,756	\$ 3,912,167	\$ 818,768	\$ 11,194,072

The accompanying notes to the basic financial statements are an integral part of this statement.

SUTHERLIN SCHOOL DISTRICT NO. 130

RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2021

Total Fund Balances - Governmental Funds \$ 9,224,144

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Cost of assets	\$ 16,524,411	
Accumulated depreciation	<u>(10,564,234)</u>	
Net Value of Capital Assets		5,960,177

Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds. 214,920

Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.

Deferred Pension/OPEB Contributions	\$ 5,167,110	
Deferred Earnings on Pension/OPEB Assets	<u>(1,350,183)</u>	
Net Value of Deferrals		3,816,927

Amounts paid to Oregon Public Retirement System to reduce the unfunded pension obligation of the District are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.

Original prepaid amount	\$ 10,752,342	
Accumulated amortization	<u>(7,168,230)</u>	
Net Value of Prepaid Expense		3,584,112

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

These liabilities consist of :

Bonds Payable	\$ 7,815,822	
Net Pension Liability	10,523,767	
Net OPEB Obligations	357,520	
Accrued Vacation Benefits	<u>37,840</u>	
Total		<u>(18,734,949)</u>

Net Position of Governmental Activities \$ 4,065,331

The accompanying notes to the basic financial statements are an integral part of this statement.

SUTHERLIN SCHOOL DISTRICT NO. 130

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021

	General Fund #100	Federal & Special Grants Fund #210	Student Success Act Fund #251	Debt Service Fund #300	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 3,149,314	\$ -	\$ -	\$ 12,984	\$ -	\$ 3,162,298
Earnings on Investments	47,262	-	-	64	-	47,326
Fees and Charges	-	-	-	-	125,895	125,895
Miscellaneous Revenue	46,258	3,486	-	1,710,716	-	1,760,460
Intermediate Government Aid	131,330	-	-	-	-	131,330
State Aid	11,454,911	754,886	354,525	-	91,738	12,656,060
Federal Aid	135,434	1,255,573	-	-	486,310	1,877,317
Total Revenues	14,964,509	2,013,945	354,525	1,723,764	703,943	19,760,686
EXPENDITURES:						
Current:						
Instruction	8,381,594	1,122,151	177,473	-	111,247	9,792,465
Support Services	5,155,413	641,256	156,031	3,200	97,407	6,053,307
Enterprise and Community Services	-	13,440	-	-	515,877	529,317
Capital Outlay:						
Instruction	3,250	100,704	-	-	-	103,954
Support Services	17,652	-	-	-	145,747	163,399
Enterprise and Community Services	-	-	-	-	-	-
Facilities Acquisition and Construction	-	138,159	-	-	-	138,159
Debt Service	-	-	-	962,282	-	962,282
Total Expenditures	13,557,909	2,015,710	333,504	965,482	870,278	17,742,883
Excess (Deficiency) of Revenues Over Expenditures	1,406,600	(1,765)	21,021	758,282	(166,335)	2,017,803
OTHER FINANCING SOURCES (USES):						
Interfund Transfers In	-	-	-	37,500	535,000	572,500
Interfund Transfers Out	(572,500)	-	-	-	-	(572,500)
Total Other Financing Sources (Uses)	(572,500)	-	-	37,500	535,000	-
Net Change in Fund Balance	834,100	(1,765)	21,021	795,782	368,665	2,017,803
Beginning Fund Balance	3,664,587	11,613	-	3,096,049	434,092	7,206,341
Ending Fund Balance	\$ 4,498,687	\$ 9,848	\$ 21,021	\$ 3,891,831	\$ 802,757	\$ 9,224,144

The accompanying notes to the basic financial statements are an integral part of this statement.

SUTHERLIN SCHOOL DISTRICT NO. 130

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

Net Changes in Fund Balances - Total Governmental Funds		\$ 2,017,803
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	\$ 360,034	
Less current year depreciation	<u>(513,802)</u>	(153,768)
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.		
		(1,000)
Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.		
Amount of current year amortization - Pension obligation	<u>\$ (398,235)</u>	(398,235)
Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Retirement of principal is as follows:		
Bonds	<u>\$ 270,472</u>	270,472
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.		
This is the net change in pension related items.		(81,603)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
The activities consist of:		
Net increase/(decrease) in accrued interest expense	\$ 37,560	
Increase/(decrease) in accrued OPEB	(360,689)	
Increase/(decrease) in accrued vacation benefits	<u>1,065</u>	
		<u>(322,065)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,331,604</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

Sutherlin School District No. 130 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected five-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of Sutherlin School District No. 130 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, Sutherlin School District No. 130 complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, Sutherlin School District No. 130 has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e. heating, phones, electricity, cleaning), administration, counseling for students, and technology support.

Federal and Special Grants Fund – This fund includes all resources received from federal grants passed through the Oregon Department of Education and other special and local grants.

Debt Service Fund - Accounted for in this fund are 1) local tax levy revenues and the related general obligation bond payments, 2) pension charges to other funds for the accumulation of resources and payment of the PERS bonds, and 3) transfers of funds from the General Fund and related payment of other long-term debts.

Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.):

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-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 fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Receivables (Cont.)

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

Prepaid Expenses

The District has elected to report the amount paid to Oregon Public Employee Retirement System (PERS) to reduce the calculated unfunded pension liability obligation as a prepaid expense, as reported on the government-wide Statement of Net Position. The prepaid asset is to be amortized in the amounts and over the estimated length of time the unfunded portion of the pension obligation is expected be paid out to its current and former employees.

Inventory

Food & supplies inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	Estimated Years of Useful Lives
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Compensated Absences and Accrued Liabilities

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

Advances from Grantors

Amounts received for reimbursement-type grants in excess of District expenditures related to that grant are reported in the liability section of the government-wide statements as advances from grantors and are consequently not reported as revenues.

Long-Term Obligations

All bonds payable and capital leases payable are recognized in the government-wide financial statements as a liability of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, 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.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on bonded debt and capital lease payments are recorded as a debt service in the expenditure section of the statement and schedules.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial 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) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has restricted funds for various projects that are to be used for educational purposes.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the Board of Directors, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 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 uncollectable taxes has been established. All property taxes receivables are due from property owners within the District.

Inter-Fund Transactions

In the fund financial statements, quasi-external transactions are accounted for as revenues or expenditures, while reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Use of Estimates

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

Pensions

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

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

CASH AND INVESTMENTS (Cont.):

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2021, the reported amount of the District's deposits was \$5,266,860, the bank balance was \$5,698,854 and the amount of petty cash was \$2,443. Of the bank balance, the entire amount was covered by federal depository insurance or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2021, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2021, the District's deposits in financial institutions were as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 3,371,870	N/A
Total Investments	\$ 3,371,870	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100 percent of the District's total investments.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2021:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 331,513	\$ -	\$ -	\$ 331,513
Construction in Progress	67,509	80,768	-	148,277
Total assets not being depreciated	399,022	80,768	-	479,790
Assets being depreciated:				
Land Improvement	2,015,863	7,113	-	2,022,976
Building and Building Improvement	10,743,917	-	-	10,743,917
Machinery and Equipment	3,091,795	272,153	86,220	3,277,728
Total Depreciable Assets	15,851,576	279,266	86,220	16,044,622
Less: Accumulated Depreciation				
Land Improvement	981,275	84,038	-	1,065,313
Building and Building Improvement	6,943,683	246,732	-	7,190,415
Machinery and Equipment	2,210,694	183,031	85,220	2,308,505
Total Accumulated Depreciation	10,135,652	513,802	85,220	10,564,233
Net Value of Capital Assets Being Depreciated	5,715,924	(234,536)	1,000	5,480,388
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$ 6,114,946</u>	<u>\$ (153,768)</u>	<u>\$ 1,000</u>	<u>\$ 5,960,178</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 320,233
Support Services	174,663
Enterprise and Community Services	18,905
Total Depreciation Expense	<u>\$ 513,802</u>

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

LONG-TERM DEBT:

Full Faith and Credit QZAB, 2016 held by New Mexico Bank and Trust Company for Pulling for Kids Program. The bond is dated August 4, 2016 with an original balance of \$1,100,000 and an interest rate of 4.39%. Annual deposits of \$55,000 into a Custodial Account at US Bank are required with a permitted sinking fund yield of 2.45% annually. Final payment is due in 2038.

QZAB held by Bank of America for qualified building improvements and equipment purchases. The Bond is dated December 2004. The original balance is \$1,141,000 with an interest rate of 0%. Annual deposit of \$56,292 into Custodial Account at US bank earning 3% annually is required.

On October 31, 2002, the District participated with other school districts in a pooled issuance of Oregon School Boards Association Limited Tax Pension Obligation Bond, Series 2002. The original balance was \$4,739,860 with an interest rate between 2.0% and 6.10%.

