

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
ROSEBURG, OREGON**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021  
WITH  
INDEPENDENT AUDITOR'S REPORT**



**Certified Public Accountants, LLP**  
audit | tax | advisory | wealth management | cfo

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
ROSEBURG, OREGON  
YEAR ENDED JUNE 30, 2021**

**BOARD OF DIRECTORS AS OF JUNE 30, 2021**

Rebecca Larson Roseburg, Oregon 97470	Chair
Rev. Howard Johnson Roseburg, Oregon 97470	Vice-chair
Rodney Cotton Roseburg, Oregon 97470	Director
Micki Hall Roseburg, Oregon 97471	Director
Dr. Brandon Bishop Roseburg, Oregon 97471	Director
Charles F. Lee Roseburg, Oregon 97470	Director

**All board members receive mail at the address listed below:**

**Administrative Office:  
1419 NW Valley View Drive  
Roseburg, Oregon 97471**

**ADMINISTRATIVE STAFF AS OF JUNE 30, 2021**

Jared Cordon	Superintendent
Cheryl Northam	Chief Operations Officer

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
ROSEBURG, OREGON  
YEAR ENDED JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Douglas County School District No. 4  
Roseburg, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Douglas County School District No. 4 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

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

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

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not required as part of the basic financial statements. The schedule of expenditures of federal awards is presented for 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 Award*, and is also not a required part of the basic financial statements.

The other supplementary information as listed in the Table of Contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and 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*, we have also issued our report dated December 13, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

#### ***Other Reporting Required by the State of Oregon***

In accordance with Oregon State Regulations, we have also issued our report dated December 13, 2021, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Aria Bettinger, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 13, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

As management of Douglas County School District No. 4 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that all amounts included in text below are rounded for ease of reading.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets and deferred outflows of the District exceeded liabilities/deferred inflows at June 30, 2021 by \$5.8 million. Of this amount, \$39.0 million represents the District's net investment in capital assets, \$3.5 million is restricted, and the deficit of \$36.7 million is considered unrestricted.
- For the fiscal year ended June 30, 2021, the District's total net position increased by \$784 thousand. In the prior year, the District's total net position increased by \$10.2 million. The decrease in performance during fiscal 2021 compared to fiscal 2020 can mostly be attributed to the actuarially determined change in pension related items.
- The District's governmental funds report a combined ending fund balance of \$25.3 million, an increase of \$4.9 million from the prior year.
- At the end of the fiscal year, unassigned fund balance in the general fund was \$12.8 million or 21.7 percent of total general fund expenditures. In total, the general fund balance increased by \$2.8 million from the prior year.
- The District's total long-term debt decreased by \$4.4 million during the 2020-2021 fiscal year as a result of scheduled principal payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

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

***Statement of Net Position.*** The *Statement of Net Position* presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been recognized. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Statement of Activities.** The Statement of Activities presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

In the government-wide financial statements, the District's activities are shown in one category:

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

The government-wide financial statements can be found as listed in the Table of Contents of this report.

**Fund financial statements**

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be categorized as governmental funds.

**Governmental funds.** The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Revenue, Debt Service, and Capital Projects Funds, all of which are considered to be major funds.

The basic governmental fund financial statements can be found as listed in the Table of Contents of this report.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Notes to the basic financial statements**

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Information such as significant accounting policies and detail of certain assets/deferred outflows and liabilities/deferred inflows are included in the notes which should be read in conjunction with the basic financial statements.

The notes to the basic financial statements can be found as listed in the Table of Contents of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's assets/deferred outflows exceeded liabilities/deferred inflows by \$5.8 million at June 30, 2021. At June 30, 2020 District liabilities/deferred inflows were greater than assets/deferred outflows by \$5.0 million.

	<b>Governmental Activities</b>		<b>Increase (Decrease) From</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b>
Assets:			
Current assets	\$ 30,168	\$ 24,494	\$ 5,674
Other assets	830	529	301
Capital assets	39,094	38,403	691
Total assets	<u>70,092</u>	<u>63,426</u>	<u>6,666</u>
Deferred outflows	<u>18,595</u>	<u>21,404</u>	<u>(2,809)</u>
Total assets and deferred outflows	<u>88,687</u>	<u>84,830</u>	<u>3,857</u>
Liabilities:			
Current liabilities (including current portion of long-term debt)	6,314	7,104	(790)
Pension & OPEB liabilities	50,247	41,504	8,743
Long-term debt	<u>20,870</u>	<u>23,475</u>	<u>(2,605)</u>
Total liabilities	<u>77,431</u>	<u>72,083</u>	<u>5,348</u>
Deferred inflows	<u>5,432</u>	<u>7,708</u>	<u>(2,276)</u>
Total liabilities and deferred inflows	<u>82,863</u>	<u>79,791</u>	<u>3,072</u>
Net position:			
Net investment in capital assets	38,989	36,282	2,707
Restricted	3,511	490	3,021
Unrestricted	<u>(36,676)</u>	<u>(31,732)</u>	<u>(4,944)</u>
Total net position	<u>\$ 5,824</u>	<u>\$ 5,039</u>	<u>\$ 784</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Net position increased by \$784 thousand from the prior year.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles and equipment, represent about 44.1% of total assets/deferred outflows. The remaining assets consist mainly of cash and investments, grants and property taxes receivable, inventory, prepaids, and deferred outflows related to pensions.

The District's largest liabilities consist of PERS bonds, full faith credit obligations, unfunded OPERS obligations, and unfunded post employment benefit obligations. Other more current liabilities consist of payables on accounts, accrued salaries and benefits, and unearned revenue.

A large portion of the District's net position reflect its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state school fund support), since the capital assets themselves cannot be used to liquidate these liabilities.

	<b>Governmental Activities</b>		<b>Increase (Decrease) From</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b>
Revenues:			
Program revenues:			
Charges for service	\$ 805	\$ 2,262	\$ (1,457)
Operating grants and contributions	14,506	9,468	5,038
Capital grants and contributions	303	1,976	(1,673)
General revenues:			
Property taxes	19,657	19,373	284
State school fund - general support	43,201	43,484	(283)
Other federal, state and local sources	1,449	1,531	(82)
Earnings on investments	215	503	(288)
Total revenues	<u>80,136</u>	<u>78,598</u>	<u>1,539</u>
Expenses:			
Instruction	48,031	39,844	8,187
Support services	27,350	24,063	3,287
Enterprise and community services	2,486	2,631	(145)
Interest on long-term debt	1,467	1,678	(211)
Facilities acquisition and construction	18	161	(143)
Total expenses	<u>79,352</u>	<u>68,377</u>	<u>10,975</u>
Change in net position	<u>\$ 784</u>	<u>\$ 10,222</u>	<u>\$ (9,436)</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

At June 30, 2021, the District's governmental funds reported combined ending fund balance of \$25.3 million, an increase of \$4.9 million from the prior year. Approximately \$12.4 million (49.2%) of the ending fund balance constitutes unassigned *ending fund balance*, which is available for spending at the government's discretion.

*General Fund.* The General Fund is the chief operating fund of the District. At June 30, 2021, the fund balance was \$13.0 million. This is an increase of about \$2.8 million (27%) from the previous year. The general fund unassigned balance represents 21.7 percent of total general fund expenditures. This is an increase when compared to 2020.

*Special Revenue Fund.* The Special Revenue Fund is used to account for Federal, State, and Local grants, as well as our food service and associated student body. All funds are utilized to carry out specific programs, and the majority of the ending fund balance is restricted for food service, student body programs and activities and grant related activities. The fund balance increased by \$194 thousand (5.1%) from the previous year. Special revenue funding has become much more volatile over the last several years as state and federal stimulus programs are established for short periods of time. As general funding continues to be impacted by the economy, our reliance on special revenues increases.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$6.6 million, \$272 thousand of which is restricted for the payment of debt service, and \$6.4 million is assigned for pension obligation bonds debt service. The increase in fund balance during the current year was about \$1.8 million. This increase can be attributed to the ongoing internal charge intended to offset future debt service increases associated with the pension obligation bonds.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$1.7 million, all of which is assigned for ongoing capital projects. The fund balance increased by \$165 thousand during the current fiscal year as a result of less activity on seismic projects.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2021, the District had invested approximately \$39.1 million in capital assets, net of depreciation, as shown in the following table:

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

	<b>Governmental Activities</b>		<b>Increase (Decrease) From</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b>
Capital assets (net of depreciation):			
Land	\$ 4,011	\$ 3,567	444
Construction in progress	271	-	271
Buildings and improvements	33,422	33,483	(61)
Vehicles and equipment	1,391	1,353	38
Total capital assets (net)	<u>\$ 39,095</u>	<u>\$ 38,403</u>	<u>\$ 692</u>

Additional information regarding the District's capital assets can be found in the notes to the basic financial statements of this report.

**Long-term debt.** At the end of the current fiscal year, the District had outstanding long-term debt of \$23.5 million, consisting of general obligation debt, pension obligation debt, and other full faith and credit obligations.

	<b>Governmental Activities</b>		<b>Increase (Decrease) From</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b>
Debt obligations:			
General obligation bonds	\$ -	\$ 1,955	\$ (1,955)
Pension obligation bonds	23,370	25,725	(2,355)
Other obligations	105	205	(100)
Total debt obligations	<u>\$ 23,475</u>	<u>\$ 27,885</u>	<u>\$ (4,410)</u>

During the current fiscal year, the District's total debt decreased by \$4.4 million. This was the result of scheduled principal payments.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The most significant financial challenge facing the district continues to be the impact of the COVID-19 pandemic. The district is funded on a per student basis, and student enrollment is, at present, approximately 350 enrolled students down from 2019-20 levels. Parent concerns regarding the wearing of masks, vaccinations, and concern about the virus itself has led parents to choosing to keep their students out of school buildings. The district has added virtual and online school options to assist these parents in the education of their students in their home environment.

Oregon's state school fund remains the district's single largest source of funding. For the year ended June 30, 2021, state school fund support provided about 68% of the district general fund program revenue, the same level as in the previous years. When combined with local property taxes, county and common school fund dollars, and federal forest fees which are included in the school fund formula, these sources provide about 99% of the resources for the general fund.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

PERS is, and will continue to be, a driving factor in the district's ability to manage its expenditures. At the start of the 2021-22 fiscal year, the district participated in a very successful pension obligation bond offering. The district issued \$32.5 million in pension obligation bonds as part of a 22 district, \$660 million issue. True interest cost is 2.47% for the debt and the district anticipates a savings of \$17.9 million in PERS costs over the life of the issue. Strong market returns in the first half of 2021 will also assist in lowering future PERS employer rate increases if market conditions continue in the future.

In the 2019 session, the Oregon legislature passed the Student Success Act. The funding provided by the SSA has allowed the district to provide many additional services and programs for our students. With over \$4 million in funding projects for the 2021-22 fiscal year, the district has added special education services for students, a social emotional learning coordinator, created classroom libraries, and eliminated most student fees paid by parents. The district has also created a STEAM Team, consisting of four elementary science teachers that travel to the elementary schools and have STEAM Day events for all students involving science, technology, engineering, art, and math. Increased access to after school clubs and activities is happening and more is in the planning stage.

The addition of High School Success funds at Roseburg High School has enable the district to add and expand career technical education opportunities for our students. The district has brought back the auto program and expended into diesel motors. Much needed, updated equipment has been added in the construction program, welding, and CAD lab. A graduation coach assists students and has helped raise the district's graduation rate. It is exciting to watch these programs give students the skills needed to become part of today's workforce.

