Board of Directors Meeting
School District 4J, Lane County
4J Education Center / Virtual
(in-person or virtual)
200 North Monroe Street
Eugene, Oregon 97402
Wednesday, May 1, 2024

NOTICE: **T**he Regular Board Meeting at 7:00 p.m. will be open to the public to attend in person, via live broadcast on KRVM 1280-AM and 98.7 FM, on the internet at https://icecast.4j.lane.edu/board and via Zoom Webinar at https://4J-lane-edu.zoom.us/j/91225128314, Webinar ID: 912 2512 8314

School Board Meeting Request Forms:
Sign up to provide public comment: www.4j.lane.edu/board/publiccomment

The board will hear public testimony in person or via Zoom from community members who sign up in advance. Up to 10 people will be scheduled to provide public comment at each regular meeting. Priority will be given to residents who have not recently provided public comment in a board meeting.

Requests to provide public comment must be submitted no later than 5 p.m. on the Monday before the meeting.

7:00 PM
Regular Meeting

Presenter: Colt Gill, Interim Superintendent
10 Minutes

XII. **Items for Action at a Future Meeting**

1. High School English Language Arts (ELA) Instructional Materials Adoption for Grades 9-10 163
   Presenters: Adrienne Pierce, Secondary Curriculum Administrator
   Tammy Steeves, Secondary ELA Specialist/Teacher on Special Assignment (TOSA)
   25 Minutes

XIII. Suggestions by the Board for Consideration of Items at a Future Meeting

XIV. Adjourn

THIS MEETING WILL BE BROADCAST OVER KRVM-AM (1280)

INFORMATION FOR THE DEAF AND HARD OF HEARING:
Closed Captioning is available during Board meetings through a zoom live feed which is also displayed at in-person meetings.

Eugene School District 4J
200 North Monroe Street
Eugene, OR 97402-4295
541-790-7700
www.4j.lane.edu

ITEM FOR ACTION–CONSENT AGENDA

Date of Meeting
May 1, 2024

Title
Approve Board Work Session Minutes for April 3, 2024
Approve Regular Board Meeting Minutes for April 3, 2024

Background
The board minutes listed above are in draft form. Once approved, the minutes will be uploaded to BoardBook and available to the public.

MINUTES OF WORK SESSION

SCHOOL DISTRICT 4J, LANE COUNTY, OREGON

Date: April 3, 2024

The Board of Directors (BOD) of School District No. 4J, Lane County, Eugene, Oregon, held a work session at 4:30 p.m. in-person at the Education Center, 200 North Monroe Street in Eugene, Oregon, via live-stream and broadcast on KRVM. Notice of the meeting was emailed to the media and posted on the 4J website on March 29, 2024.

ROLL CALL

BOARD MEMBERS PRESENT:
Chair Rabasa
Vice Chair Jenny Jonak
Morgan Munro
Rick Hamilton
Ericka Thessen

STAFF:
Colt Gill, Interim Superintendent
Seth Pfaefflin, Director of Student Services
Tony Lyman, Staff Development Specialist
Jeff Johnson, Elementary Education Director
Sherry Moore, Executive Assistant to the Chief of Staff
Debbie McKim, Executive Assistant to the Interim Superintendent and Board

OTHER GUESTS:
None.

EMPLOYEE ASSOCIATIONS:
Sabrina Gordon, Eugene Education Association (EEA) President
Liz Johnson, EEA/4J Inclusion Advisor

MEDIA:
KRVM

I. WORK SESSION

II. CALL TO ORDER, ROLL CALL

Chair Maya Rabasa called the work session to order at 4:35 p.m. She said the names of the board members who were present.

III. ITEM FOR INFORMATION

1. SPECIAL EDUCATION WEIGHTED CASELOAD ANALYSIS

Director of Student Services Seth Pfaefflin, Staff Development Specialist Tony Lyman, Eugene Education Association (EEA) President Sabrina Gordon, and EEA/4J Inclusion Advisor Liz Johnson presented information on special education weighted caseloads and behavior systems via PowerPoint presentation.

EEA President Sabrina Gordon explained their joint goal of improving special education for students. She said that EEA/4J Inclusion Advisor Liz Johnson's new role was created to improve inclusive practices for all students. The position will last two years. She said their first-year goals have focused on assessing the experience students are having, educators are having, and parents are having, to learn what supports are still needed.

Ms. Gordon said that students need individualized attention, particularly students with Individualized Education Plans (IEPs). She said they will focus on weighted caseload analysis to improve the ability of educators to provide more individualized attention.

Director of Student Services Seth Pfaefflin explained that in 2018 they started looking at weighted caseload analysis. He referenced the report, Internal District Wide Analysis of Factors Contributing to Caseload Complexity, provided to the Board of Directors (BOD) prior to the meeting and displayed via PowerPoint presentation.

Weighted caseloads take the needs of individual students into account when considering special education staffing, allow for more equitable distribution of workload and staffing, and helps target student needs more accurately. He provided an example, although two teachers might each have 25 students on a caseload, the students may have differing needs.