Additionally, on April 21, 2003, the District participated with other school districts in a pooled issuance of Oregon School Boards Association Limited Tax Pension Obligation Bond, Series 2003. The original balance was \$6,022,782 with an interest rate between 1.5% and 6.27%.

Both of these bonds, Series 2002 and Series 2003, are held by Wells Fargo Northwest, Corporate Trust Services. Except for the payment of its pension bond payment and additional charges when due, each school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

Upon issuance of these bonds, the bond proceeds were paid to the Oregon Public Employees Retirement System for the District's pension actuarial obligation. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Fund support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer and annual principal and interest payments are made each June 30, and December 30, beginning June 2003 and December 2003 for the Series 2002 and 2003 bonds respectively, and both ending June 2028.

For both bonds, the District records the amount deposited with PERS as a prepayment of its actuarial obligation and accounts for the payment of principal and interest as a pension expense annually. The prepayment is being amortized over the life of the bonds based on the straight-line method, as a percentage of pension bond debt service costs. This method most closely recognized the remaining prepaid asset.

For Oregon School Board Association Limited Tax Pension Obligation Bonds, Series 2002, held by Wells Fargo Bank Northwest, NA and dated October 31, 2002 An agreement in fiscal year 2010-11 allowed the District to make an early principal payment. Because of the early payment made, a principal payment is not required in the 2020-21 fiscal year.

Bonds Payable:	Outstanding Balance July 1, 2020	New Issues	Principal Paid	Interest Paid	Outstanding Balance June 30, 2021	Due Within One Year
Full Faith and Credit Qualified Zone Academy Bond, 2016	\$ 935,000	\$ -	\$ 55,000	\$ -	\$ 880,000	\$ 55,000
Qualified Zone Academy Bond	296,252	-	56,319	-	239,933	56,292
OSBA Limited Tax Pension Obligation Bonds	3,215,000	-	-	186,600	3,215,000	360,000
OSBA Limited Tax Pension Obligation Bonds	3,640,042	-	159,153	505,210	3,480,889	157,775
Total Bonds Payable	<u>8,086,294</u>	<u>-</u>	<u>270,472</u>	<u>691,810</u>	<u>7,815,822</u>	<u>629,067</u>
Total Long-Term Debt	<u>\$ 8,086,294</u>	<u>-</u>	<u>\$270,472</u>	<u>\$691,810</u>	<u>\$ 7,815,822</u>	<u>\$ 629,067</u>

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

LONG-TERM DEBT (Cont.):

The debt service requirements on the above debt are as follows:

Bonds Payable:	Due Fiscal Year			
	Ending June 30,	Principal	Interest	Total
	2022	\$ 629,067	\$ 714,252	\$ 1,343,319
	2023	674,406	729,457	1,403,863
	2024	1,151,292	315,338	1,466,630
	2025	1,271,292	257,267	1,528,559
	2026	1,364,792	192,035	1,556,827
	2027 - 2031	2,395,000	157,454	2,552,454
	2032 - 2036	330,000	-	330,000
	2037 - 2041	-	-	-
	2042 - 2046	-	-	-
	2047 - 2051	-	-	-
	2052 - 2056	-	-	-
	Total	\$ 7,815,849	\$ 2,365,803	\$ 10,181,652

The District has no unused lines of credit.

The District has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN

Name of Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS 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, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

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

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-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 OPERS judge members) for disability benefits regardless of the length of OPERS-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 of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

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 OPSRP 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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

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.

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

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 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.

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 901 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, 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.

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

The District's employer contributions for the year ended June 30, 2021 were \$2,152,345 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the period July 1, 2019 to June 30, 2021 were: Tier1/Tier2 – 11.17%, and OPSRP General Service – 5.72%. The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS retirement bonds (described in Long Term Debt).

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. During FY 2020-2021, no employee IAP contributions were paid or picked up by the District.

Employer 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. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment 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 subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions.

For **Oregon PERS Defined Benefit Plans**, based on the actuarial valuation as of December 31, 2017, the state agencies, the judiciary, schools, and political subdivisions all had increases in employer contribution rates on July 1, 2019. These rate changes are measured against the actual average rates paid since the last rate-setting valuation. Every two years, the PERS Board adjusts contributions so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2020, PERS employers contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. These rates were based on the December 31, 2017, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:
<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an 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 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution 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 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.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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.

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 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.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 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 OPERS:

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

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2020

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation³</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.0%
Public Equity	27.5% - 37.5%	32.5%	Public Equity	31.8%
Real estate	9.5% - 15.5%	12.5%	Real estate	11.4%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	22.9%
Alternative Equity	7.5% - 17.5%	15.0%	Alternative Equity	10.5%
Opportunity Portfolio ¹	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Risk Parity ²	0.0% - 2.5%	2.5%	Risk Parity	1.3%
Total		<u>100%</u>	Total	<u>100%</u>

¹Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net position.

²Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

³Based on the actual investment value at 6/30/2021.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

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 Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman's assumptions for each 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.

Asset Class	Target Allocation*	Annual Arithmetic Mean	20-Year Annualized Geometric Mean	Annual 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 Foreign 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%
Real Estate (Property)	10%	6.19%	5.55%	12%
Real Estate (REITS)	2.50%	8.29%	6.69%	21%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13%
Farmland	1.13%	6.87%	6.12%	13%
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 Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on April 24, 2019

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the employer'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%
Employer's proportionate share of the net pension liability	\$ 15,626,924	\$ 10,523,767	\$ 6,244,532

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

Changes in Assumptions

A summary of key changes implemented after the December 31, 2018 valuation, which was used in the 2020 PERS CAFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
 - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2018 and 2019 Valuations	Recommended December 31, 2020 and 2021 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Teachers, no set back	Blend 80% Teachers and 20% General Employees, no set back
beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	120% of same table and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Other General Service male	115% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Healthy Annuitant assumption	No change
School District female	100% of same table and set back as Healthy Annuitant assumption	No change
Other General Service female	125% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Healthy Annuitant assumption	No change

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, other than Senate Bill 1049 which was incorporated into the 2020 CAFR Measurement, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2020, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2020 Oregon PERS CAFR.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2021, the employer reported a liability of \$10,523,767 for its proportionate share of the net pension liability. The net pension liability/(asset) 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 that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

PENSION PLAN (Cont.):

At June 30, 2020, the employer's proportion was 0.04822231%.

For the year ended June 30, 2021, the employer recognized pension expense of \$2,218,021. On June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463,173	\$ -
Changes of assumptions	564,777	19,789
Net difference between projected and actual earnings on investments	1,237,458	-
Changes in proportionate share	577,224	260,352
Differences between employer contributions and employer's proportionate share of system contributions	-	1,060,485
Total Deferred Outflows/Inflows	\$ 2,842,632	\$ 1,340,626
Post-measurement date contributions	2,152,345	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 4,994,977	\$ 1,340,626
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		\$ 1,502,006

Contributions of \$2,152,345 were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 319,220
2nd Fiscal Year	444,384
3rd Fiscal Year	391,071
4th Fiscal Year	351,971
5th Fiscal Year	(4,640)
Thereafter	-
Total	\$ 1,502,006

Net Pension Liability

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2020, state agencies contributed 0.06 and 0.18 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPA benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2021, 2020, and 2019 were \$1,095, \$2,097, and \$34,035 respectively, which equaled the required contributions for the year.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 20, 2020 and can be found at:

<https://www.oregon.gov/PERS/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 32% Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category

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.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Discount Rate

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Table 31 on page 74 shows Milliman's assumptions for each of the asset classes in which the plans were 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 on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

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

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) 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	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net OPEB liability	\$ (48,297)	\$ (59,823)	\$ (69,678)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2021, the District reported a net OPEB RHIA liability/(asset) of \$(59,823) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2020, the District's proportion was 0.02935951 percent. OPEB RHIA expense/(income) for the year ended June 30, 2021 was \$11,935.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,116
Changes of assumptions	-	3,180
Net difference between projected and actual earnings on investments	6,653	-
Changes in proportionate share	40,661	21
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	\$ 47,314	\$ 9,317
Post-measurement date contributions	1,095	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 48,409	\$ 9,317
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		\$ 37,997

Contributions of \$1,095 were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 15,635
2nd Fiscal Year	17,804
3rd Fiscal Year	2,459
4th Fiscal Year	2,099
5th Fiscal Year	-
Thereafter	-
Total	\$ 37,997

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB:

OEGB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2021, the District reported a an estimated net OPEB liability/(asset) of \$417,343 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of July 1, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. Based on As of the measurement date of June 30, 2021, the District’s estimated OPEB expense/(income) for the year ended June 30, 2021 was \$53,556.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBS (Cont.):