The school board is putting a bond request before the voters in May 2022. The school board is relying on the work and input from various community groups and a bond planning committee to determine the needs of the district. If successful, the bond sale proceeds would be used for safety, building repairs and renovations. The district is planning for the use of Elementary and Secondary Schools Education Relief funding (ESSER) to upgrade air quality in buildings for the well-being of students and staff.

The district looks forward to 2021-22 and beyond with caution and hopefulness, always keeping students as our focus in decision making.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Business Office at 1419 NW Valley View Drive, Roseburg, Oregon 97471.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS:</b>	
<b>Assets:</b>	
Cash and Investments	\$ 24,480,167
Receivables:	
Taxes Receivable	1,441,240
Grant Receivables	3,246,007
Inventory - General	223,622
Prepaid Expense	776,397
Net Post-Employment Benefit (RHIA)	830,226
Capital Assets (net of accumulated depreciation):	
Land	4,010,994
Construction in Progress	270,773
Buildings and Site Improvements	33,421,557
Vehicles and Equipment	1,390,723
<b>TOTAL ASSETS</b>	<b>70,091,706</b>
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions (OPERS)	18,495,142
Deferred outflows related to other post-employment benefits (single-employer medical benefit plan)	336
Deferred outflows related to other post-employment benefits (RHIA)	99,548
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,595,026</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>88,686,732</b>
<b>LIABILITIES AND DEFERRED INFLOWS:</b>	
<b>Liabilities:</b>	
Accounts Payable and Accrued Liabilities	893,298
Accrued Payroll and Related Charges	2,381,010
Accrued Compensated Absences	57,830
Unearned Revenue	377,202
Total Pension Liability (Stipend) (Due in more than one year)	313,045
Total Other Post Employment Benefit Obligation (Due in more than one year)	4,504,173
Net Pension Liability (OPERS) (Due in more than one year)	45,430,155
Long-Term Debt:	
Due Within One Year	2,605,000
Due in More Than One Year	20,870,000
<b>TOTAL LIABILITIES</b>	<b>77,431,713</b>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows related to pensions (OPERS)	4,801,531
Deferred inflows related to other post-employment benefits (single-employer medical benefit plan)	364,504
Deferred inflows related to other post-employment benefits (RHIA)	265,629
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,431,664</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>82,863,377</b>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	38,989,047
Restricted	3,510,569
Unrestricted	(36,676,261)
<b>TOTAL NET POSITION</b>	<b>\$ 5,823,355</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instructional Services	\$ 48,030,521	\$ 543,787	\$ 7,485,203	\$ -
Support Services	27,350,491	258,593	4,059,152	-
Community Services	2,485,813	3,073	2,961,460	-
Interest on Long-Term Liabilities	1,466,953	-	-	-
Facilities Acquisition and Construction	18,278	-	-	303,376
Total Governmental Activities	<u>\$ 79,352,056</u>	<u>\$ 805,453</u>	<u>\$ 14,505,815</u>	<u>\$ 303,376</u>
				(63,737,412)
General Revenues:				
Property Taxes Levied for General Purposes				17,958,131
Property Taxes Levied for Debt Service				1,698,450
State School Fund				43,200,921
Common School Fund				572,231
Federal Forest Fees				541,251
County School Fund				62,045
Earnings on Investments				214,791
Miscellaneous				273,450
Total General Revenues				<u>64,521,270</u>
CHANGE IN NET POSITION				783,858
NET POSITION - JULY 1, 2020				<u>5,039,497</u>
NET POSITION - JUNE 30, 2021				<u>\$ 5,823,355</u>

## **FUND FINANCIAL STATEMENTS**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS:</b>					
Cash and Investments	\$ 15,364,989	\$ 972,813	\$ 6,622,591	\$ 1,519,774	\$ 24,480,167
Taxes Receivable	1,301,517	-	139,723	-	1,441,240
Receivable From Other					
Governmental Sources	297,978	2,807,803	-	140,226	3,246,007
Inventory - General	223,622	-	-	-	223,622
Prepaid	32,127	744,270	-	-	776,397
<b>TOTAL ASSETS</b>	<u>\$ 17,220,233</u>	<u>\$ 4,524,886</u>	<u>\$ 6,762,314</u>	<u>\$ 1,660,000</u>	<u>\$ 30,167,433</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 718,686	\$ 174,612	\$ -	\$ -	\$ 893,298
Accrued Payroll and Related Charges	2,381,010	-	-	-	2,381,010
Unearned Revenue	-	377,202	-	-	377,202
<b>TOTAL LIABILITIES</b>	<u>3,099,696</u>	<u>551,814</u>	<u>-</u>	<u>-</u>	<u>3,651,510</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Property Taxes	1,102,336	-	117,766	-	1,220,102
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>4,202,032</u>	<u>551,814</u>	<u>117,766</u>	<u>-</u>	<u>4,871,612</u>
<b>Fund Balances:</b>					
Nonspendable	255,749	744,270	-	-	1,000,019
Restricted - Debt Service	-	-	271,787	-	271,787
Restricted - Grants	-	666,614	-	-	666,614
Restricted - Student Body Funds	-	944,350	-	-	944,350
Restricted - Food Service	-	1,627,818	-	-	1,627,818
Committed - Technology Program	-	183,213	-	-	183,213
Committed - Vehicle Purchase	-	124,051	-	-	124,051
Assigned - Debt Service	-	-	6,372,761	-	6,372,761
Assigned - Capital Projects	-	-	-	1,660,000	1,660,000
Unassigned	12,762,452	(317,244)	-	-	12,445,208
<b>TOTAL FUND BALANCES</b>	<u>13,018,201</u>	<u>3,973,072</u>	<u>6,644,548</u>	<u>1,660,000</u>	<u>25,295,821</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 17,220,233</u>	<u>\$ 4,524,886</u>	<u>\$ 6,762,314</u>	<u>\$ 1,660,000</u>	<u>\$ 30,167,433</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2021**

<b>TOTAL FUND BALANCES</b>	<b>\$</b>	<b>25,295,821</b>
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Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 75,202,161	
Accumulated Depreciation	<u>(36,108,114)</u>	39,094,047

A portion of the District's property taxes are collected after year-end but are not available to pay for current operations, therefore, are not reported as revenue in the governmental funds.		1,220,102
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The asset(liability) associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not available nor payable currently.		(45,430,155)
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The net deferred outflow/(inflow) associated with the District's Pension and OPEB programs are not recorded in the governmental funds as they are not available nor payable currently.		13,163,362
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The asset for the retirement health insurance account is not recorded as a governmental fund asset as it is not available nor payable currently.		830,226
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The liability for other post employment benefits obligations (medical subsidy) is not recorded as a governmental fund liability as it is not available nor payable currently.		(4,504,173)
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The liability for the District's stipend pension is not recorded in the governmental funds as it is not available nor payable currently.		(313,045)
--	--	-----------

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:

Long-term debt	\$ (23,475,000)	
Accrued compensated absences	<u>(57,830)</u>	<u>(23,532,830)</u>

<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u>5,823,355</u></b>
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**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>REVENUES:</b>					
Property Taxes	\$ 18,172,439	\$ -	\$ 1,749,938	\$ -	\$ 19,922,377
Intergovernmental	44,426,739	14,357,317	-	175,021	58,959,077
Local Grant	-	98,207	-	-	98,207
Charges for Services	154,824	650,629	-	-	805,453
Pension Obligation Bonds (internal fee)	-	-	5,715,371	-	5,715,371
Interest on Investments	170,518	-	44,273	-	214,791
Miscellaneous	191,305	32,521	-	177,979	401,805
<b>TOTAL REVENUES</b>	<b>63,115,825</b>	<b>15,138,674</b>	<b>7,509,582</b>	<b>353,000</b>	<b>86,117,081</b>
<b>PROGRAM EXPENDITURES:</b>					
Current:					
Instruction	36,986,908	8,137,347	-	-	45,124,255
Support Services	21,724,194	4,764,474	-	-	26,488,668
Community Services	-	2,396,829	-	-	2,396,829
Facilities Acquisition and Construction	-	282,152	-	1,058,806	1,340,958
Debt Service	-	-	5,838,248	-	5,838,248
<b>TOTAL EXPENDITURES</b>	<b>58,711,102</b>	<b>15,580,802</b>	<b>5,838,248</b>	<b>1,058,806</b>	<b>81,188,958</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,404,723</b>	<b>(442,128)</b>	<b>1,671,334</b>	<b>(705,806)</b>	<b>4,928,123</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	636,000	108,815	980,000	1,724,815
Transfers Out	(1,616,000)	-	-	(108,815)	(1,724,815)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,616,000)</b>	<b>636,000</b>	<b>108,815</b>	<b>871,185</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,788,723</b>	<b>193,872</b>	<b>1,780,149</b>	<b>165,379</b>	<b>4,928,123</b>
<b>FUND BALANCE - JULY 1, 2020</b>	<b>10,229,478</b>	<b>3,779,200</b>	<b>4,864,399</b>	<b>1,494,621</b>	<b>20,367,698</b>
<b>FUND BALANCE - JUNE 30, 2021</b>	<b>\$ 13,018,201</b>	<b>\$ 3,973,072</b>	<b>\$ 6,644,548</b>	<b>\$ 1,660,000</b>	<b>\$ 25,295,821</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

**NET CHANGE IN FUND BALANCE**

\$ 4,928,123

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

Governmental funds report capital outlay as expenditures. In the statement of activities, depreciation is reported as an expense, thus allocating the asset over its useful life. This is the amount by which depreciation and reductions exceeded capital outlays.

Expenditures for capital assets	\$ 2,383,201	
Less current year depreciation	<u>(1,692,072)</u>	691,129

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, issuing long-term debt increases the liabilities. Repayment of principal is an expenditure in the governmental funds and a reduction of the liability in the statement of net position.

Accrued compensated absences payable increase	\$ (4,102)	
Debt principal repaid	<u>4,410,000</u>	4,405,898

Government funds report other post-employment benefits (OPEB-RHIA) contributions as expenditures. In the statement of activities, the cost of OPEB-RHIA (actuarially determined) is reported as either pension expense or income. This is the net change in OPEB-RHIA related items (including deferred outflows and inflows).

210,542

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

Amortization of deferred charge associated with advance refunding	(38,705)
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In the statement of activities, contributions for other post employment benefits (stipend and medical subsidy) greater than the actuarially determined amount decrease the other post employment benefit obligation. In the governmental funds, the entire contribution is recognized as an expenditure. This is the amount by which the obligation decreased.

343,006

Government funds report pension contributions as expenditures. In the statement of activities, the cost of pension benefits (actuarially determined) is reported as either pension expense or income. This is the net change in pension related items (OPERS, including deferred outflows and inflows).

(9,490,339)

Property taxes which are not measurable and available are unavailable in the governmental funds. In the statement of activities property taxes are recognized when levied.

(265,796)

**CHANGE IN NET POSITION**

\$ 783,858

## **NOTES TO BASIC FINANCIAL STATEMENTS**



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Douglas County School District No. 4 (the District) was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board of Directors (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities and, therefore, none of them are considered component units or included in these basic financial statements.

**Basis of Presentation**

***Government-Wide Financial Statements***

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

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

Separate financial statements are provided for governmental funds. The District has no proprietary funds or fiduciary funds.

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

***Fund Financial Statements***

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All the District's funds are categorized as major funds.

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund and accounts for all revenues and expenditures, except those required to be accounted for in another fund.

*Special Revenue Fund* - This fund accounts for funds received through Federal, State and Private grant sources. It is also used to account for the District's school lunch program, major curriculum and technology purchases, and special revenues derived from Associated Student Body activities.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Fund Financial Statements (continued)***

*Debt Service Fund* - This fund provides for the payment of principal and interest on debt obligations of the District. Principal revenue sources are property taxes and charges to other funds.