Eugene Education Association/4J Inclusion Advisor Liz Johnson introduced the formula used to weigh students. Every student started with a weight of 1, adding additional weight based on certain factors like having a safety plan, one-on-one accommodations, student, mobility, etc. She added that all of the factors were assigned weight because they are an additional impact to a case manager's workload.

Ms. Thessen asked where the physical assistance for transfers factor is represented in the weighted caseload analysis.

Staff Development Specialist Tony Lyman responded that that would be listed under accommodations and would be reflected with a weight of 0.1.

Chair Rabasa asked what the difference is between a safety plan and a behavior support plan.

Ms. Johnson responded that safety plans are typically short term and address immediate safety needs. Behavior support plans address the root causes of a behavior.

Mr. Pfaefflin added that behavior plans are an intensive process which take about 30 hours of work. They begin with a safety plan and move onto behavior plans when necessary.

Ms. Johnson presented an overview of data from November and December 2023:

- 2,112 students on IEPs in the district
- 1,695 IEPs analyzed for weighted approach
- Total number of teachers (including full-time and part-time)
  -Elementary: 35 teachers/31.25 FTE
  -Middle school: 16 teachers/16.0 FTE
  -High school: 18 teachers/18.0 FTE
  -Charter: 5 teachers/3.75 FTE
  -Outlier programs: 6 teachers/5.25 FTE

Ms. Johnson explained that the data represents a snapshot in time, and the numbers at any given time could be different because there are always ongoing evaluations.

Mr. Lyman provided details about the difference between weighted and unweighted numbers at different levels within the district (assuming staffing of 1.0 FTE). The elementary school unweighted caseload average is 19.48, the weighted caseload average is 23.67. The middle school unweighted caseload average is 24.81, the weighted caseload average is 28.6. The high school unweighted caseload average is 24.94, the weighted caseload average is 29.81.

Mr. Lyman mentioned that the report is an internal comparison. They are looking at how the case managers are resourced in comparison to other schools within the district. He said it is not possible to compare data with other districts.

In response to a previous question raised by Chair Rabasa about the range of weighted caseloads, Mr. Lyman some examples: at the elementary level, the minimum total weighted caseload (TWC) was18.4 students and the maximum total weighted caseload was 32.2 students. At the middle school level, the minimum was 22.6, the maximum was 32.9. At the high school level, the minimum was 27.3 and the maximum was 34.3. At charter schools, the minimum was 24.4 and the maximum was 40. Across all levels, elementary to high school, including charter, the minimum was 18.2 and the maximum was 40. He noted that the highest ranges were being experienced by teachers who were staffed less than 1.0 (e.g. 0.5 FTE teachers were carrying caseloads far more than half that of 1.0 FTE teachers). He said their data reflects a big discrepancy regarding expectations of teachers.

Vice Chair Jonak asked if other states and/or districts have caseload caps and if those caseload caps were weighted.

Ms. Johnson responded that the ones she looked at were not weighted, and the range is great.

Mr. Pfaefflin stated that the weighted model informed their staffing recommendations, and as a result, 4JSD added 2.0 FTE across four schools (1.0 FTE at Willagillespie Elementary School, .5 FTE at Network Charter School, and .75 at Family school at Buena Vista). Not reflected in the report was the addition of a .5 FTE at Holt Elementary School.

Vice Chair Jonak asked if they look at schools that have low IEP numbers that suggest that the district may have some identification or eligibility problems.

Mr. Pfaefflin responded that there are factors, like the strength of intervention systems in schools, poverty rates, etc. He said in general they have gotten better about identification over time. That's partly behind why the district's special education rates have slowly risen. He said the district is at about 14.5% special education right now and there's an 11% funding cap in the state of Oregon, requiring the district to access additional funding.

Vice Chair Jonak noted that one of the district's charter schools had an unusually low IEP rate and it made her wonder if families and students are being educated about IEP eligibility.

Ms. Johnson responded that staff have been engaging in conversations about the issue, but they ultimately decided to focus on schools that were showing a strong deficit in resources.

Mr. Pfaefflin added, in response to Vice Chair Jonak's question, that it will be addressed.

Ms. Johnson outlined their professional development recommendations: provide ongoing target IEP writing support to case managers, improve utilization of Goalbook Toolkit IEP software, establish clear guidelines for how and when to include factors in the IEP, continue training case managers on accurately applying accommodations, modifications, and specially designed instruction.

Ms. Thessen asked if a student has situational mutism, and they use their own device to communicate (i.e. text), does that get included as assistive technology?

Ms. Johnson responded that it should, but it is something that the district needs to establish formally.

Mr. Pfaefflin introduced accommodations and modifications, stating that there is wide variability on use of accommodations and modifications. He noted that accommodations involves how a student learns the material, while still addressing grade level standards; and modifications involve not meeting all the grade level standards. If a student has modifications on their IEP in high school, they do not earn a regular diploma, but a form of a modified diploma.

Mr. Lyman inserted that recent data suggests that 19.1% of the district's special education students earned a modified diploma.