Actuarial Methods and Assumptions - The District engaged an actuary to perform an evaluation as of June 30, 2021 using entry age normal Actuarial Cost Method, which was rolled forward for June 30, 2019. The District is responsible for the selection of assumptions, and were developed in consultation with Menard Consulting, Inc. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	6.50%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2036
Additional Information	
Valuation date	July 1, 2020
Measurement date	June 30, 2021
Actuarial Cost Method	Entry Age Normal (AMM)
Discount Rate	2.18%
Inflation	3.00%
Salary Rate Increase	4.00%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0.00%
Covered Payroll	Not Available
Net OPEB Liability as a Percentage of Covered Payroll	-----

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost, and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

The Discount Rate

Discount Rate - The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.18% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 29, 2021.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Mortality rates were based on the PubT.H-2010 Mortality Table – Teachers with Mortality Improvement using Scale MP-2020. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Election at Retirement - 25% of active employees are assumed to elect coverage at retirement. 35% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females. Actual spouse data was used for current retirees.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease	Discount Rate	1% Increase
	1.18%	2.18%	3.18%
Total OPEB liability from Implicit Rate Subsidy	\$ 389,878	\$ 417,343	\$ 446,716
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 464,273	\$ 417,343	\$ 377,020

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Participation

The following table represents the number of the District's covered participants:

Census Date	<u>June 2021</u>
Participants	
Active Employees	149
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	<u>2</u>
Total	151
Average Ages	
Active Employees	47.6
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	62.0
Average Service	
Active Employees	7.6

Changes in Net (OPEB) OEGB Liability

Changes in Total OPEB Liability June 30, 2020 to June 30, 2021	Increase (Decrease) Total OPEB Liability	Fiduciary Net Position	Net Pension Liability
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance as of June 30, 2020	251,505	-	251,505
Changes for the year:			
Service Cost	32,378	-	32,378
Interest on total OPEB liability	6,602	-	6,602
Changes of benefit terms		-	-
Difference Between Expected & Actual Experience	90,197	-	90,197
Changes of Assumptions and Other Inputs	43,317	-	43,317
Benefit Payments	(6,655)	-	(6,655)
Other Changes	(1)	-	(1)
Net Changes	<u>165,838</u>	<u>-</u>	<u>165,838</u>
Net OPEB Liability at June 30, 2021	<u>\$ 417,343</u>	<u>\$ -</u>	<u>\$ 417,343</u>

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Cont.):

Components of OPEB Expense

OPEB Expense	<u>July 1, 2020 to June 30, 2021</u>
Service cost	\$ 32,378
Interest on Service Cost	-
Total	<u>32,378</u>
Interest Cost	6,602
Difference Between Expected & Actual Experience	9,435
Changes of Assumptions and Other Inputs	<u>5,141</u>
 Total OPEB Expense	 <u><u>\$ 53,556</u></u>

Schedule of Deferred Inflows and Outflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 80,762	\$ -
Changes of assumptions or inputs	42,962	240
Benefit Payments	-	-
Changes in proportionate share	-	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
(prior to post-measurement date contributions)	<u>\$ 123,724</u>	<u>\$ 240</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u><u>\$ 123,484</u></u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 14,576
2nd Fiscal Year	14,576
3rd Fiscal Year	14,576
4th Fiscal Year	14,576
5th Fiscal Year	14,576
Thereafter	<u>50,604</u>
Total	<u><u>\$ 123,484</u></u>

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

CONTINGENT LIABILITIES:

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

The District is not currently named as a defendant in any pending or threatened litigation.

COMMODITIES RECEIVED IN FOOD SERVICE FUND:

During the year the District received USDA commodities. Fair market value of the amount of commodities received during the current fiscal year is \$48,946. The amount is reflected as federal revenue received and as food expenditure in the Food Service Fund in the financial statements. Fair market value is determined by the Oregon Department of Education.

RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school district and special districts in the state, which are members of Special Districts of Oregon (SDOA). SDOA oversees the Special Districts Insurance Services Trust, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay SDOA an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund receivables and payables, reported in the financial statements as due from other funds and due to other funds for the year ended June 30, 2021 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund #100	\$1,062,838	\$ -
Special Revenue Funds:		
Technology Fund #230	-	865,202
Instructional Support Fund #265	-	197,636
Total	<u>\$1,062,838</u>	<u>\$ 1,062,838</u>

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

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 572,500	\$ -
Special Revenue Funds:		
Technology Fund #230	-	25,000
Transportation Fund #240	-	135,000
Instructional Support Fund #265	-	150,000
Debt Service Fund #300	-	37,500
Capital Improvement Fund #410	-	200,000
Capital Improvement-Athletics Fund #411	-	25,000
Total	<u>\$ 572,500</u>	<u>\$ 572,500</u>

The transfer out of the general fund to the debt service fund was made to provide funds for repayment of capital leases and other long-term debt not provided for by taxes and other services provided. The transfers out of the general fund to the other funds, represents the District's election to provide general fund support to the programs and activities of the other funds.

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Basic Financial Statements (Cont.)
June 30, 2021

FUND BALANCE COMPARISONS:

<u>Fund</u>	Actual <u>June 30, 2021</u>	Budgeted <u>July 1, 2021</u>
General Fund #100	\$ 4,498,687	\$ 4,342,900
Federal & Special Grants Fund #210	9,505	-
Capital Equipment Fund #220	68,251	68,250
Technology Fund #230	125,358	125,358
Transportation Fund #240	37,128	37,128
Food Service Fund #250	67,413	24,481
Student Success Act Fund #251	21,021	901,877
Student Body Funds #260	171,070	143,100
Instructional Support Fund #265	150,000	150,000
Debt Service Fund #300	3,891,831	3,209,590
Capital Improvement Fund #410	128,342	100,000
Capital Improvement-Athletics Fund #411	25,000	25,000
SB 1149 Fund #412	30,195	31,000

PROPERTY TAX ABATEMENTS:

Sutherlin School District #130 received reduced revenue from property taxes as a result of one tax abatements program - Enterprise Zones agreements. These tax abatement agreements are negotiated with Douglas County, Oregon under Oregon Revised Statutes (ORS) 285C.175 regarding Enterprise Zones.

For the fiscal year ended June 30, 2021, information regarding the property tax abatements are as follows:

	Assessed Value of Excluded Properties	Rate per Thousand Dollars of Assessed Value	Reduced Property Taxes
Enterprise Zone	\$ 23,186,050	4.0815	\$ 94,634
Total Tax Abatements			<u>\$ 94,634</u>

REQUIRED
SUPPLEMENTARY
INFORMATION

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund #100

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Taxes	\$ 3,111,135	\$ 3,111,135	\$ 3,149,314	\$ 38,179
Earnings on Investments	45,000	45,000	47,262	2,262
Fees and Charges	10,500	10,500	-	(10,500)
Miscellaneous Revenue	40,000	40,000	46,258	6,258
Intermediate Government Aid	135,000	135,000	131,330	(3,670)
State Aid	9,967,761	9,967,761	11,454,911	1,487,150
Federal Aid	150,000	150,000	135,434	(14,566)
Total Revenues	<u>13,459,396</u>	<u>13,459,396</u>	<u>14,964,509</u>	<u>1,505,113</u>
<u>EXPENDITURES:</u>				
Instruction	9,066,135	9,066,135	8,384,844	(681,291)
Support Services	5,915,463	5,915,463	5,173,065	(742,398)
Contingency	400,000	400,000	-	(400,000)
Total Expenditures	<u>15,381,598</u>	<u>15,381,598</u>	<u>13,557,909</u>	<u>(1,823,689)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,922,202)	(1,922,202)	1,406,600	3,328,802
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers Out	(572,500)	(572,500)	(572,500)	-
Total Other Financing Sources (Uses)	<u>(572,500)</u>	<u>(572,500)</u>	<u>(572,500)</u>	<u>-</u>
Net Change in Fund Balance	(2,494,702)	(2,494,702)	834,100	3,328,802
Beginning Fund Balance	3,421,358	3,421,358	3,664,587	243,229
Ending Fund Balance	<u>\$ 926,656</u>	<u>\$ 926,656</u>	<u>\$ 4,498,687</u>	<u>\$ 3,572,031</u>

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Federal & Special Grants Fund #210

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 3,486	\$ 3,486
State Aid	638,957	638,957	754,886	115,929
Federal Aid	744,242	3,555,100	1,255,573	(2,299,527)
Total Revenues	1,383,199	4,194,057	2,013,945	(2,180,112)
<u>EXPENDITURES:</u>				
Instruction	1,046,532	2,420,723	1,222,855	(1,197,868)
Support Services	336,667	1,423,334	641,256	(782,078)
Enterprise and Community Services	-	50,000	13,440	(36,560)
Facilities Acquisition and Construction	-	300,000	138,159	(161,841)
Total Expenditures	1,383,199	4,194,057	2,015,710	(2,178,347)
Net Change in Fund Balance	-	-	(1,765)	(1,765)
Beginning Fund Balance	-	-	11,613	11,613
Ending Fund Balance	\$ -	\$ -	\$ 9,848	\$ 9,848

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Student Success Act Fund #251