*Capital Projects Fund* - This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds, interest earnings and transfers from other funds.

**Measurement Focus and Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

**Cash and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value.

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 no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments, 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. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property Taxes Receivable**

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

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

**Accounts and Other Receivables**

Accounts receivable and other receivables consist primarily of charges for services, claims for reimbursement of costs under various federal and state grant programs, and refunds of prior year expenditures.

**Grants**

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

**Inventories**

Inventories consist of supplies held for sale or use by the District. Inventories are charged as expenditures when used and are stated at cost using the average-cost method.

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one reporting period. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Site Improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

**Pensions**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS). 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 OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Pensions (continued)**

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

**Post Employment Benefits**

Licensed employees, classified employees, and eligible administrative employees are eligible at age fifty-eight, subject to terms of employment and bargaining agreements, for early retirement benefits. Eligible employees who elect early retirement and meet certain criteria are entitled to payment of group medical insurance premiums at the proportion currently being paid by the District. Such costs are recorded as expenses in the Special Revenue Fund and funded as premiums become due. Employees hired after July 1, 1990 are generally not eligible for benefits. In the Government-wide financial statements, the District reports its liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees. Such costs are recorded as expenses in the Governmental Funds and funded as premiums become due.

**Compensated Absences**

It is the District's policy to permit employees to accumulate limited earned but unused vacation and unlimited sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements and must be used within the next fiscal year.

**Long-Term Debt**

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond premiums and discounts and deferred charges associated with advanced refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums and discounts.

Deferred charges associated with the advance refunding are reported as deferred outflows of resources. Bond issuance costs are expensed as incurred.

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

**Deferred Outflows/Inflows 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.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition on net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Additionally, the District has one type of deferred inflows which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

**Net Position and Fund Balance**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- *Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- *Restricted net position* – consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.
- *Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

In the fund financial statements, governmental fund equity is classified in the following categories:

- *Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.
- *Restricted* – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes items committed by the District's Board of Directors, by formal board action.
- *Assigned* – Includes items assigned for specific purposes, authorized by the District's Superintendent and/or Chief Operations Officer.
- *Unassigned* – This is the residual classification used for those balances not included in another category.

The District has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable), and lastly unassigned fund balance.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Budget**

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

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

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

The District did not exceed its appropriations for the year ended June 30, 2021.

**Use of Estimates**

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

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2021:

GASB Statement No. 87, Leases. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2022.

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for fiscal year ending June 30, 2022.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Future GASB Pronouncements (continued)**

GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the District for fiscal year ending June 30, 2023.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

**NOTE 2 – CASH AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments."

Cash and investments are comprised of the following as of June 30, 2021:

Investments - LGIP	\$ 15,649,529
Deposits with financial institutions, demand deposits	8,827,938
Cash on hand	<u>2,700</u>
Total cash and investments	<u><u>\$ 24,480,167</u></u>

At year-end, the District's net carrying amount of deposits was \$8,827,938 and the bank balance was \$9,558,183. Of these deposits, \$9,308,015 was not covered by the Federal Depository Insurance Corporation (FDIC) and the National Credit Union Share Insurance Fund (NCUSIF).

As required by Oregon Revised Statutes, Chapter 295, deposits in excess of insurance limits were held at qualified depositories for public funds.

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

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investments to no more than 18 months.

Custodial credit risk, for deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of FDIC and NCUSIF coverage were held at qualified depositories for public funds.

All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

Custodial credit risk, for investments, is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's total investments, the District has no custodial credit risk.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS (continued)**

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool.

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2020-2021. Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294.035 and 294.810. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

As of June 30, 2021 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

*Credit Risk* - State Statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

*Concentration of Credit Risk* - The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

*Interest Rate Risk* - The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 3 – CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2021, are as follows (Governmental Activities):

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 3,566,954	\$ 444,040	\$ -	\$ -	\$ 4,010,994
CIP	-	270,773	-	-	270,773
Total capital assets not being depreciated	\$ 3,566,954	\$ 714,813	\$ -	\$ -	\$ 4,281,767
Capital assets being depreciated:					
Site improvements	\$ 6,024,551	\$ 352,331	\$ -	\$ -	\$ 6,376,882
Buildings	58,290,168	1,034,542	-	-	59,324,710
Equipment	5,063,988	281,515	(126,701)	-	5,218,802
Total capital assets being depreciated	\$ 69,378,707	\$ 1,668,388	\$ (126,701)	\$ -	\$ 70,920,394
Less accumulated depreciation for:					
Site improvements	\$ (4,405,392)	\$ (236,249)	\$ -	\$ -	\$ (4,641,641)
Buildings	(26,426,438)	(1,211,956)	-	-	(27,638,394)
Equipment	(3,710,913)	(243,867)	126,701	-	(3,828,079)
Total accumulated depreciation	\$ (34,542,743)	\$ (1,692,072)	\$ 126,701	\$ -	\$ (36,108,114)
Total capital assets (net)					
Land	\$ 3,566,954	\$ 444,040	\$ -	\$ -	\$ 4,010,994
CIP	-	270,773	-	-	270,773
Site improvements	1,619,159	116,082	-	-	1,735,241
Buildings	31,863,730	(177,414)	-	-	31,686,316
Equipment	1,353,075	37,648	-	-	1,390,723
Total capital assets (net)	\$ 38,402,918	\$ 691,129	\$ -	\$ -	\$ 39,094,047

Depreciation expense for the year ended June 30, 2021 was charged to the following programs:

<u>Program:</u>	
Instructional Services	\$ 964,481
Support Services	676,829
Community Services	50,762
Total	<u>\$ 1,692,072</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 4 – LONG-TERM DEBT**

**General Obligation Bonds Payable:**

***Series 2013 Bonds***

On May 15, 2013, the District issued \$12,705,000 federally taxable Series 2013 General Obligation Refunding bonds (Series 2013 Bonds) with an interest rate that ranges between .29% and 1.84% to advance refund \$11,680,000 of outstanding Series 2004 and Series 2005 Bonds with an average interest rate of 3.91%. Both the Series 2004 and 2005 Bonds were paid in full as of June 30, 2015. The net proceeds of \$12,568,258 (after payment of \$136,742 in underwriting fees, insurance, and other issuance costs) were used to purchase certain direct US government obligations which will be deposited in the custody of the escrow agent. The maturing principal of the government obligations, interest earned thereon, and necessary cash balance, if any, will provide sufficient payments of principal and interest on the refunded portions of the Series 2004 and 2005 Bonds. As a result, the refunded portions of the Series 2004 and 2005 Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$696,704. The difference, reported in the accompanying financial statements as a deferred outflow of resources, was charged to operations through the fiscal year 2021 using the effective-interest method.

Principal payments associated to the Series 2013 Bonds are due annually on December 15th and interest payments are due semiannually on June 15th and December 15th. The Series 2013 Bonds were general obligations of the District and the full faith and credit of the District is pledged to the successive owners of the Bonds. The obligation was paid in full as of June 30, 2021.

**Full Faith and Credit Obligations:**

***Series 2007 Full Faith and Credit Obligation***

In 2007, \$1,200,000 of Full Faith and Credit obligations was issued to complete SB 1149 energy efficiency projects. The 2007 Series Agreement is payable over 15 years at 4.30%. Repayment for this obligation will be provided by ongoing SB 1149 public purpose fees on electric and natural gas utility bills. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity.

Future maturities of the Full Faith and Credit Obligations are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Series 2007</u> <u>Principal</u>	<u>Series 2007</u> <u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2022	\$ 105,000	\$ 4,515	\$ 109,515
Total	<u>\$ 105,000</u>	<u>\$ 4,515</u>	<u>\$ 109,515</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 4 – LONG-TERM DEBT (continued)**

**Pension Obligations:**

***Series 2002 Obligations***

In October of 2002, the District participated in a pooled issuance of Series 2002A limited tax deferred interest obligations, and Series 2002B limited tax pension obligations. Certain Oregon school districts and education service districts issued limited tax obligations (Pension Obligation), the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each issuer with the Oregon Public Employees Retirement System (PERS). The full faith and credit of the District was pledged for the punctual payment of the principal of and interest on its Pension Obligation, and debt service on the Pension Obligation is not subject to annual appropriation. The Pension Obligation is further secured by an Intercept Agreement under which an amount equal to the debt service on each issuer's Pension Obligation will be diverted from State Education Revenues.

The 2002A Obligations were issued in the aggregate original principal amount of \$5,197,283. Interest on the 2002A Obligations were payable only at maturity (maturity dates range from 6/30/2004 to 6/30/2020), and were compounded semiannually (for the accreted value of the Obligations of each maturity as of each June 30 and December 30). Interest on the 2002A Obligations ranged between 2.06% and 6.10% based upon the maturity date. The 2002A Obligations were not subject to optional prepayment prior to maturity. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments were not subject to acceleration. The 2002A obligations matured on June 30, 2021.

The 2002B Obligations were issued in the aggregate original principal amount of \$15,150,000. Interest on the 2002B Obligations is payable semiannually June 30 and December 30 of each year until maturity (maturity dates range from 6/30/2021 to 6/30/2028). Interest on the 2002B Obligations range between 5.49% and 5.55% based upon maturity date. The Series 2002B Obligation maturing on June 30, 2028 is subject to mandatory prepayment prior to its stated maturity, in part, pro rata amounts the owners of the 2028 Term Obligation, on any June 30 on or after June 30, 2024, at the principal amount thereof together with accrued interest thereon to the date of prepayment, solely from mandatory sinking fund payments.

***Series 2004 Obligations***

In February of 2004, the District participated in a pooled issuance of Series 2004 limited tax pension obligations. Certain Oregon school districts and education service districts issued limited tax obligations (Pension Obligation), the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each issuer with the Oregon Public Employees Retirement System (PERS). The full faith and credit of the District was pledged for the punctual payment of the principal of and interest on its Pension Obligation, and debt service on the Pension Obligation is not subject to annual appropriation.

The Pension Obligation is further secured by an Intercept Agreement under which an amount equal to the debt service on each issuer's Pension Obligation will be diverted from State Education Revenues.

The 2004 Obligations were issued in the aggregate original principal amount of \$14,900,000. Interest on the 2004 Obligations is payable semiannually on June 30 and December 30 of each year until maturity (maturity dates range from 6/30/2009 to 6/30/2028). Interest on the 2004 Obligations range between 3.66% and 5.53% based upon maturity date. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The 2004 Obligations are subject to prepayment as further described in the official statement.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 4 – LONG-TERM DEBT (continued)**

**Pension Obligations (continued):**

***Series 2011 Obligations***

In August of 2011, the District advance refunded the 2021 debt service requirements included in the original 2002B Bond issue. The advance refunding was evaluated based on standards for advance refunding in the State of Oregon. The full faith and credit of the District was pledged for the punctual payment of the principal of and interest on its Pension Obligation, and debt service on the Pension Obligation is not subject to annual appropriation. The Pension Obligation is further secured by an Intercept Agreement under which an amount equal to the debt service on each issuer's Pension Obligation will be diverted from State Education Revenues. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration.

The 2011 Obligations were issued in the aggregate original principal amount of \$1,415,000. Interest on the 2011 Obligations were payable semiannually on June 30 and December 30 of each year to the maturity (matures on 6/30/2021) of the Series 2011 Obligations. Interest on the 2011 Obligations was computed at 4.12% per annum. The 2011 Obligations matured on June 30, 2021.