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
State Aid	\$ 1,097,500	\$ 1,097,500	\$ 354,525	\$ (742,975)
Total Revenues	1,097,500	1,097,500	354,525	(742,975)
<u>EXPENDITURES:</u>				
Instruction	380,000	380,000	177,473	(202,527)
Support Services	617,500	617,500	156,031	(461,469)
Facilities Acquisition and Construction	100,000	100,000	-	(100,000)
Total Expenditures	1,097,500	1,097,500	333,504	(763,996)
Net Change in Fund Balance	-	-	21,021	21,021
Ending Fund Balance	\$ -	\$ -	\$ 21,021	\$ 21,021

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.04822231%	\$ 10,523,767	\$ 8,650,541	121.65%	75.8%
2020	0.04639366%	\$ 8,024,992	\$ 7,891,048	101.70%	80.2%
2019	0.04998387%	7,572,898	7,395,117	102.40%	82.1%
2018	0.04620417%	6,228,340	7,866,961	79.17%	83.1%
2017	0.03754066%	5,635,725	7,353,091	76.64%	80.5%
2016	0.03187822%	1,830,276	6,741,352	27.15%	91.9%
2015	0.02998764%	\$ (679,734)	\$ 6,714,550	-10.12%	103.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 2,152,345	\$ 2,152,345	\$ -	\$ 8,650,541	24.88%
2020	2,250,949	2,250,949	-	7,891,048	28.53%
2019	2,117,439	2,117,439	-	7,395,117	7.06%
2018	1,994,484	1,994,484	-	7,866,961	7.06%
2017	1,209,578	1,209,578	-	7,353,091	2.42%
2016	1,257,639	1,257,639	-	6,741,352	2.42%
2015	1,211,883	1,211,883	-	6,714,550	5.48%
2014	1,137,186	1,137,186	-	6,810,003	5.48%
2013	982,214	982,214	-	6,698,765	4.93%
2012	\$ 467,548	\$ 467,548	\$ -	\$ 4,275,633	4.93%

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

OPEB RHIA

Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.02935951%	\$ (59,823)	\$ 8,650,541	-0.69%	150.0%
2020	0.06867180%	(132,699)	7,891,048	-1.68%	144.4%
2019	0.07068009%	(78,898)	7,395,117	-1.07%	124.0%
2018	0.06968770%	(29,084)	7,866,961	-0.37%	108.9%
2017	0.06961054%	\$ 18,904	\$ 7,353,091	0.26%	94.2%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 1,095	\$ 1,095	\$ -	\$ 8,650,541	0.01%
2020	2,097	2,097	-	7,891,048	0.03%
2019	34,035	34,035	-	7,395,117	0.46%
2018	34,224	34,224	-	7,866,961	0.44%
2017	34,894	34,894	-	7,353,091	0.47%
2016	\$ 43,177	\$ 43,177	\$ -	\$ 6,741,352	0.64%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

SUTHERLIN SCHOOL DISTRICT NO. 130
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
OREGON EDUCATORS BENEFIT BOARD
Last 10 Fiscal Years*

	2021	2020	2019
Total OPEB Liability (in thousands)			
Balance at Beginning of Fiscal Year	\$ 251,505	\$ 221,028	\$ 193,241
Service cost	32,378	23,483	22,457
Interest on total OPEB liability	6,602	6,537	6,004
Changes of benefit terms	-	-	-
Difference Between Expected & Actual Experience	90,197	-	-
Changes of Assumptions and Other Inputs	43,317	3,623	2,565
Contributions – Employer	-	-	-
Contributions - Active & Inactive Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments**	(6,655)	(3,358)	(2,841)
Administrative Expenses	-	-	-
Other Changes	(1)	192	(398)
Net Changes	165,838	30,477	27,787
Balances as of 6/30/2020	\$ 417,343	\$ 251,505	\$ 221,028
Covered payroll	8,650,541	7,891,048	7,866,961
Total OPEB liability as a % of covered payroll	4.8%	3.6%	2.8%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

** Totals may not agree due to rounding.

OTHER

SUPPLEMENTARY

DATA

Non-Major Governmental Funds

SUTHERLIN SCHOOL DISTRICT NO. 130

**COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS -- BY FUND TYPE**

June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non- Major Governmental Funds
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 570,023	\$ -	\$ 181,225	\$ 751,248
Accounts Receivable	32,709	-	2,312	35,021
Inventory-Food, Supplies & Commodities	32,499	-	-	32,499
Total Assets	<u>\$ 635,231</u>	<u>\$ -</u>	<u>\$ 183,537</u>	<u>\$ 818,768</u>
<u>LIABILITIES AND FUND BALANCES:</u>				
LIABILITIES:				
Accounts Payable	\$ 52	\$ -	\$ -	\$ 52
Payroll Liabilities	64	-	-	64
Refundable Deposits	15,895	-	-	15,895
Total Liabilities	<u>16,011</u>	<u>-</u>	<u>-</u>	<u>16,011</u>
FUND BALANCES:				
Nonspendable	32,499	-	-	32,499
Restricted for:				
Equipment Acquisition	37,128	-	-	37,128
Student Body Activities	171,070	-	-	171,070
Committed for:				
Capital Construction & Building Maintenance	-	-	128,342	128,342
Equipment Acquisition	68,251	-	-	68,251
Food Service Program	34,914	-	-	34,914
Special Programs	125,358	-	-	125,358
Unassigned	150,000	-	55,195	205,195
Total Fund Balances	<u>619,220</u>	<u>-</u>	<u>183,537</u>	<u>802,757</u>
Total Liabilities and Fund Balances	<u>\$ 635,231</u>	<u>\$ -</u>	<u>\$ 183,537</u>	<u>\$ 818,768</u>

SUTHERLIN SCHOOL DISTRICT NO. 130

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE For the Fiscal Year Ended June 30, 2021

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non- Major Governmental Funds</u>
<u>REVENUES:</u>				
Fees and Charges	\$ 125,895	\$ -	\$ -	\$ 125,895
State Aid	61,543	-	30,195	91,738
Federal Aid	486,310	-	-	486,310
Total Revenues	<u>673,748</u>	<u>-</u>	<u>30,195</u>	<u>703,943</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	111,247	-	-	111,247
Support Services	-	-	97,407	97,407
Enterprise and Community Services	515,877	-	-	515,877
Capital Outlay:				
Support Services	145,747	-	-	145,747
Total Expenditures	<u>772,871</u>	<u>-</u>	<u>97,407</u>	<u>870,278</u>
Excess (Deficiency) of Revenues Over Expenditures	(99,123)	-	(67,212)	(166,335)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	310,000	-	225,000	535,000
Total Other Financing Sources (Uses)	<u>310,000</u>	<u>-</u>	<u>225,000</u>	<u>535,000</u>
Net Change in Fund Balance	210,877	-	157,788	368,665
Beginning Fund Balance	408,343	-	25,749	434,092
Ending Fund Balance	<u>\$ 619,220</u>	<u>\$ -</u>	<u>\$ 183,537</u>	<u>\$ 802,757</u>

OTHER
SUPPLEMENTARY
DATA

Non-Major Special Revenue Funds

SUTHERLIN SCHOOL DISTRICT NO. 130

COMBINING BALANCE SHEET

NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2021

	Capital Equipment Fund #220	Technology Fund #230	Transport ation Fund #240	Food Service Fund #250	Student Body Funds #260	Instructional Support Fund #265	Totals
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 68,251	\$ 125,358	\$ 37,128	\$ 18,164	\$ 171,122	\$ 150,000	\$ 570,023
Accounts Receivable	-	-	-	32,709	-	-	32,709
Inventory-Food, Supplies & Commodities	-	-	-	32,499	-	-	32,499
Total Assets	\$ 68,251	\$ 125,358	\$ 37,128	\$ 83,372	\$ 171,122	\$ 150,000	\$ 635,231
<u>LIABILITIES AND FUND BALANCES:</u>							
LIABILITIES:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ -	\$ 52
Payroll Liabilities	-	-	-	64	-	-	64
Refundable Deposits	-	-	-	15,895	-	-	15,895
Total Liabilities	-	-	-	15,959	52	-	16,011
FUND BALANCES:							
Nonspendable	-	-	-	32,499	-	-	32,499
Restricted for:							
Equipment Acquisition	-	-	37,128	-	-	-	37,128
Student Body Activities	-	-	-	-	171,070	-	171,070
Committed for:							
Equipment Acquisition	68,251	-	-	-	-	-	68,251
Food Service Program	-	-	-	34,914	-	-	34,914
Special Programs	-	125,358	-	-	-	-	125,358
Unassigned	-	-	-	-	-	150,000	150,000
Total Fund Balances	68,251	125,358	37,128	67,413	171,070	150,000	619,220
Total Liabilities and Fund Balances	\$ 68,251	\$ 125,358	\$ 37,128	\$ 83,372	\$ 171,122	\$ 150,000	\$ 635,231

SUTHERLIN SCHOOL DISTRICT NO. 130

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2021

	Capital Equipment Fund #220	Technology Fund #230	Transportat ion Fund #240	Food Service Fund #250	Student Body Funds #260	Instructional Support Fund #265	Totals
<u>REVENUES:</u>							
Fees and Charges	\$ -	\$ -	\$ -	\$ 401	\$ 125,494	\$ -	\$ 125,895
State Aid	-	-	43,724	17,819	-	-	61,543
Federal Aid	-	-	-	486,310	-	-	486,310
Total Revenues	-	-	43,724	504,530	125,494	-	673,748
<u>EXPENDITURES:</u>							
Current:							
Instruction	-	-	-	-	111,247	-	111,247
Enterprise and Community Services	-	-	-	515,877	-	-	515,877
Capital Outlay:							
Support Services	-	-	145,747	-	-	-	145,747
Total Expenditures	-	-	145,747	515,877	111,247	-	772,871
Excess (Deficiency) of Revenues Over Expenditures							
	-	-	(102,023)	(11,347)	14,247	-	(99,123)
<u>OTHER FINANCING SOURCES (USES):</u>							
Interfund Transfers In	-	25,000	135,000	-	-	150,000	310,000
Total Other Financing Sources (Uses)	-	25,000	135,000	-	-	150,000	310,000
Net Change in Fund Balance	-	25,000	32,977	(11,347)	14,247	150,000	210,877
Beginning Fund Balance	68,251	100,358	4,151	78,760	156,823	-	408,343
Ending Fund Balance	\$ 68,251	\$ 125,358	\$ 37,128	\$ 67,413	\$ 171,070	\$ 150,000	\$ 619,220

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Capital Equipment Fund #220

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>EXPENDITURES:</u>				
Instruction	\$ 23,250	\$ 23,250	\$ -	\$ (23,250)
Support Services	45,000	45,000	-	(45,000)
Total Expenditures	68,250	68,250	-	(68,250)
Net Change in Fund Balance	(68,250)	(68,250)	-	68,250
Beginning Fund Balance	68,250	68,250	68,251	1
Ending Fund Balance	\$ -	\$ -	\$ 68,251	\$ 68,251

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Technology Fund #230

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<u>EXPENDITURES:</u>				
Instruction	\$ 46,500	\$ 46,500	\$ -	\$ (46,500)
Support Services	78,858	78,858	-	(78,858)
Total Expenditures	125,358	125,358	-	(125,358)
Excess (Deficiency) of Revenues Over Expenditures	(125,358)	(125,358)	-	125,358
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	25,000	25,000	25,000	-
Total Other Financing Sources (Uses)	25,000	25,000	25,000	-
Net Change in Fund Balance	(100,358)	(100,358)	25,000	125,358
Beginning Fund Balance	100,358	100,358	100,358	-
Ending Fund Balance	\$ -	\$ -	\$ 125,358	\$ 125,358

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Transportation Fund #240

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
State Aid	\$ -	\$ -	\$ 43,724	\$ 43,724
Federal Aid	43,500	43,500	-	(43,500)
Total Revenues	43,500	43,500	43,724	224
<u>EXPENDITURES:</u>				
Support Services	\$ 182,651	\$ 182,651	\$ 145,747	\$ (36,904)
Total Expenditures	182,651	182,651	145,747	(36,904)
Excess (Deficiency) of Revenues Over Expenditures	(139,151)	(139,151)	(102,023)	37,128
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	135,000	135,000	135,000	-
Total Other Financing Sources (Uses)	135,000	135,000	135,000	-
Net Change in Fund Balance	(4,151)	(4,151)	32,977	37,128
Beginning Fund Balance	4,151	4,151	4,151	-
Ending Fund Balance	\$ -	\$ -	\$ 37,128	\$ 37,128

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Food Service Fund #250

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Fees and Charges	\$ 68,000	\$ 68,000	\$ 401	\$ (67,599)
State Aid	22,000	22,000	17,819	(4,181)
Federal Aid	522,500	522,500	486,310	(36,190)
Total Revenues	612,500	612,500	504,530	(107,970)
<u>EXPENDITURES:</u>				
Enterprise and Community Services	683,433	683,433	515,877	(167,556)
Total Expenditures	683,433	683,433	515,877	(167,556)
Net Change in Fund Balance	(70,933)	(70,933)	(11,347)	59,586
Beginning Fund Balance	71,961	71,961	78,760	6,799
Ending Fund Balance	\$ 1,028	\$ 1,028	\$ 67,413	\$ 66,385

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Student Body Funds #260

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Fees and Charges	\$ 243,000	\$ 243,000	\$ 125,494	\$ (117,506)
Total Revenues	243,000	243,000	125,494	(117,506)
<u>EXPENDITURES:</u>				
Instruction	386,100	386,100	111,247	(274,853)
Total Expenditures	386,100	386,100	111,247	(274,853)
Net Change in Fund Balance	(143,100)	(143,100)	14,247	157,347
Beginning Fund Balance	143,100	143,100	156,823	13,723
Ending Fund Balance	\$ -	\$ -	\$ 171,070	\$ 171,070

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Instructional Support Fund #265

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>EXPENDITURES:</u>				
Instruction	\$ 115,000	\$ 115,000	\$ -	\$ (115,000)
Support Services	35,000	35,000	-	(35,000)
Total Expenditures	150,000	150,000	-	(150,000)
Excess (Deficiency) of Revenues Over Expenditures	(150,000)	(150,000)	-	150,000
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	150,000	150,000	150,000	-
Total Other Financing Sources (Use)	150,000	150,000	150,000	-
Net Change in Fund Balance	-	-	150,000	150,000
Ending Fund Balance	\$ -	\$ -	\$ 150,000	\$ 150,000

OTHER
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Debt Service Fund

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Debt Service Fund #300

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	
<u>REVENUES:</u>				
Taxes	\$ 1,000	\$ 1,000	\$ 12,984	\$ 11,984
Earnings on Investments	4,000	4,000	64	(3,936)
Miscellaneous Revenue	1,420,000	1,420,000	1,710,716	290,716
Total Revenues	1,425,000	1,425,000	1,723,764	298,764
<u>EXPENDITURES:</u>				
Support Services	3,200	3,200	3,200	-
Debt Service	1,170,000	1,170,000	962,282	(207,718)
Total Expenditures	1,173,200	1,173,200	965,482	(207,718)
Excess (Deficiency) of Revenues Over Expenditures	251,800	251,800	758,282	506,482
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	37,500	37,500	37,500	-
Total Other Financing Sources (Uses)	37,500	37,500	37,500	-
Net Change in Fund Balance	289,300	289,300	795,782	506,482
Beginning Fund Balance	2,205,342	2,205,342	3,096,049	890,707
Ending Fund Balance	\$ 2,494,642	\$ 2,494,642	\$ 3,891,831	\$ 1,397,189

OTHER
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Capital Projects Fund

SUTHERLIN SCHOOL DISTRICT NO. 130

COMBINING BALANCE SHEET

NON-MAJOR CAPITAL PROJECTS FUNDS

June 30, 2021

	Capital Improvement Fund #410	Capital Improvement- Athletics Fund #411	SB 1149 Fund #412	Totals
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 128,342	\$ 25,000	\$ 27,883	\$ 181,225
Accounts Receivable	-	-	2,312	2,312
Total Assets	\$ 128,342	\$ 25,000	\$ 30,195	\$ 183,537
FUND BALANCES:				
Committed for:				
Capital Construction & Building Maintenance	128,342	-	-	128,342
Unassigned	-	25,000	30,195	55,195
Total Fund Balances	128,342	25,000	30,195	183,537
Total Fund Balances	\$ 128,342	\$ 25,000	\$ 30,195	\$ 183,537

SUTHERLIN SCHOOL DISTRICT NO. 130

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NON-MAJOR CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended June 30, 2021

	Capital Improvement Fund #410	Capital Improvement- Athletics Fund #411	SB 1149 Fund #412	Totals
<u>REVENUES:</u>				
State Aid	\$ -	\$ -	\$ 30,195	\$ 30,195
Total Revenues	<u>-</u>	<u>-</u>	<u>30,195</u>	<u>30,195</u>
<u>EXPENDITURES:</u>				
Current:				
Support Services	<u>97,407</u>	<u>-</u>	<u>-</u>	<u>97,407</u>
Total Expenditures	<u>97,407</u>	<u>-</u>	<u>-</u>	<u>97,407</u>
Excess (Deficiency) of Revenues Over Expenditures	(97,407)	-	30,195	(67,212)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	<u>200,000</u>	<u>25,000</u>	<u>-</u>	<u>225,000</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>25,000</u>	<u>-</u>	<u>225,000</u>
Net Change in Fund Balance	102,593	25,000	30,195	157,788
Beginning Fund Balance	<u>25,749</u>	<u>-</u>	<u>-</u>	<u>25,749</u>
Ending Fund Balance	<u>\$ 128,342</u>	<u>\$ 25,000</u>	<u>\$ 30,195</u>	<u>\$ 183,537</u>