***Pension Obligations General Note***

The issuance of the Pension Obligations was evaluated based on advance refunding criteria. The total estimated savings over the life of the 2002 issuance was approximately \$9,586,850 and the 2004 issuance was \$6,324,000. The estimated present value savings was approximately \$5,488,750 for the 2002 issue and \$3,771,000 for the 2004 issue. The actual savings realized by the District over the life of the bonds is uncertain due to various legislative changes and legal issues pending with the PERS system, which could impact the District's future required contribution rate.

Future maturities of the Pension Obligations are as follows:

Pension Obligations:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Series 2002</u> <u>Principal</u>	<u>Series 2004</u> <u>Principal</u>	<u>Total</u> <u>Principal</u>	<u>Series 2002</u> <u>Interest</u>	<u>Series 2004</u> <u>Interest</u>	<u>Total</u> <u>Interest</u>
2022	\$ 1,540,000	\$ 1,065,000	\$ 2,605,000	\$ 763,504	\$ 528,720	\$ 1,292,224
2023	1,735,000	1,205,000	2,940,000	679,112	470,433	1,149,545
2024	1,950,000	1,355,000	3,305,000	583,860	403,820	987,680
2025	2,180,000	1,515,000	3,695,000	475,636	328,916	804,552
2026	2,430,000	1,690,000	4,120,000	354,646	245,167	599,813
2027-2028	3,960,000	2,745,000	6,705,000	289,710	199,838	844,194
Total	<u>\$13,795,000</u>	<u>\$ 9,575,000</u>	<u>\$23,370,000</u>	<u>\$ 3,146,468</u>	<u>\$ 2,176,894</u>	<u>\$ 5,323,362</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 4 – LONG-TERM DEBT (continued)**

Changes in long-term debt for the year ended June 30, 2021, are as follows:

	Original Issue	Outstanding July 1, 2020	Issued	Matured	Outstanding June 30, 2021	Due in One Year
<b>General Obligation Bonds:</b>						
Series 2013	\$ 12,705,000	\$ 1,955,000	\$ -	\$ (1,955,000)	\$ -	\$ -
<b>Full Faith and Credit Obligations:</b>						
Series 2007 (direct borrowing)	1,200,000	205,000	-	(100,000)	105,000	(105,000)
<b>Total Full Faith and Credit Obligations</b>		205,000	-	(100,000)	105,000	(105,000)
<b>Pension Obligations:</b>						
Series 2002	20,347,283	13,795,000	-	-	13,795,000	(1,540,000)
Series 2004	14,900,000	10,515,000	-	(940,000)	9,575,000	(1,065,000)
Series 2011	1,415,000	1,415,000	-	(1,415,000)	-	-
<b>Total Pension Obligations</b>		25,725,000	-	(2,355,000)	23,370,000	(2,605,000)
<b>Total Long Term Debt</b>		<u>\$ 27,885,000</u>	<u>\$ -</u>	<u>\$ (4,410,000)</u>	<u>\$ 23,475,000</u>	<u>\$ (2,710,000)</u>
<b>Deferred Charge on Refunding (G.O. Bonds)</b>		<u>\$ (38,705)</u>	<u>\$ -</u>	<u>\$ 38,705</u>	<u>\$ -</u>	<u>\$ -</u>

Interest expense on the above debt was \$1,466,953 for the year ended June 30, 2021.

**NOTE 5 – RECEIVABLES**

Receivables are comprised of the following as of June 30, 2021:

	Property Taxes	Grants	Total
General Fund	\$ 1,301,517	\$ 297,978	\$ 1,599,495
Special Revenue Fund	-	2,807,803	2,807,803
Debt Service Fund	139,723	-	139,723
Capital Projects	-	140,226	140,226
<b>Total Receivables</b>	<u>\$ 1,441,240</u>	<u>\$ 3,246,007</u>	<u>\$ 4,687,247</u>

**NOTE 6 – INTERFUND TRANSACTIONS**

Inter-fund transfers for the year ended June 30, 2021 are as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,616,000
Special Revenue Fund	636,000	-
Debt Service Fund	108,815	-
Capital Projects Fund	980,000	108,815
<b>Total Transfers</b>	<u>\$ 1,724,815</u>	<u>\$ 1,724,815</u>

The District made transfers from the General Fund to the Capital Projects Fund to fund major capital projects, to the Special Revenue Fund to support district curriculum needs and technology purchases and to fund replacement vehicle purchases, and from the Capital Projects Fund to the Debt Service Fund to make the required annual bond payments.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – OPERATING LEASES**

The District has operating leases associated with office equipment. Total expense for such leases was \$54,283 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ended June 30,		
2022	\$	47,232
2023		47,232
2024		47,232
2025		15,744
Total	\$	157,440

**NOTE 8 – ACCRUED COMPENSATED ABSENCES**

The changes in accrued compensated absences for the year ended June 30, 2021 are as follows:

	Accrued June 30, 2020	Earned	Taken	Accrued June 30, 2021	Due Within One Year
Governmental					
Activities	\$ 53,728	\$ 284,899	\$ 280,797	\$ 57,830	\$ 57,830

It is the District's opinion that the liability is current in nature as it has capped amounts which can be earned to encourage employees to take their vacation annually. The Special Revenue Fund and General Funds are typically used to liquidate this liability.

**NOTE 9 – PENSION AND RETIREMENT PLANS**

**Tax Sheltered Annuity Plan**

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. A \$20.00 licensed employee, \$20.00 classified employee, and a \$75.00 administrative employee monthly contribution is required from the District as a matching contribution for participating employees who are not eligible for early retirement benefits. 343 employees are currently participating in the plan and receiving matching contributions as of June 30, 2021.

**Early Retirement Stipend Pension Plan**

**Plan Description** – The District maintains a single-employer defined benefit pension early retirement supplemental plan for eligible teachers and administrators of the District (not administered through a trust). The program generally covers licensed and administrative staff that have been continuously employed since 1990 and who remain employed by the District until they reach retirement age. Upon reaching age 55 (and having at least 9-10 years of service as of June 30, 2000 – sunset date), an employee may elect early retirement. A stipend from the District is calculated by multiplying the stipend factor (between .833%-1.5%) times the final salary, times years of service (with a 12-year maximum). The maximum stipend factor is between 10%-18% depending on the age elected for retirement (i.e. 10% if elected retirement at age 55 vs. 18% if elected retirement at age 58). The stipend is paid to the participant until age 62 unless the retiree resumes participation in the Public Employees Retirement System (PERS) in any employment capacity.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**Early Retirement Stipend Pension Plan (continued)**

**Funding Policy** – The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the amount estimated to be paid by the District for this benefit for the period ended June 30, 2021 was \$76,368. There are no assets accumulated in a trust.

**Employees Covered by Benefit Terms** – As of June 30, 2021, the following employees were covered by the stipend benefit terms:

	Active plan members	8
Inactive employees or beneficiaries currently receiving benefit payments	<u>10</u>	<u>18</u>

**Total Stipend Pension Liability** – The District's total stipend pension liability of \$313,045 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of July 1, 2020.

**Actuarial Assumptions and Other Inputs** – The total stipend pension liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	2.25% per year, based on all years discounted at municipal bond rate
General Inflation	2.0% per year
Salary Scale	3.0% per year
Salary Merit Scale	Total payroll increase is overall payroll growth
Annual Premium Increase Rate	Between 3.5% and 6.0% annually
Mortality Rates	Pub-2010 male and female tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled

**Changes in Assumptions and Methods –**

A summary of key changes implemented since the July 1, 2018 valuation are noted below.

- The interest rate for discounting future liabilities was lowered to reflect current municipal bond rates
- Premium increase rates were modified to better reflect anticipated experience and current Oregon law
- Demographic assumptions were revised to match those developed in the most recent experience study for Oregon PERS

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**Early Retirement Stipend Pension Plan (continued)**

***Changes in the Total Stipend Pension Liability –***

Total Stipend Pension Liability as of June 30, 2020	\$ 375,993
Changes for the year:	
Service cost	8,417
Interest	12,118
Differences between expected and actual experience	(\$14,737)
Changes in assumptions or other input	\$7,622
Benefit payments	<u>(76,368)</u>
Total Stipend Pension Liability as of June 30, 2021	<u><u>\$ 313,045</u></u>

***Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate*** – The following presents the total stipend pension liability of the District, as well as what the District's total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

District's Total Pension Asset/(Liability)	1% Decrease Rate 1.25%	Current Discount Rate 2.25%	1% Increase Rate 3.25%
Total Stipend Pension Liability	\$ (319,103)	\$ (313,045)	\$ (306,736)

***Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources*** – For the year ended June 30, 2021, the District recognized a reduction in stipend pension expense of \$62,948. The \$62,948 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 68%, 30% and 2%, respectively. As of June 30, 2021, the District reported no deferred outflows or inflows associated with its stipend pension plan.

**OPERS Plan**

***Plan Description*** - Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 23A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

Beginning January 1, 2004, PERS active Tier One or Tier Two members became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

**Pension Benefits** – All benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 238 and 238A.

**Tier One/Tier Two Retirement Benefit (Chapter 238) –**

**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 (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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003.

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

- Member was employed by an OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in an OPERS-covered job, or
- 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 non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member 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 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 the underlying global equity investments of that account.

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

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

**OPSRP Pension Program (Chapter 238A) –**

**Pension Benefits** - The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. 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:

*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.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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

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

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

**Benefit Changes After Retirement** - Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustment (COLA). The COLA is capped at 2.0 percent.

**Funding Policy** - OPERS 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.

**Contributions** - 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.

This funding policy applies to the OPERS Defined Benefit Plan. Employer contributions during the period July 1, 2020 through June 30, 2021, were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. For this period, employer contribution rates were 16.79% for Tier 1/Tier 2 employees and 11.34% for OPSRP General Employees. Employer contributions for the year ended June 30, 2021 were \$3,633,586, excluding amounts to fund employer specific liabilities.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

**Oregon PERS Comprehensive Annual Financial Report (CAFR)** - OPERS prepares their financial statements in accordance with GAAP as set forth in GASB pronouncements that apply to fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Revenues are recognized when earned. Contributions recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plans. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

OPERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**Actuarial Valuation** - The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**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 <sup>1</sup>	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 <i>Moro</i> decision; blend based on service.
Mortality	<b>Healthy retirees and beneficiaries:</b> 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. <b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of 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.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

**Assumed Asset Allocation –**

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	15.00%
Risk parity	2.50%
Total	<u>100.00%</u>

**Investment Rate of Return** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the OPERS 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.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

**Investment Rate of Return (continued)** - The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized Geometric Mean</u>
Core fixed income	9.60%	4.07%
Short-term bonds	9.60%	3.68%
Bank/leveraged loans	3.60%	5.19%
High yield bonds	1.20%	5.74%
Large/Mid cap US equities	16.16%	6.30%
Small cap US equities	1.35%	6.68%
Micro cap US equities	1.35%	6.79%
Developed foreign equities	13.48%	6.91%
Emerging market equities	4.23%	7.69%
Non-US small cap equities	1.93%	7.25%
Private equities	17.50%	8.33%
Real estate (property)	10.00%	5.55%
Real estate (REITS)	2.50%	6.69%
Hedge fund of funds - diversified	1.50%	4.06%
Hedge fund - event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.11%	3.79%
<b>Total</b>	<b>100.00%</b>	
Assumed inflation - mean		2.50%

**Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –**

As of June 30, 2021, the District reported a liability of \$45,430,155 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The District's proportion of the net pension liability was based on the District's long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. As of June 30, 2020 (measurement date), the District's proportion was approximately 0.20817138 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$9,490,339. The \$9,490,339 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 68%, 30% and 2%, respectively.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

As of June 30, 2021, the District 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	\$ 1,999,476	\$ -
Change of assumptions	2,438,093	85,426
Net difference between projected and actual earnings on investments	5,341,996	-
Changes in proportionate share	1,226,130	3,883,698
Difference in proportion and contribution differences	3,855,861	832,407
District's contributions subsequent to the measurement date	3,633,586	-
	<hr/>	<hr/>
Total	\$ 18,495,142	\$ 4,801,531

The \$3,633,586 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2022	\$ 2,266,695
2023	3,031,306
2024	2,666,235
2025	2,003,623
2026	92,166
Thereafter	-
	<hr/>
Total	\$ 10,060,025

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

**Sensitivity for the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate –**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate:

District's Net Pension Asset/(Liability)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Defined Benefit Pension Plan	\$ (67,460,029)	\$ (45,430,155)	\$ (26,957,085)

**Changes in Assumptions and Methods –**

A summary of key changes implemented since the December 31, 2017 valuation are noted below. Additional detail and list of changes can be found in the 2018 Experience Study for the System, which can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

- Update the explicit assumptions regarding administrative expenses for Tier 1/Tier 2 and OPSRP.
- Update the assumed RHIPA cost subsidy trend rates.
- Adjust mortality assumptions to use the new "Pub-2010" base tables and a standard update to the mortality improvement scale, which is based on 60-year unisex average Social Security experience.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience; reduce percentage of future retirees assumed to elect a partial lump sum; increase percentage of members assumed to purchase credited service at retirement.
- Increase the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Update pre-retirement termination of employment assumptions for two member categories.
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability to more closely match recent experience.
- Increase the Tier 1 unused vacation cash out assumption for most member categories, reflecting recent experience.
- Adjust the Tier 1/Tier 2 unused sick leave assumption for five member categories to more closely reflect recently observed experience.
- Decrease the healthy participation assumption for the RHIA retiree healthcare program, reflecting recent experience.
- Decrease the RHIPA participation assumption for most service bands, reflecting recent experience.
- Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL in the calculation of actuarially determined contribution rates for the 2021-2023 biennium. No additional changes are recommended for most actuarial methods, including the actuarial cost method, amortization method, and rate collar.
- When allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers, base 90% of the allocation on length of service with each employer (100% for police & fire members) and base the rest on the member account balance associated with each employer. The percentage allocation for general service has increased 5% since the prior experience study. This movement illustrates the continued migration of projected future Tier 1/Tier 2 retirement benefits away from the Money Match calculation, which is based on account balances, toward the ongoing Full Formula approach, which is based on final average salary.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan (continued)**

**Defined Contribution Plan – Individual Account Program (IAP) –**

**Pension Benefits** - Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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. All covered employees are required by State statute to contribute 6% of their salary to the plan. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

**Contributions** – Starting July 1, 2020, Senate Bill 1049 required member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. OPERS estimates that approximately \$125 million in member contributions will be redirected in fiscal year 2020-21.

During 2021, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2021 were \$1,890,298, of which \$1,539,026 was deposited into the individual members' accounts.

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The District has two separate other post-employment benefits (OPEB) plans. The District provides a single employer defined benefit health care plan to staff that were hired before July 1, 2003 and the District contributes to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan.

**Single-Employer Defined Benefit Health Care Plan (Medical Subsidy)**

**Plan Description** – The District maintains a single-employer defined benefit OPEB plan that provides post-employment health benefits to eligible employees and their spouses. Generally, the program covers all eligible employees who had 10 years or more of service as of June 30, 2000 (sunset date), who remain employed by the District until they reach retirement age. An eligible employee qualifies for 50% of the current medical insurance benefit premium if they elect to retire on June 30 following their 55th birthday. If an eligible employee elects to receive the retirement benefit before age 58, they must continue paying 50% of the premium for the duration of coverage. An eligible employee qualifies for 100% of the current medical insurance benefit premium if they elect to retire at age 58. The program covers employees who have qualified for early retirement to receive health insurance benefits until they reach age sixty-five.



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (continued)**

In addition, the District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The requirement to make available to retirees (at the retirees own cost) access in to the healthcare plan has an implicit cost to the district.

**Funding Policy** – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

**Employees Covered by Benefit Terms** – The explicit benefit for the single-employer defined benefit OPEB plan was ceased to all employees entering employment subsequent to June 30, 2000. As a result, the total plan members receiving the explicit benefit will decrease over time. As of June 30, 2021, the following employees were covered by the explicit benefit terms:

Active plan members	616
Inactive employees or beneficiaries currently receiving benefit payments	<u>68</u>
	<u>684</u>

**Total OPEB Liability** – The district's total OPEB liability of \$4,504,173 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of July 1, 2020.

**Actuarial Assumptions and Other Inputs** – The changes in assumptions used for the OPEB liability in the actuarial valuation are identical to the changes in assumptions related to the stipend pension liability disclosed in *Note 9 – Pension and Retirement Plans*.

**Changes in the Total OPEB Liability –**

Total OPEB Liability as of June 30, 2020	\$ 4,870,406
Changes for the year:	
Service cost	206,237
Interest	167,904
Differences between expected and actual experience	(182,012)
Changes in assumptions or other input	392
Benefit payments	<u>(558,754)</u>
Total OPEB Liability as of June 30, 2021	<u>\$ 4,504,173</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (continued)**

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*** – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

District's Total OPEB Asset/(Liability)	1% Decrease Rate 1.25%	Current Discount Rate 2.25%	1% Increase Rate 3.25%
Total OPEB Liability	\$ (4,764,746)	\$ (4,504,173)	\$ (4,256,512)

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*** – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

District's Total OPEB Asset/(Liability)	1% Decrease 2.5%, trending up to 5.0%, then back down to 3.5%	Current Trend Rate 3.5%, trending up to 6.0%, then back down to 4.5%	1% Increase 4.5%, trending up to 7.0%, then back down to 5.5%
Total OPEB Liability	\$ (4,106,052)	\$ (4,504,173)	\$ (4,968,603)

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources*** – For the year ended June 30, 2021, the District recognized a reduction of expense related to OPEB of \$280,058. The \$280,058 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 68%, 30% and 2%, respectively.

As of June 30, 2021, the District 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:	\$ -	\$ (283,572)
Change of assumptions or other input:	336	(80,932)
Total	<u>\$ 336</u>	<u>\$ (364,504)</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflow/(Inflow) of Resources
2022	\$ (95,444)
2023	(95,444)
2024	(95,444)
2025	(25,946)
2026	(25,946)
Thereafter	(25,944)
Total	<u>\$ (364,168)</u>

**Retirement Health Insurance Account (RHIA)**

**Plan Description** - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003.

OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO box 23700, Tigard, OR 97281-3700.

**Funding Policy** – Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2021 for the OPEB program were: Tier1/Tier 2 – 0.06%, and OPSRP general service – 0.00%. The District contributed \$7,220 for the year ended June 30, 2021.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

***Pension Plan Comprehensive Annual Financial Report (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 Valuation***

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 9 Pension and Retirement Plans* (excluding the Actuarial Methods and Assumptions cost of living adjustment assumption, which has been removed, and a retiree healthcare participation assumption of 32% for healthy retirees and 20% for disabled retirees has been used). The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.

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

At June 30, 2021, the District reported \$830,226 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 (measurement date) the District's proportion was approximately 0.40745225 percent.

For the year ended June 30, 2021, the District recognized a reduction of OPEB expense related to RHIA of \$210,542. The \$210,542 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 68%, 30% and 2%, respectively.

At June 30, 2021, the District 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	\$ -	\$ 84,873
Change of assumptions	-	44,131
Net difference between projected and actual earnings on investments	92,328	-
Changes in proportionate share	-	136,625
District's contributions subsequent to the measurement date	7,220	-
Total	<u>\$ 99,548</u>	<u>\$ 265,629</u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

The \$7,220 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflow/(Inflow) of Resources</u>
2022	\$ (154,911)
2023	(81,643)
2024	34,130
2025	29,123
2026	-
Thereafter	-
Total	<u>\$ (173,301)</u>

***Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate***

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

District's Net Pension Asset/(Liability)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Retirement Health Insurance Account	\$ 670,267	\$ 830,226	\$ 966,996

The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

***Changes in Assumptions***

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in *Note 9 – Pension and Retirement Plans*.

**NOTE 11 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The District's operations are concentrated within Douglas County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for these risks of loss.

**NOTE 13 – CONTINGENCIES**

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

**NOTE 14 – UNCERTAINTIES**

In March 2020, the President of the United States declared a State of Emergency associated with the COVID-19 global pandemic. The impact of the State of Emergency and full ramifications to the economy and the District is not determinable at this time.

**NOTE 15 – TAX ABATEMENTS**

As of June 30, 2021, Douglas County provides certain tax abatement programs that impact the District. Those programs are as follows:

**Non-Profit Low Income Rental Housing (ORS 307.515)**

The largest abatement program for Douglas County is the Non-Profit Low Income Rental Housing. In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing. The qualifying property must be located within the County.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.515.

**Enterprise Zone (ORS 285.597)**

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 15 – TAX ABATEMENTS (CONTINUED)**

**Enterprise Zone (ORS 285.597) (continued)**

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2021, the District's abated property taxes totaled \$51,915 under these programs:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Non-Profit Low Income Rental Housing	\$ 36,279
Enterprise Zone	<u>15,636</u>
	<u><u>\$ 51,915</u></u>

**NOTE 16 – SUBSEQUENT EVENTS**

Management of the District has evaluated events and transactions occurring after June 30, 2021 through December 13, 2021, the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

On August 19, 2021, the District participated in the Oregon Education Districts Pension Bond Pool (Full Faith and Credit Pension Obligation Bonds, Series 2021A Federally Taxable) to finance the District's estimated OPERS unfunded liability. The District issued \$32,535,000 in debt as part of the pooled issuance. Interest rates range from 0.182% to 2.895% and the bonds fully mature on June 30, 2040.

**REQUIRED SUPPLEMENTARY INFORMATION**



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION**  
**ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - OREGON**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Douglas County School District No.4 Proportionate Share of Net Pension Asset/(Liability)**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0,2081714%	0,2096088%	0,2608346%	0,2375517%	0,2276021%	0,2237450%	0,2233169%	0,2233169%
District's proportion of the net pension asset/(liability)	\$ (45,430,155)	\$ (36,257,299)	\$ (39,513,009)	\$ (32,022,059)	\$ (34,168,364)	\$ (12,846,235)	\$ 5,061,957	\$ (11,396,189)
District's covered-employee payroll	\$ 30,458,259	\$ 29,705,347	\$ 28,338,797	\$ 27,589,159	\$ 26,974,079	\$ 23,433,260	\$ 24,845,141	\$ 25,116,153
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	149,16%	122,06%	139,43%	116,07%	126,67%	54,82%	20,37%	45,37%
Plan fiduciary net position as a percentage of the total pension liability	75,79%	80,23%	82,06%	83,12%	80,53%	91,88%	103,59%	91,97%

**Douglas County School District No. 4 Contributions**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 3,633,586	\$ 6,039,911	\$ 2,332,551	\$ 2,401,770	\$ 1,306,185	\$ 1,487,654	\$ 2,349,931	\$ 2,329,058
Contribution in relation to the contractually required	(3,633,586)	(6,039,911)	(2,332,551)	(2,401,770)	(1,306,185)	(1,487,654)	(2,349,931)	(2,329,058)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 32,331,124	\$ 30,458,259	\$ 29,705,347	\$ 28,338,797	\$ 27,589,159	\$ 26,974,079	\$ 23,433,260	\$ 24,845,141
Contributions as a percentage of covered-employee payroll	11,24%	19,83%	7,85%	8,48%	4,73%	5,52%	10,03%	9,37%

**Notes to Schedule -**

A summary of key changes implemented since the December 31, 2018 valuation are described in Note 9 in the Notes to the Basic Financial Statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published in July 2019, and can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2014, as a result, only eight years of information is presented.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB**  
**ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -**  
**OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)**

LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)

**Douglas County School District No.4 Proportionate Share of Net OPEB Asset/(Liability)**

	2021	2020	2019	2018
District's proportion of the net OPEB asset/(liability)	0.40745225%	0.27400606%	0.2722438%	0.26942259%
District's proportion of the net OPEB asset/(liability)	\$ 830,226	\$ 529,479	\$ 303,898	\$ 112,441
District's covered-employee payroll	\$ 30,458,259	\$ 29,705,347	\$ 28,338,797	\$ 27,589,159
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	2.73%	1.78%	1.07%	0.41%
Plan fiduciary net position as a percentage of the total OPEB liability	150.10%	144.37%	123.99%	108.88%

**Douglas County School District No. 4 Contributions**

	2021	2020	2019	2018
Contractually required contributions	\$ 7,220	\$ 29,097	\$ 135,803	\$ 131,821
Contribution in relation to the contractually required	(7,220)	(29,097)	(135,803)	(131,821)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 32,331,124	\$ 30,458,259	\$ 29,705,347	\$ 28,338,797
Contributions as a percentage of covered-employee payroll	0.02%	0.10%	0.46%	0.47%

**Notes to Schedule -**

**Significant methods and assumptions:**

Significant methods and assumptions used in calculating the actuarially determined proportionate share of the net pension asset and contributions are described in *Note 10* to the financial statements.