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Capital Improvement Fund #410

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>EXPENDITURES:</u>				
Instruction	\$ 8,967	\$ 8,967	\$ -	\$ (8,967)
Support Services	200,000	200,000	97,407	(102,593)
Total Expenditures	208,967	208,967	97,407	(111,560)
Excess (Deficiency) of Revenues Over Expenditures	(208,967)	(208,967)	(97,407)	111,560
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	200,000	200,000	200,000	-
Total Other Financing Sources (Uses)	200,000	200,000	200,000	-
Net Change in Fund Balance	(8,967)	(8,967)	102,593	111,560
Beginning Fund Balance	8,967	8,967	25,749	16,782
Ending Fund Balance	\$ -	\$ -	\$ 128,342	\$ 128,342

SUTHERLIN SCHOOL DISTRICT NO. 130

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Capital Improvement-Athletics Fund #411

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>EXPENDITURES:</u>				
Support Services	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Total Expenditures	25,000	25,000	-	(25,000)
Excess (Deficiency) of Revenues Over Expenditures	(25,000)	(25,000)	-	25,000
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	25,000	25,000	25,000	-
Total Other Financing Sources (Uses)	25,000	25,000	25,000	-
Net Change in Fund Balance	-	-	25,000	25,000
Ending Fund Balance	\$ -	\$ -	\$ 25,000	\$ 25,000

SUTHERLIN SCHOOL DISTRICT NO. 130

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

SB 1149 Fund #412

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>Over</u> <u>(Under)</u>
<u>REVENUES:</u>				
Miscellaneous Revenue	\$ 31,000	\$ 31,000	\$ -	\$ (31,000)
State Aid	-	-	30,195	30,195
Total Revenues	31,000	31,000	30,195	(805)
<u>EXPENDITURES:</u>				
Facilities Acquisition and Construction	31,000	31,000	-	(31,000)
Total Expenditures	31,000	31,000	-	(31,000)
Net Change in Fund Balance	-	-	30,195	30,195
Ending Fund Balance	\$ -	\$ -	\$ 30,195	\$ 30,195

OTHER
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Additional Supporting Schedules

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Full Faith and Credit Qualified Zone Academy Bond, 2016

Full Faith and Credit QZAB, 2016 held by New Mexico Bank and Trust Company for Pulling for Kids Program. The bond is dated August 4, 2016 with an original balance of \$1,100,000 and an interest rate of 4.39%. Annual deposits of \$55,000 into a Custodial Account at US Bank are required with a permitted sinking fund yield of 2.45% annually. Final payment is due in 2038.

Current Year Activity:

	<u>Outstanding Balance July 1, 2020</u>	<u>New Issues and Interest Matured</u>	<u>Principal and Interest Retired</u>	<u>Outstanding Balance June 30, 2021</u>	<u>Due Within One Year</u>
Principal	\$ 935,000	\$ -	\$ 55,000	\$ 880,000	\$ 55,000
Interest	-	-	-	-	-
Total	<u>\$ 935,000</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ 880,000</u>	<u>\$ 55,000</u>

Future Requirements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
2022	\$ 55,000	\$ -	\$ 55,000	4.39%
2023	55,000	-	55,000	4.39%
2024	55,000	-	55,000	4.39%
2025	55,000	-	55,000	4.39%
2026	55,000	-	55,000	4.39%
2027	55,000	-	55,000	4.39%
2028	55,000	-	55,000	4.39%
2029	55,000	-	55,000	4.39%
2030	55,000	-	55,000	4.39%
2031	55,000	-	55,000	4.39%
2032	55,000	-	55,000	4.39%
2033	55,000	-	55,000	4.39%
2034	55,000	-	55,000	4.39%
2035	165,000	-	165,000	4.39%
Total	<u>\$ 880,000</u>	<u>\$ -</u>	<u>\$ 880,000</u>	

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Qualified Zone Academy Bond

QZAB held by Bank of America for qualified building improvements and equipment purchases. The Bond is dated December 2004. The original balance is \$1,141,000 with an interest rate of 0%. Annual deposit of \$56,292 into Custodial Account at US bank earning 3% annually is required.

Current Year Activity:

	<u>Outstanding Balance July 1, 2020</u>	<u>New Issues and Interest Matured</u>	<u>Principal and Interest Retired</u>	<u>Outstanding Balance June 30, 2021</u>	<u>Due Within One Year</u>
Principal	\$ 296,252	\$ -	\$ 56,319	\$ 239,933	\$ 56,292
Interest	-	-	-	-	-
Total	<u>\$ 296,252</u>	<u>\$ -</u>	<u>\$ 56,319</u>	<u>\$ 239,933</u>	<u>\$ 56,292</u>

Future Requirements:

	<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
	2022	\$ 56,292	\$ -	\$ 56,292	0.00%
	2023	56,292	-	56,292	0.00%
	2024	56,292	-	56,292	0.00%
	2025	56,292	-	56,292	0.00%
	2026	14,792	-	14,792	0.00%
Total		<u>\$ 239,960</u>	<u>\$ -</u>	<u>\$ 239,960</u>	

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

OSBA Limited Tax Pension Obligation Bonds

Oregon School Board Association Limited Tax Pension Obligation Bonds, Series 2002, held by Wells Fargo Bank Northwest, NA and dated October 31, 2002. The original balance is \$4,739,860 with an interest rate between 2.0% and 6.10%. An agreement in fiscal year 2010-11 allowed the District to make an early principal payment. Because of the early payment made, a principal payment is not required in the 2020-21 fiscal year.

Current Year Activity:

	<u>Outstanding Balance July 1, 2020</u>	<u>New Issues and Interest Matured</u>	<u>Principal and Interest Retired</u>	<u>Outstanding Balance June 30, 2021</u>	<u>Due Within One Year</u>
Principal	\$ 3,215,000	\$ -	\$ -	\$ 3,215,000	\$ 360,000
Interest	-	186,600	186,600	-	177,665
Total	<u>\$ 3,215,000</u>	<u>\$ 186,600</u>	<u>\$ 186,600</u>	<u>\$ 3,215,000</u>	<u>\$ 537,665</u>

Future Requirements:

	<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
	2022	\$ 360,000	\$ 177,665	\$ 537,665	0.00%
	2023	405,000	158,209	563,209	0.00%
	2024	455,000	135,975	590,975	0.00%
	2025	505,000	110,723	615,723	0.00%
	2026	565,000	82,695	647,695	0.00%
	2027	630,000	51,337	681,337	0.00%
	2028	295,000	16,373	311,373	0.00%
Total		<u>\$ 3,215,000</u>	<u>\$ 732,977</u>	<u>\$ 3,947,977</u>	

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

OSBA Limited Tax Pension Obligation Bonds

Oregon School Board Association Limited Tax Pension Obligation Bonds, Series 2003, held by Wells Fargo Bank Northwest, NA and dated April 21, 2003. The original balance is \$6,022,782 with an interest rate between 1.50% and 6.27%.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 3,640,042	\$ -	\$ 159,153	\$ 3,480,889	\$ 157,775
Interest	-	505,210	505,210	-	536,587
Total	<u>\$ 3,640,042</u>	<u>\$ 505,210</u>	<u>\$ 664,363</u>	<u>\$ 3,480,889</u>	<u>\$ 694,362</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 157,775	\$ 536,587	\$ 694,362	0.00%
	2023	158,114	571,248	729,362	0.00%
	2024	585,000	179,363	764,363	0.00%
	2025	655,000	146,544	801,544	0.00%
	2026	730,000	109,340	839,340	0.00%
	2027	810,000	67,876	877,876	0.00%
	2028	385,000	21,868	406,868	0.00%
Total		<u>\$ 3,480,889</u>	<u>\$ 1,632,826</u>	<u>\$ 5,113,715</u>	

SUTHERLIN SCHOOL DISTRICT NO. 130

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2021

SUPPLEMENTAL INFORMATION 2020-2021

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel, and water & sewage
for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 272,265
Function 2550	\$ 3,071

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

- 1113,1122 & 1132
- 1140
- 1300
- 1400

- Extra-curricular Activities
- Pre-Kindergarten
- Continuing Education
- Summer School

Exclude these functions:

- 4150 Construction
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services

\$	-
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*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.