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 for RHIA during fiscal 2018, as a result, only four years of information are presented.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**STATEMENT OF CHANGE IN THE DISTRICT'S TOTAL PENSION**  
**LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2021**

<b>Total Pension Liability (Stipend):</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 8,417	\$ 8,132	\$ 9,680	\$ 9,398	\$ 9,398
Interest	12,118	14,425	18,608	23,611	30,832
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(14,737)	-	(23,792)	-	-
Changes of assumptions of other inputs	7,622	-	(4,621)	-	-
Benefit payments	(76,368)	(101,145)	(134,558)	(227,345)	(265,672)
<b>Net change in total pension liability (Stipend)</b>	<b>(62,948)</b>	<b>(78,588)</b>	<b>(134,683)</b>	<b>(194,336)</b>	<b>(225,442)</b>
Total pension liability (Stipend) - beginning	375,993	454,581	589,264	783,600	1,009,042
Total pension liability (Stipend) - ending	<u>\$ 313,045</u>	<u>\$ 375,993</u>	<u>\$ 454,581</u>	<u>\$ 589,264</u>	<u>\$ 783,600</u>
Estimated covered - employee payroll	\$ 616,257	\$ 981,936	\$ 960,722	\$ 1,356,804	\$ 1,317,285
Total pension liability (Stipend) as a percentage of estimated covered - employee payroll	50.80%	38.29%	47.32%	43.43%	59.49%

**Notes to Schedule -**

**Significant methods and assumptions used in calculating the actuarially determined contributions:**

Significant methods and assumptions used in calculating the actuarially determined contributions are described in *Note 9* to the financial statements.  
No assets are accumulated in a trust to pay related benefits.

**Changes in benefit terms:**

None noted.

**Other information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 73 during fiscal 2017, as a result, only five years of information is presented.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB**  
**LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2021**

<b>Total OPEB Liability (Medical Subsidy):</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 206,237	\$ 199,263	\$ 200,786	\$ 194,938	\$ 194,938
Interest	167,904	224,991	200,765	209,986	225,971
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(182,012)	-	(255,123)	-	-
Changes of assumptions of other inputs	392	-	(161,866)	-	-
Benefit payments	(558,754)	(708,773)	(729,976)	(813,449)	(941,769)
<b>Net change in total OPEB liability (Medical Subsidy):</b>	<b>(366,233)</b>	<b>(284,519)</b>	<b>(745,414)</b>	<b>(408,525)</b>	<b>(520,860)</b>
Total OPEB liability - beginning	4,870,406	5,154,925	5,900,339	6,308,864	6,829,724
Total OPEB liability - ending	<u>\$ 4,504,173</u>	<u>\$ 4,870,406</u>	<u>\$ 5,154,925</u>	<u>\$ 5,900,339</u>	<u>\$ 6,308,864</u>
Estimated covered - employee payroll	\$ 28,227,311	\$ 27,429,226	\$ 26,501,668	\$ 27,421,654	\$ 26,622,965
Total OPEB liability as a percentage of estimated covered - employee payroll	15.96%	17.76%	19.45%	21.52%	23.70%

**Notes to Schedule -**

***Significant methods and assumptions used in calculating the actuarially determined contributions:***

Significant methods and assumptions used in calculating the actuarially determined contributions are described in *Note 10* to the financial statements. No assets are accumulated in a trust to pay related benefits.

***Changes in benefit terms:***

None noted.

***Other information:***

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2017, as a result, only five years of information is presented.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ADOPTED</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES:</b>				
Local Sources:				
Property Taxes	\$ 17,013,266	\$ 17,013,266	\$ 18,172,439	\$ 1,159,173
Charges for Services	215,000	215,000	154,824	(60,176)
Investment Earnings	100,000	100,000	170,518	70,518
Miscellaneous	276,609	276,609	191,305	(85,304)
Intermediate Sources:				
Intergovernmental	135,586	135,586	136,262	676
State Sources:				
State School Fund	44,287,709	44,287,709	43,176,995	(1,110,714)
Intergovernmental	5,215,319	5,215,319	572,231	(4,643,088)
Federal Sources:				
Intergovernmental	110,000	110,000	541,251	431,251
<b>TOTAL REVENUES</b>	<b>67,353,489</b>	<b>67,353,489</b>	<b>63,115,825</b>	<b>(4,237,664)</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	42,603,161	42,603,161	36,986,908	5,616,253
Support Services	24,953,621	24,953,621	21,724,194	3,229,427
Contingency	1,430,000	1,430,000	-	1,430,000
<b>TOTAL EXPENDITURES</b>	<b>68,986,782</b>	<b>68,986,782</b>	<b>58,711,102</b>	<b>10,275,680</b>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>(1,633,293)</b>	<b>(1,633,293)</b>	<b>4,404,723</b>	<b>6,038,016</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(1,686,000)	(1,686,000)	(1,616,000)	70,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,686,000)</b>	<b>(1,686,000)</b>	<b>(1,616,000)</b>	<b>70,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,319,293)</b>	<b>(3,319,293)</b>	<b>2,788,723</b>	<b>6,108,016</b>
<b>FUND BALANCE - JULY 1, 2020</b>	<b>3,969,293</b>	<b>3,969,293</b>	<b>10,229,478</b>	<b>6,260,185</b>
<b>FUND BALANCE - JUNE 30, 2021</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>	<b>\$ 13,018,201</b>	<b>\$ 12,368,201</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ADOPTED</b>	<b>FINAL</b>		
<b>REVENUES:</b>				
Local Sources:				
Local Grant	\$ 142,216	\$ 142,216	\$ 98,207	\$ (44,009)
Charges for Services	1,833,000	1,833,000	650,629	(1,182,371)
Miscellaneous	500	500	32,521	32,021
Intermediate Sources:				
Intergovernmental	330,403	330,403	365,849	35,446
State Sources:				
Intergovernmental	2,026,200	2,026,200	5,000,399	2,974,199
Federal Sources:				
Intergovernmental	5,676,000	11,279,014	8,991,069	(2,287,945)
<b>TOTAL REVENUES</b>	<u>10,008,319</u>	<u>15,611,333</u>	<u>15,138,674</u>	<u>(472,659)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	7,054,865	9,554,865	8,137,347	1,417,518
Supporting Services	3,186,901	6,289,915	4,764,474	1,525,441
Community Services	3,119,316	3,119,316	2,396,829	722,487
Facilities Acquisition and Construction	257,500	557,500	282,152	275,348
<b>TOTAL EXPENDITURES</b>	<u>13,618,582</u>	<u>19,521,596</u>	<u>15,580,802</u>	<u>3,940,794</u>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<u>(3,610,263)</u>	<u>(3,910,263)</u>	<u>(442,128)</u>	<u>3,468,135</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	706,000	1,006,000	636,000	(370,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>706,000</u>	<u>1,006,000</u>	<u>636,000</u>	<u>(370,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,904,263)</u>	<u>(2,904,263)</u>	<u>193,872</u>	<u>3,098,135</u>
<b>FUND BALANCE - JULY 1, 2020</b>	<u>2,904,263</u>	<u>2,904,263</u>	<u>3,779,200</u>	<u>874,937</u>
<b>FUND BALANCE - JUNE 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,973,072</u>	<u>\$ 3,973,072</u>

## **OTHER SUPPLEMENTARY INFORMATION**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ADOPTED</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES:</b>				
Local Sources:				
Property Taxes	\$ 1,573,006	\$ 1,573,006	\$ 1,749,938	\$ 176,932
Pension Obligation Bonds (internal fee)	5,275,880	5,275,880	5,715,371	439,491
Interest on Investments	50,000	50,000	44,273	(5,727)
<b>TOTAL REVENUES</b>	<b>6,898,886</b>	<b>6,898,886</b>	<b>7,509,582</b>	<b>610,696</b>
<b>EXPENDITURES:</b>				
Debt Service	5,838,248	5,838,248	5,838,248	-
<b>TOTAL EXPENDITURES</b>	<b>5,838,248</b>	<b>5,838,248</b>	<b>5,838,248</b>	<b>-</b>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>1,060,638</b>	<b>1,060,638</b>	<b>1,671,334</b>	<b>610,696</b>
<b>OTHER FINANCING SOURCES/(USES):</b>				
PERS UAL Lump Sum Payment	(2,000,000)	(2,000,000)	-	2,000,000
Transfers In	108,815	108,815	108,815	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,891,185)</b>	<b>(1,891,185)</b>	<b>108,815</b>	<b>2,000,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(830,547)</b>	<b>(830,547)</b>	<b>1,780,149</b>	<b>2,610,696</b>
<b>FUND BALANCE - JULY 1, 2020</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>4,864,399</b>	<b>2,364,399</b>
<b>FUND BALANCE - JUNE 30, 2021</b>	<b>\$ 1,669,453</b>	<b>\$ 1,669,453</b>	<b>\$ 6,644,548</b>	<b>\$ 4,975,095</b>



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ADOPTED</b>	<b>FINAL</b>		
<b>REVENUES:</b>				
Local Sources				
Miscellaneous	\$ 127,954	\$ 127,954	\$ 177,979	\$ 50,025
State Sources:				
Intergovernmental	-	2,499,980	175,021	(2,324,959)
<b>TOTAL REVENUES</b>	<u>127,954</u>	<u>2,627,934</u>	<u>353,000</u>	<u>(2,274,934)</u>
<b>EXPENDITURES:</b>				
Facilities Acquisition and Construction	<u>2,652,139</u>	<u>4,852,119</u>	<u>1,058,806</u>	<u>3,793,313</u>
<b>TOTAL EXPENDITURES</b>	<u>2,652,139</u>	<u>4,852,119</u>	<u>1,058,806</u>	<u>3,793,313</u>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<u>(2,524,185)</u>	<u>(2,224,185)</u>	<u>(705,806)</u>	<u>1,518,379</u>
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfers In	980,000	980,000	980,000	-
Transfers Out	<u>(108,815)</u>	<u>(408,815)</u>	<u>(108,815)</u>	<u>300,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>871,185</u>	<u>571,185</u>	<u>871,185</u>	<u>300,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,653,000)</u>	<u>(1,653,000)</u>	<u>165,379</u>	<u>1,818,379</u>
<b>FUND BALANCE - JULY 1, 2020</b>	<u>1,653,000</u>	<u>1,653,000</u>	<u>1,494,621</u>	<u>(158,379)</u>
<b>FUND BALANCE - JUNE 30, 2021</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,660,000</u></u>	<u><u>\$ 1,660,000</u></u>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**JUNE 30, 2021**

	<u>Tax Year</u>	<u>Uncollected July 1, 2020</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts, Interest and Other Adjustments</u>	<u>Collections Per Treasurer</u>	<u>Uncollected June 30, 2021</u>
<b><u>GENERAL FUND:</u></b>						
Current	2020-21		\$ 18,399,087	\$ (745,179)	\$ 17,023,927	\$ 629,981
Prior	2019-20	\$ 656,018	-	48,707	420,714	284,011
	2018-19	295,791	-	25,554	158,432	162,913
	2017-18	178,572	-	70,940	164,083	85,429
	2016-17	133,972	-	17,061	130,657	20,376
	2015-16	63,548	-	(389)	48,814	14,345
	2014-15	57,244	-	(20)	39,209	18,015
	Prior	204,951	-	277	118,781	86,447
Total prior		1,590,096	-	162,130	1,080,690	671,536
<b>TOTAL GENERAL FUND</b>		<b>\$ 1,590,096</b>	<b>\$ 18,399,087</b>	<b>\$ (583,049)</b>	<b>\$ 18,104,617</b>	<b>\$ 1,301,517</b>
<b><u>DEBT SERVICE:</u></b>						
Current	2020-21		\$ 1,703,432	\$ (68,990)	\$ 1,576,116	\$ 58,326
Prior	2019-20	\$ 78,597	-	5,836	50,406	34,027
	2018-19	39,541	-	3,416	21,179	21,778
	2017-18	23,731	-	9,428	21,806	11,353
	2016-17	15,893	-	2,024	15,500	2,417
	2015-16	9,378	-	(57)	7,204	2,117
	2014-15	8,563	-	(3)	5,865	2,695
	Prior	26,925	-	46	19,961	7,010
Total prior		202,628	-	20,690	141,921	81,397
<b>TOTAL DEBT SERVICE FUND</b>		<b>\$ 202,628</b>	<b>\$ 1,703,432</b>	<b>\$ (48,300)</b>	<b>\$ 1,718,037</b>	<b>\$ 139,723</b>

**OTHER FINANCIAL SCHEDULES**

**SCHOOL DISTRICT FINANCIAL**  
**ACCOUNTING SUMMARIES**

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**2020-21 SCHOOL DISTRICT AUDIT ALL FUND REVENUE SUMMARY**

<b>Revenue from Local Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
1110 Ad Valorem Taxes Levied by District	18,172,439	-	1,749,938	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-
1200 Revenue from Local Gov't Units Other Than Districts	-	-	-	-	-	-	-
1310 Regular Day School Tuition	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1400 Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	170,518	-	44,273	-	-	-	-
1600 Food Service	-	1,743	-	-	-	-	-
1700 Extracurricular Activities	22,020	449,941	-	-	-	-	-
1800 Community Services Activities	96,521	-	-	-	-	-	-
1910 Rentals	-	198,945	-	-	-	-	-
1920 Contributions and Donations From Private Sources	-	98,207	-	-	-	-	-
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	5,715,371	-	-	-	-
1980 Fees Charged to Grants	36,283	-	-	-	-	-	-
1990 Miscellaneous	191,305	32,521	-	177,979	-	-	-
<b>Total Revenue from Local Sources</b>	<b>18,689,086</b>	<b>781,357</b>	<b>7,509,582</b>	<b>177,979</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Intermediate Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
2101 County School Funds	62,045	-	-	-	-	-	-
2102 Education Service District Apportionment	56,253	365,849	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2199 Other Intermediate Sources	17,964	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>136,262</b>	<b>365,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from State Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
3101 State School Fund - General Support	43,176,995	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	23,926	-	-	-	-	-
3103 Common School Fund	572,231	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3204 Driver Education	-	13,245	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	4,963,228	-	175,021	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>43,749,226</b>	<b>5,000,399</b>	<b>-</b>	<b>175,021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Federal Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
4100 Unrestricted Revenue Direct From the Federal Gov't	-	-	-	-	-	-	-
4200 Unrest Rev From the Federal Gov't Through the State	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	18,021	-	-	-	-	-
4500 Restricted Rev From the Fed Gov't Through the State	-	8,797,508	-	-	-	-	-
4700 Grants-In-Aid From the Fed Gov't Through Intermediate	-	-	-	-	-	-	-
4801 Federal Forest Fees	541,251	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	175,540	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>541,251</b>	<b>8,991,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Other Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-
5200 Interfund Transfers	-	636,000	108,815	980,000	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	10,229,478	3,779,200	4,864,399	1,494,621	-	-	-
<b>Total Revenue from Other Sources</b>	<b>10,229,478</b>	<b>4,415,200</b>	<b>4,973,214</b>	<b>2,474,621</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>	<b>73,345,303</b>	<b>19,553,874</b>	<b>12,482,796</b>	<b>2,827,621</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**2020-21 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**  
**FUND 100 - GENERAL FUND**

<b>Instruction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	14,076,644	8,292,266	5,139,863	327,859	316,656	-	-	-
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	6,100,489	3,567,687	2,235,190	202,018	95,594	-	-	-
1122 Middle/Junior High Extracurricular	194,293	123,258	43,437	17,730	9,868	-	-	-
1131 High School Programs	6,316,834	3,739,376	2,317,932	91,765	167,761	-	-	-
1132 High School Extracurricular	838,508	462,707	191,691	49,950	68,727	65,433	-	-
1140 Pre-Kindergarten Programs	160,595	89,594	70,472	529	-	-	-	-
1210 Talented & Gifted	147,922	86,664	56,429	2,443	2,386	-	-	-
1220 Restrict Prog for Students w/Disabilities	1,560,082	949,699	604,969	5,365	49	-	-	-
1250 Less Restrict Prog Students w/Disabilities	3,510,404	2,024,476	1,441,968	22,373	21,587	-	-	-
1260 Early Intervention	299,348	-	-	296,520	2,828	-	-	-
1271 Remediation	34	24	10	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	3,160,030	524,091	337,536	2,278,410	19,993	-	-	-
1291 English as a Second Language	306,886	188,581	110,880	6,305	1,120	-	-	-
1292 Teen Parent Program	222,151	143,312	69,021	150	9,668	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	92,688	53,953	38,365	370	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>36,986,908</b>	<b>20,245,688</b>	<b>12,657,763</b>	<b>3,301,787</b>	<b>716,237</b>	<b>65,433</b>	<b>-</b>	<b>-</b>
<b>Support Service Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance & Social Work Services	168,752	97,166	71,586	-	-	-	-	-
2120 Guidance Services	1,662,635	985,308	665,826	5,131	6,370	-	-	-
2130 Health Services	115,269	30,813	17,524	66,932	-	-	-	-
2140 Psychological Services	513,953	307,446	172,531	1,312	7,861	24,803	-	-
2150 Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160 Other Treatment Services	2,606	1,773	833	-	-	-	-	-
2190 Service Direction, Student Support	341,716	176,453	115,733	47,741	1,789	-	-	-
2210 Improvement of Instruction	577,896	363,013	204,234	4,652	5,997	-	-	-
2220 Educational Media Services	866,234	445,907	288,290	1,937	130,100	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	9,179	5,444	2,312	1,423	-	-	-	-
2310 Board of Education Services	181,446	6,911	4,798	72,512	14,177	-	83,048	-
2320 Executive Administration Services	468,346	265,750	181,065	18,947	2,584	-	-	-
2410 Office of the Principal Services	4,011,090	2,425,151	1,470,788	84,713	30,438	-	-	-
2490 Other Support Services - School Admin	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	728,330	415,706	215,178	16,016	80,135	-	1,295	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation & Maint of Plant Services	6,501,407	2,226,661	1,502,700	1,462,486	632,531	381,208	295,821	-
2550 Student Transportation Services	3,179,709	68,066	37,130	3,064,612	8,357	-	1,544	-
2570 Internal Services	260,340	158,105	97,970	864	3,401	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	559,506	276,683	189,724	54,729	38,370	-	-	-
2660 Technology Services	1,167,056	476,620	279,817	329,085	81,534	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	408,724	77,039	331,685	-	-	-	-	-
<b>Total Support Services</b>	<b>21,724,194</b>	<b>8,810,015</b>	<b>5,849,724</b>	<b>5,233,092</b>	<b>1,043,644</b>	<b>406,011</b>	<b>381,708</b>	<b>-</b>
<b>Community Services Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition & Development Services	-	-	-	-	-	-	-	-
4150 Bldg Acquisition, Construction & Improvement	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers to Other Funds	1,616,000	-	-	-	-	-	-	1,616,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000 Contingencies	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	<b>1,616,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,616,000</b>
<b>Total Requirements and Balances</b>	<b>60,327,102</b>	<b>29,055,703</b>	<b>18,507,487</b>	<b>8,534,879</b>	<b>1,759,881</b>	<b>471,444</b>	<b>381,708</b>	<b>1,616,000</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**2020-21 SCHOOL DISTRICT AUDIT EXPENDITURES SUMMARY**  
**FUND 200 - SPECIAL REVENUE FUND**

<b>Instruction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	1,805,485	880,803	439,390	18,744	466,548	-	-	-
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	129,726	-	-	-	129,726	-	-	-
1121 Middle/Junior High Programs	693,121	400,737	200,129	3,550	73,125	15,580	-	-
1122 Middle/Junior High Extracurricular	63,342	-	-	-	63,342	-	-	-
1131 High School Programs	1,632,904	591,175	317,433	26,184	558,903	139,209	-	-
1132 High School Extracurricular	314,240	30,847	12,226	504	256,111	13,500	1,052	-
1140 Pre-Kindergarten Programs	178,171	96,765	74,126	4,595	2,685	-	-	-
1210 Talented & Gifted	854	297	119	-	438	-	-	-
1220 Restrict Prog for Students w/Disabilities	496,154	303,923	191,350	881	-	-	-	-
1250 Less Restrict Prog Students w/Disabilities	594,717	375,662	217,819	1,236	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	815,728	505,715	298,400	7,912	3,701	-	-	-
1280 Alternative Education	1,016,909	-	-	1,006,521	10,388	-	-	-
1291 English as a Second Language	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	26,036	9,282	9,682	534	6,538	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	369,960	58,207	23,230	-	242,380	46,143	-	-
<b>Total Instruction</b>	<b>8,137,347</b>	<b>3,253,413</b>	<b>1,783,904</b>	<b>1,070,661</b>	<b>1,813,885</b>	<b>214,432</b>	<b>1,052</b>	<b>-</b>
<b>Support Service Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance & Social Work Services	140,781	81,856	58,554	255	116	-	-	-
2120 Guidance Services	515,059	294,399	184,435	36,225	-	-	-	-
2130 Health Services	154,847	83,604	54,200	17,043	-	-	-	-
2140 Psychological Services	92,933	56,683	36,250	-	-	-	-	-
2150 Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160 Other Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support	179,167	89,020	53,864	-	-	-	36,283	-
2210 Improvement of Instruction	895,203	326,299	199,177	148,524	221,203	-	-	-
2220 Educational Media Services	573	407	166	-	-	-	-	-
2230 Assessment & Testing	87,235	-	-	2,997	84,238	-	-	-
2240 Instructional Staff Development	282,704	121,296	83,747	28,531	49,130	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	3,070	2,222	848	-	-	-	-	-
2490 Other Support Services - School Admin	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation & Maint of Plant Services	709,148	29,756	13,389	135,801	159,949	328,857	41,396	-
2550 Student Transportation Services	2,918	2,110	808	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	1,700,836	-	-	412,774	1,272,905	15,157	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>4,764,474</b>	<b>1,087,652</b>	<b>685,438</b>	<b>782,150</b>	<b>1,787,541</b>	<b>344,014</b>	<b>77,679</b>	<b>-</b>
<b>Community Services Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	2,291,552	673,276	464,414	59,353	1,063,881	30,628	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	9,192	-	-	-	9,192	-	-	-
3500 Custody & Care of Children Services	96,085	-	-	96,085	-	-	-	-
<b>Total Enterprise and Community Services</b>	<b>2,396,829</b>	<b>673,276</b>	<b>464,414</b>	<b>155,438</b>	<b>1,073,073</b>	<b>30,628</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition & Development Services	-	-	-	-	-	-	-	-
4150 Bldg Acquisition, Construction & Improvement	282,152	-	-	7,152	-	275,000	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	<b>282,152</b>	<b>-</b>	<b>-</b>	<b>7,152</b>	<b>-</b>	<b>275,000</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers to Other Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000 Contingencies	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements and Balances</b>	<b>15,580,802</b>	<b>5,014,341</b>	<b>2,933,756</b>	<b>2,015,401</b>	<b>4,674,499</b>	<b>864,074</b>	<b>78,731</b>	<b>-</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**2020-21 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**  
**FUND 300 - DEBT SERVICE FUND**