SUTHERLIN SCHOOL DISTRICT NO. 130

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2021

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400
1110 Ad Valorem Taxes Levied by District	\$ 3,131,550	\$ -	\$ 11,417	\$ -
1190 Penalties and Interest on Taxes	17,763	-	1,568	-
1500 Earnings on Investments	47,262	-	64	-
1600 Food Service	-	401	-	-
1700 Extracurricular Activities	-	125,494	-	-
1920 Contributions and Donations From Private Sources	-	3,486	-	-
1970 Services Provided Other Funds	-	-	1,710,716	-
1990 Miscellaneous	46,258	-	-	-
Total Revenue from Local Sources	\$ 3,242,833	\$ 129,381	\$ 1,723,765	\$ -

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400
2101 County School Funds	\$ 15,102	\$ -	\$ -	\$ -
2102 General ESD Revenue	113,379	-	-	-
2199 Other Intermediate Sources	2,849	-	-	-
Total Revenue from Intermediate Sources	\$ 131,330	\$ -	\$ -	\$ -

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400
3101 State School Fund - General Support	\$ 11,323,203	\$ 354,525	\$ -	\$ -
3102 State School Fund - School Lunch Match	-	5,943	-	-
3103 Common School Fund	131,708	-	-	-
3199 Other Unrestricted Grants-In-Aid	-	-	-	30,195
3299 Other Restricted Grants-In-Aid	-	810,143	-	-
Total Revenue from State Sources	\$ 11,454,911	\$ 1,170,611	\$ -	\$ 30,195

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400
4200 Unrestricted Revenue From the Federal Government Through the State	\$ 3,693	\$ -	\$ -	\$ -
4500 Restricted Revenue From the Federal Government Through the State	-	1,676,956	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	15,981	-	-
4801 Federal Forest Fees	131,742	-	-	-
4900 Revenue for/on Behalf of the District	-	48,946	-	-
Total Revenue from Federal Sources	\$ 135,434	\$ 1,741,883	\$ -	\$ -

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400
5200 Interfund Transfers	\$ -	\$ 310,000	\$ 37,500	\$ 225,000
5400 Resources - Beginning Fund Balance	3,664,587	419,956	3,096,049	25,749
Total Revenue from Other Sources	\$ 3,664,587	\$ 729,956	\$ 3,133,549	\$ 250,749

Grand Total

Grand Total	\$ 18,629,096	\$ 3,771,831	\$ 4,857,314	\$ 280,943
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SUTHERLIN SCHOOL DISTRICT NO. 130
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2021

FUND: General Fund #100

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ 2,949,638	\$ 1,802,607	\$ 1,021,451	\$ 82,419	\$ 43,161	\$ -	\$ -	\$ -
1121	Middle/Junior High Programs	1,637,197	999,785	534,590	70,196	32,627	-	-	-
1122	Middle/Junior High School Extracurricular	85,046	50,529	16,019	10,860	7,388	-	250	-
1131	High School Programs	2,058,275	1,272,010	653,938	93,834	38,492	-	-	-
1132	High School Extracurricular	309,569	178,013	57,257	44,683	22,471	3,250	3,895	-
1210	Programs for the Talented and Gifted	7,966	5,096	2,639	-	231	-	-	-
1220	Restrictive Programs for Students with Disabilities	292,892	179,420	110,234	2,328	910	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	804,051	537,736	263,181	1,080	2,054	-	-	-
1272	Title I	2,399	1,957	443	-	-	-	-	-
1280	Alternative Education	129,159	86,305	31,037	10,851	966	-	-	-
1291	English Second Language Programs	106,696	65,354	39,308	-	2,034	-	-	-
1400	Summer School Programs	1,956	-	-	-	1,956	-	-	-
Total Instruction Expenditures		\$ 8,384,844	\$ 5,178,812	\$ 2,730,096	\$ 316,250	\$ 152,291	\$ 3,250	\$ 4,145	\$ -
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$ 30,050	\$ -	\$ -	\$ 30,050	\$ -	\$ -	\$ -	\$ -
2120	Guidance Services	575,021	353,530	220,505	32	953	-	-	-
2130	Health Services	16,223	-	-	15,445	778	-	-	-
2140	Psychological Services	20,000	-	-	20,000	-	-	-	-
2190	Service Direction, Student Support Services	86,277	49,267	25,818	469	10,128	-	595	-
2210	Improvement of Instruction Services	115,815	12,292	6,923	-	96,600	-	-	-
2220	Educational Media Services	91,748	62,511	22,422	-	6,816	-	-	-
2230	Assessment & Testing	5,000	-	-	5,000	-	-	-	-
2240	Instructional Staff Development	102,442	54,303	44,676	2,235	1,228	-	-	-
2310	Board of Education Services	31,398	-	-	25,800	1,462	-	4,136	-
2320	Executive Administration Services	247,347	149,770	80,203	3,875	12,034	-	1,465	-
2410	Office of the Principal Services	1,086,826	688,552	365,786	9,654	18,151	-	4,683	-
2490	Other Support Services - School Administration	77,242	44,527	32,715	-	-	-	-	-
2520	Fiscal Services	358,076	176,042	111,273	17,964	6,144	-	46,653	-
2540	Operation and Maintenance of Plant Services	1,243,569	373,365	297,564	397,350	74,526	17,652	83,113	-
2550	Student Transportation Services	743,701	383,981	258,666	16,389	52,845	-	31,819	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	24,565	-	-	24,565	-	-	-	-
2630	Information Services	2,835	-	-	-	2,835	-	-	-
2640	Staff Services	400	-	-	400	-	-	-	-
2660	Technology Services	310,726	98,998	51,624	108,340	51,615	-	150	-
2680	Sign Language Interpreter	3,804	-	-	3,804	-	-	-	-
Total Support Services Expenditures		\$ 5,173,065	\$ 2,447,139	\$ 1,518,174	\$ 681,372	\$ 336,116	\$ 17,652	\$ 172,614	\$ -
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200	Transfers of Funds	\$ 572,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 572,500
Total Other Uses Expenditures		\$ 572,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 572,500
Grand Total		\$14,130,409	\$ 7,625,950	\$ 4,248,270	\$ 997,622	\$ 488,407	\$ 20,902	\$ 176,759	\$ 572,500

SUTHERLIN SCHOOL DISTRICT NO. 130
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2021

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Elementary, K-5 or K-6	\$ 360,852	\$ 156,698	\$ 64,284	\$ 65,546	\$ 74,323	\$ -	\$ -
1113 Elementary Extracurricular	768	-	-	-	768	-	-
1121 Middle/Junior High Programs	70,172	9,824	3,531	35,193	5,225	16,398	-
1122 Middle/Junior High School Extracurricular	6,887	-	-	-	6,887	-	-
1131 High School Programs	313,550	31,961	11,545	38,089	147,649	84,306	-
1132 High School Extracurricular	106,226	2,438	195	-	103,592	-	-
1140 Pre-Kindergarten Programs	179,303	95,555	60,608	2,968	20,172	-	-
1220 Restrictive Programs for Students with Disabilities	93,283	72,139	20,962	-	182	-	-
1250 Less Restrictive Programs for Students with Disabilities	46,536	34,985	10,951	-	600	-	-
1272 Title I	303,186	164,303	138,883	-	-	-	-
1280 Alternative Education	7	-	-	-	7	-	-
1291 English Second Language Programs	30,806	-	-	-	30,806	-	-
Total Instruction Expenditures	\$ 1,511,575	\$ 567,904	\$ 310,960	\$ 141,796	\$ 390,211	\$ 100,704	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110 Attendance and Social Work Services	\$ 65,852	\$ 35,061	\$ 27,835	\$ -	\$ 2,956	\$ -	\$ -
2120 Guidance Services	1,840	-	-	-	1,840	-	-
2130 Health Services	17,098	-	-	-	17,098	-	-
2140 Psychological Services	146,769	76,114	43,155	27,500	-	-	-
2190 Service Direction, Student Support Services	346	209	136	-	-	-	-
2210 Improvement of Instruction Services	146,717	59,854	31,248	-	55,615	-	-
2220 Educational Media Services	31,007	22,794	8,213	-	-	-	-
2240 Instructional Staff Development	54,858	30,675	16,823	7,332	28	-	-
2320 Executive Administration Services	11	-	-	-	11	-	-
2410 Office of the Principal Services	64,369	40,652	23,717	-	-	-	-
2520 Fiscal Services	18,081	10,155	4,321	-	3,605	-	-
2540 Operation and Maintenance of Plant Services	69,020	3,080	-	34,410	31,530	-	-
2550 Student Transportation Services	145,747	-	-	-	-	145,747	-
2660 Technology Services	181,320	-	-	8,163	173,156	-	-
Total Support Services Expenditures	\$ 943,034	\$ 278,594	\$ 155,449	\$ 77,405	\$ 285,839	\$ 145,747	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	529,066	177,353	138,226	15,155	197,214	-	1,118
3300 Community Services	252	-	-	-	252	-	-
Total Enterprise and Community Services Expenditures	\$ 529,318	\$ 177,353	\$ 138,226	\$ 15,155	\$ 197,466	\$ -	\$ 1,118

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150 Building Acquisition, Construction, and Improvement	138,159	-	-	3,394	46,885	87,881	-
Total Facilities Acquisition and Construction	\$ 138,159	\$ -	\$ -	\$ 3,394	\$ 46,885	\$ 87,881	\$ -