<b>Instruction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	-	-	-	-	-	-	-	-
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Talented & Gifted	-	-	-	-	-	-	-	-
1220 Restrict Prog for Students w/Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrict Prog Students w/Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English as a Second Language	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	-	-	-	-	-	-	-	-
<b>Support Service Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance & Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160 Other Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support	-	-	-	-	-	-	-	-
2210 Improvement of Instruction	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Admin	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	-	-	-	-	-	-	-	-
<b>Community Services Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services</b>	-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition & Development Services	-	-	-	-	-	-	-	-
4150 Bldg Acquisition, Construction & Improvement	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	5,838,248	-	-	-	-	-	5,838,248	-
5200 Transfers to Other Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Lump Sum Payment to PERS	-	-	-	-	-	-	-	-
6000 Contingencies	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	5,838,248	-	-	-	-	-	5,838,248	-
<b>Total Requirements and Balances</b>	5,838,248	-	-	-	-	-	5,838,248	-



**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**2020-21 SCHOOL DISTRICT AUDIT EXPENDITURE SUMMARY**  
**FUND 400 - CAPITAL PROJECT FUNDS**

<b>Instruction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	-	-	-	-	-	-	-	-
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Talented & Gifted	-	-	-	-	-	-	-	-
1220 Restrict Prog for Students w/Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrict Prog Students w/Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English as a Second Language	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	-	-	-	-	-	-	-	-
<b>Support Service Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance & Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160 Other Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support	-	-	-	-	-	-	-	-
2210 Improvement of Instruction	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Admin	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	-	-	-	-	-	-	-	-
<b>Community Services Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody & Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services</b>	-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition & Development Services	-	-	-	-	-	-	-	-
4150 Bldg Acquisition, Construction & Improvement	1,058,806	-	-	10,193	105	1,048,508	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	1,058,806	-	-	10,193	105	1,048,508	-	-
<b>Other Uses Expenditures</b>	<b>Total</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers to Other Funds	108,815	-	-	-	-	-	-	108,815
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000 Contingencies	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	108,815	-	-	-	-	-	-	108,815
<b>Total Requirements and Balances</b>	1,167,621	-	-	10,193	105	1,048,508	-	108,815

SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.  
Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

**A. Energy Bill 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	\$ 953,033
Function 2550	\$ 0

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

Exclude these functions:

\$ 0

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

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

**INDEPENDENT AUDITOR'S REPORT**

**REQUIRED BY STATE REGULATIONS**

## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors  
Douglas County School District No. 4  
Roseburg, Oregon 97470

We have audited the basic financial statements of Douglas County School District No. 4 (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 13, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-3200 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 statement amounts. However, providing an opinion on compliance with those provisions was not the 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 but were not limited to the following:

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

In connection with our audit, 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 Administration Rules 162-010-0000 through 162-010-3200 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as noted in the Independent Auditor's Report on Compliance for each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.

### **OAR 162-010-0230 Internal Control**

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

### **Restrictions on Use**

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

A handwritten signature in black ink, reading "Aria Bettinger". The signature is fluid and cursive, with the first name "Aria" and last name "Bettinger" clearly distinguishable.

Aria Bettinger, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 13, 2021

**ITEMS REQUIRED BY THE UNIFORM GUIDANCE**

**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**

Board of Directors  
Douglas County School District No. 4  
Roseburg, Oregon 97470

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Douglas County School District No. 4 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2021.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Aria Bettinger". The signature is fluid and cursive, with the first name "Aria" and last name "Bettinger" clearly distinguishable.

Aria Bettinger, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 13, 2021



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

To the Board of Directors  
Douglas County School District No. 4  
Roseburg, Oregon 97470

**Report on Compliance for Each Major Federal Program**

We have audited Douglas County School District No. 4's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Aria Bettinger, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 13, 2021

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Living Number</b>	<b>Pass-Through Grantors Number</b>	<b>Expenditures</b>
<b>U.S. Department of Education:</b>			
<b>Passed Through Oregon Department of Education:</b>			
Title I Grants to Local Education Agencies	84.010	53361	\$ 217,154
Title I Grants to Local Education Agencies	84.010	58250	1,172,460
Title I Grants to Local Education Agencies	84.010	53910	567
Title I Grants to Local Education Agencies	84.010	58908	6,535
Title I Grants to Local Education Agencies (ESSA, Phase III)	84.010	51468	47,961
Title I Grants to Local Education Agencies (ESSA, Partnerships)	84.010	60375	64,395
Title I Grants to Local Education Agencies (ESSA, Partnerships)	84.010	65098	55,249
Total AL 84.010			<u>1,564,321</u>
School Improvement Grant	84.377	54350	144,500
Total AL 84.377			<u>144,500</u>
Career and Technical Education - Basic Grants to States	84.048	48908	35,827
Career and Technical Education - Basic Grants to States	84.048	52489	62,684
Total AL 84.048			<u>98,511</u>
Special Education - Grants to States	84.027	53840	105,110
Special Education - Grants to States	84.027	60646	846,955
Special Education - Grants to States (Extended Assessment)	84.027	59346	1,099
Special Education - Preschool Grants	84.173	60489	9,553
Total Special Education Cluster (IDEA)			<u>962,717</u>
Supporting Effective Instruction - State Grants	84.367	58849	139,225
Total AL 84.367			<u>139,225</u>
Small, Rural School Achievement	84.358	50867	50,905
Total AL 84.358			<u>50,905</u>
Student Support and Academic Enrichment Program	84.424	54613	5,053
Student Support and Academic Enrichment Program	84.424	58659	47,280
Total AL 84.424			<u>52,333</u>
COVID-19 Education Stabilization Fund - ESSER	84.425D	57796	1,410,449
COVID-19 Education Stabilization Fund - ESSER II	84.425D	64566	1,573,967
COVID-19 Education Stabilization Fund - ESSER	84.425D	60914	54,180
COVID-19 Education Stabilization Fund - GEER	84.425C	60927	102,398
Total AL 84.425			<u>3,140,994</u>
<b>Direct Federal Award:</b>			
Title VII Indian Education	84.060A	N/A	18,021
Total AL 84.060A			<u>18,021</u>
<b>Total U.S. Department of Education</b>			<b>\$ 6,171,527</b>
<b>U.S. Department of Health and Human Services:</b>			
<b>Passed Through Oregon Department of Education:</b>			
Foster Care - Title IV-E	93.658	57142	\$ 2,918
Total AL 93.658			<u>2,918</u>
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 2,918</b>
<b>U.S. Department of Agriculture:</b>			
<b>Passed Through Oregon Department of Education:</b>			
Summer Food Service Program for Children	10.559	N/A	\$ 2,117,700
COVID-19 Summer Food Service Program for Children	10.559	N/A	66,724
National School Lunch Program Commodities (Note C)	10.555	N/A	172,622
Total Child Nutrition Cluster			<u>2,357,046</u>
Child and Adult Care Food Program	10.558	N/A	459,578
Total AL 10.558			<u>459,578</u>
<b>Passed Through Douglas County Management &amp; Finance:</b>			
Schools and Roads - Grants to States	10.665	N/A	541,251
Total Forest Service Schools and Roads Cluster			<u>541,251</u>
<b>Total U.S. Department of Agriculture</b>			<b>3,357,875</b>
<b>Total Federal Expenditures</b>			<b>\$ 9,532,320</b>

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Douglas County School District No. 4 (the District) 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 the District, it is not intended to and does not present the financial position, and changes in fund balance of the District.

**NOTE B – 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.

**NOTE C – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the year ended June 30, 2021, the District received food commodities totaling \$172,622.

**NOTE D – INDIRECT COST RATE**

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE E – SCHOOLS AND ROADS – GRANTS TO STATES**

The District includes Schools and Roads – Grants to States in the schedule due to requirements of the Oregon Department of Education. These expenditures are not subject to the Uniform guidance audit due to the treatment based on guidance provided by both the Oregon Department of Education and the United States Department of Agriculture.

**NOTE F – SUBRECIPIENTS**

The District did not have any awards that were passed through to subrecipients for the year ended June 30, 2021.

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2021**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of the District.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.

Federal Awards

4. One material weakness (finding 2021-001) and no significant deficiencies relating to the audit of the major federal award programs is reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance for the major federal award programs for the District expressed an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were:

US Department of Education:

Education Stabilization Fund	AL #84.425
Title I Grants to Local Education Agencies	AL #84.010

8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The district qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**DOUGLAS COUNTY SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2021**

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

U.S. Department of Education

Title I Grants to Local Education Agencies (AL # 84.010)

**2021-001 – Material Weakness – Allowable Activities/Cost Principles**

*Criteria:* In accordance with 2 CFR section 200.430, the local education agency is required to maintain time and effort distribution records for employees who work on federal programs. These distribution records must support the portion of time and effort dedicated to: 1) The federal program or cost objective; and 2) Other programs or cost objectives supported by federal funds or other revenue sources.

*Statement of Condition:* The District was not in compliance with the Uniform Guidance as it was noted that management of the District was not preparing time and effort distribution records and could not produce source documentation to support the time and effort applied to payroll expense that was charged to Title I Grants to Local Education Agencies.

*Cause:* The District's internal controls to identify and document employees that require support for time and effort charged to Title I Grants to Local Education Agencies was not effective for the year ended June 30, 2021.

*Context:* We selected payroll costs associated with eight employees who had wages charged to Title I Grants to Local Education Agencies. Of the eight employees selected for testing, three employees did not have time and effort documentation or other source documentation to support the payroll expense that was charged to the federal program.

*Effect or Potential Effect:* Salary and wage costs could be applied to Title I Grants to Local Education Agencies without appropriate supporting documentation required in accordance with 2 CFR Part 200.430 and District Policy.

*Known and Questioned Costs:* \$376,368 of questioned costs charged to this federal program in the year under audit.

*Recommendations:* We recommend the District review their internal controls to strengthen processes and improve procedures. We recommend the District complete all required time and effort certifications in a timely manner.

*Views of Responsible Officials and Planned Corrective Actions:* The District agrees with the finding and recommendation and plans to implement a system of completing necessary time and effort documentation for all employees who work on federal programs.