Grand Total

\$ 3,122,086	\$ 1,023,851	\$ 604,634	\$ 237,749	\$ 920,401	\$ 334,332	\$ 1,118
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SUTHERLIN SCHOOL DISTRICT NO. 130
Audit Expenditure Summary-Debt Service Fund #300
For the Fiscal Year Ended June 30, 2021

FUND: Debt Service Fund #300

Support Services Expenditures

2520 Fiscal Services

Total Support Services Expenditures

Totals	Object 300	Object 600
\$ 3,200	\$ 3,200	\$ -
\$ 3,200	\$ 3,200	\$ -

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 300	Object 600
\$ 962,282	\$ -	\$ 962,282
\$ 962,282	\$ -	\$ 962,282
\$ 965,482	\$ 3,200	\$ 962,282

SUTHERLIN SCHOOL DISTRICT NO. 130
Audit Expenditure Summary-Capital Projects Fund #400
For the Fiscal Year Ended June 30, 2021

FUND: Capital Projects Fund #400

Support Services Expenditures

2540 Operation and Maintenance of Plant Services

2660 Technology Services

Total Support Services Expenditures

Grand Total

Totals	Object 300	Object 400
\$ 3,702	\$ 2,379	\$ 1,324
93,705	4,999	88,706
\$ 97,407	\$ 7,378	\$ 90,030
\$ 97,407	\$ 7,378	\$ 90,030

ACCOMPANYING
INFORMATION

SUTHERLIN SCHOOL DISTRICT NO. 130
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

June 30, 2021

To the Governing Body of the Sutherlin School District No. 130
Sutherlin, Oregon

We have audited the basic financial statements of the Sutherlin School District as of and for the year ended June 30, 2021, and have issued our report thereon dated November 19, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Sutherlin School 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.

OAR 162-10-0230 Internal Control

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

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



Steve Tuchscherer, CPA
Umpqua Valley Financial
November 19, 2021

SINGLE AUDIT SECTION



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*

To the Board of Directors
Sutherlin School District No. 130

I 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, each major fund, and the aggregate remaining fund information of Sutherlin School District No. 130, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Sutherlin School District No. 130's basic financial statements and have issued our report thereon dated December 10, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Sutherlin School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sutherlin School District's internal control. Accordingly, I do not express an opinion on the effectiveness of Sutherlin School District's internal control.

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

My 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 significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Sutherlin School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', is written in a cursive style.

Steve Tuchscherer, CPA
Umpqua Valley Financial
November 19, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Sutherlin School District No. 130

Report on Compliance for Each Major Federal Program

I have audited Sutherlin School District No. 130’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 Sutherlin School District No. 130’s major federal programs for the year ended June 30, 2021. Sutherlin School District No. 130’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

My responsibility is to express an opinion on compliance for each of Sutherlin School District No. 130’s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 Sutherlin School District No. 130’s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Sutherlin School District No. 130’s compliance.

Opinion on Each Major Federal Program

In my opinion, Sutherlin School District No. 130 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

The management of Sutherlin School District No. 130 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit, I considered Sutherlin School District No. 130’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, I do not express an opinion on the effectiveness of Sutherlin School District No. 130’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, non-compliance 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.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
November 19, 2021

SUTHERLIN SCHOOL DISTRICT NO. 130
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED June 30, 2021

Federal Grantor/Pass Through Grantor/

Program Title	Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification	Federal Program Name	Cluster Name	Grant Fund	Federal CFDA Number	Grant Period	Original Program or Grant Amount	(Receivable)/Deferred Revenue June 30, 2020	Cash Received	Expenditures	(Receivable)/Deferred Revenue June 30, 2021
US. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	10				Fund 210	84.010	2020-21	337,844	\$ -	\$ 210,648	\$ 388,974	\$ (178,326)
Total Title I									337,844	-	210,648	388,974	(178,326)
Title II-A Teacher Quality	84	367				Fund 210	84.367	2020-21	50,107	-	28,337	45,635	(17,298)
Total Title II-A									50,107	-	28,337	45,635	(17,298)
Elementary & Secondary School Emergency Relief, I	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Education	Fund 210	84.425	2019-20	318,827	-	120,784	187,235	(66,451)
Elementary & Secondary School Emergency Relief, II	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Education	Fund 210	84.425	2020-21	1,215,251	-	117,950	262,695	(144,745)
Comprehensive Distance Learning, GEER Funding	84	425	COVID-19, 84.425C	Governor's Emergency Education Relief Fund	Education	Fund 210	84.425	2020-21	96,633	-	96,622	96,622	-
Total Elementary & Secondary School Relief Fund									1,630,711	-	335,356	546,552	(211,196)
Rural Education Achievement Program	84	358				Fund 210	84.358	2020-21	24,661	-	9,142	14,921	(5,779)
Rural Education Achievement Program	84	358				Fund 210	84.358	2019-20	24,097	-	13,593	13,593	-
Total Rural Education Achievement Program									48,758	-	22,735	28,514	(5,779)
IDEA - Special Education Grants to States (Part B Sec.611)	84	27				IDEA 210	84.027	2019-20	2,998	-	2,998	2,998	-
IDEA - Special Education Grants to States (Part B Sec.611)	84	27				IDEA 210	84.027	2020-21	212,844	-	108,707	201,495	(92,788)
IDEA - Special Ed Preschool Grant	84	173				IDEA 210	84.173	2019-20	3,014	-	-	1,221	(1,221)
Total IDEA									218,856	-	111,705	205,714	(94,009)
Student Support & Academic Enrichment	84	424				Fund 210	84.424	2019-20	29,946	(14,387)	-	-	-
Student Support & Academic Enrichment - Title IV-A	84	424				Fund 210	84.424	2020-21	28,189	-	13,378	24,209	(10,831)
Total Student Support & Academic Enrichment									58,135	(14,387)	27,765	24,209	(10,831)
Total Passed through Oregon Department of Education									\$ 2,344,411	\$ (14,387)	\$ 736,546	\$ 1,239,598	\$ (517,439)
Passed through Other Intermediate Sources:													
Title III Consortium	84	31				Grants Fund	84.031	2019-20	1,648	(1,648)	1,648	-	-
Carl Perkins Vo-Ed Basic Grants to States	84	048A				Grants Fund	84.048A	2020-21	15,981	-	10,715	15,981	(5,266)
Total Passed through Other Intermediate Sources									\$ 17,629	\$ (1,648)	\$ 12,363	\$ 15,981	\$ (5,266)
Total U.S. Department of Education									\$ 2,362,040	\$ (16,035)	\$ 748,909	\$ 1,255,579	\$ (522,705)
DEPARTMENT OF HEALTH AND HUMAN SERVICES													
Foster Care Title IV-E	93	658				General Fund	93.658	2019-20	3,252	(3,340)	3,340	-	-
Foster Care Title IV-E	93	658				General Fund	93.658	2020-21	4,093	-	3,693	3,693	-
Total Department of Health and Human Services									\$ 7,345	\$ (3,340)	\$ 7,033	\$ 3,693	\$ -
U.S. DEPARTMENT OF AGRICULTURE													
Passed Through Oregon Department of Education:													
Commodities	*	10	555			Food Service	10.555	2019-20	\$ -	\$ -	\$ 48,946	\$ 48,946	\$ -
Summer Food Program	*	10	559			Fund 250	10.559	2019-20	161,493	(76,807)	76,807	-	-
Summer Food Program	*	10	559			Fund 250	10.559	2017-18	437,364	-	404,364	437,364	(32,800)
Total National School Lunch Program									598,857	(76,807)	530,317	486,310	(32,800)
Total U.S. Department of Agriculture									\$ 598,857	\$ (76,807)	\$ 530,317	\$ 486,310	\$ (32,800)
TOTALS									\$ 2,968,242	\$ (96,182)	\$ 1,286,259	\$ 1,745,582	\$ (555,505)

This schedule is prepared using the modified accrual basis of accounting.

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	\$ 1,286,259
Grants Receivable/Deferred Revenue Beginning of Year	(96,182)
Grants Receivable/Deferred Revenue End of Year	555,505
Federal Revenue Recognized per Financial Statements	\$ 1,745,582

* major program

SUTHERLIN SCHOOL DISTRICT NO. 130
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of Sutherlin School District No. 130 under programs of the federal government for the year ended June 30, 2021. The information in this 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 operations of Sutherlin School District No. 130, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Sutherlin School District No. 130.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COSTS RATE

Sutherlin School District No. 130 has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SUTHERLIN SCHOOL DISTRICT NO. 130

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Sutherlin School District No. 130 in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of Sutherlin School District No. 130 were disclosed during the audit.
4. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The program tested as a major program was the National School Lunch Cluster, CFDA 10.553, 10.555, 10.558 and 10.559.
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2021.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.