Ms. Johnson added that as they examined accommodations and modifications, it was clear that some things were listed under modifications, but they were not modifications, they were accommodations. This revealed the need to deepen case managers' understanding of how to accurately categorize the supports. She implied that the errors in reporting could have huge implications on a student's success (i.e. setting them on the path to earn a modified diploma).

Ms. Johnson outlined their next steps: develop and deliver professional learning opportunities for special education teachers, look at mobility numbers at the end of this school year, develop a system and/or tool to ease weighting, explicitly define and communicate inclusive practices and continuum of services, and time with general education teachers for professional development on inclusive practices.

Chair Rabasa asked if they plan to provide professional development opportunities for classified staff who work with special education students.

Mr. Lyman responded that they talked about the impact that EA support has on a caseload at a school. If they'd used a model that included minutes of service, it would make it easy to quantify the impact of EAs. And although it is something they want to work toward, it currently cannot be factored in.

Chair Rabasa asked why Network Charter School chose to offer a 0.7 EA versus the 0.5 licensed teacher.

Mr. Pfaefflin responded that he will follow up with that information.

Ms. Thessen commented that on a recent visit to Howard Elementary, she noticed the only accessible bathroom was on the bottom floor, making access extra challenging for students who use wheelchairs, and extra challenging for staff.

Ms. Thessen asked if there are plans for teacher peer-to-peer collaborative circles and if similar work will be done around 504s.

Mr. Pfaefflin responded that the model would not work as well applied to 504s. He said he will follow up about the peer-to-peer collaborative circles.

Vice Chair Jonak asked if safeguards are in place for when SDI minutes are not happening accurately, and to ensure that students do not get penalized.

Mr. Pfaefflin responded that SDI minutes are written on a weekly, monthly, or annual basis. He said if an SDI is missed on a particular day, it can be made up within that week or month.

IV. ITEM FOR ACTION

1. BEHAVIOR SYSTEMS UPDATE

Director of Student Services Seth Pfaefflin and Elementary Education Director Jeff Johnson presented a behavior systems update via PowerPoint presentation.

Mr. Johnson introduced Multi-Tiered Systems of Support (MTSS) as a framework that integrates data and instruction to maximize student achievement and supports students' academic, social/emotional, attendance and behavioral needs from a strengths-based perspective. Tier 1: universal supports, Tier 2: additional supports, Tier 3: intensive supports.

Mr. Pfaefflin added that 4J purchased Synergy MTSS modules for district wide use. They are currently piloting the modules at more than ten schools. They are focusing on Tier 1 support systems in each school, trying to avoid students needing Tier 2 and Tier 3 supports. The modules include a large family engagement component and will increase information for families to see how their students are doing. Mr. Pfaefflin said the work will be ongoing for many years. He provided an additional handout to board members.

Mr. Pfaefflin said the district expanded their behavior EA (BBSA) trainings from once per month to three times per month. Next year, they may scale the trainings back down to two times per month.

Mr. Pfaefflin explained that the district expanded their MANDT trainings. Oregon Senate Bill 283 requires one trained adult for every 50 students. In the district now there are about 300 trained adults. The training is two full days for initial certification, and an annual one-day refresher.

Vice Chair Jonak asked what kinds of things are covered in BBSA trainings.

Mr. Pfaefflin responded that there is some crossover with BBSA and MANDT. He said the trainings focus on understanding the escalation cycle, how to communicate to someone who is escalating, how to deliver social skills instruction and interventions.

Vice Chair Jonak asked if the social skills instruction is neuro-diverse affirming.

Mr. Pfaefflin responded that he hopes so, but he sees many areas that they and the curriculum can improve.

Chair Rabasa asked how they prioritize who receives the training and if they are going to train more than the required MANDT trainers.

Mr. Pfaefflin responded that there are certain positions the district wants MANDT trained: principals, life skills staff, etc. He said he wants to expand the day one training to more staff.

In response to Chair Rabasa's question, Mr. Johnson added that they do not expect to stop at the required number of MANDT trainers.

Vice Chair Jonak asked how many MANDT trainers and BBSA trainers the district has and if they can scale up capacity by adding more trainers.

Mr. Pfaefflin responded that they have five MANDT trainers (possibly increasing to six), two BBSA trainers, and are hoping to increase to four MTSS consultants.

Mr. Hamilton asked the cost of training per individual.

Mr. Pfaefflin responded that the district's biggest expense is the use of substitute teachers.

Ms. Munro asked if staff have time to review what works for each individual student.

Mr. Pfaefflin responded that collaboration time is essential. There are two ways to access the student's information: the Synergy Information System and an on-site physical binder with IEPs, behavior plans, and safety plans.

Mr. Pfaefflin mentioned the district's Systems Assistance Teams (SAT), designed to focus on supporting systems work in the schools. He said the systems work is essential right now. He reiterated that they are hoping to add two additional MTSS consultant positions, for a total of four.

Mr. Johnson said in January, staff and administrators began a tiered system analysis to audit each of the district's schools' systems. They also began reviewing discipline procedures. As of March 22, 2024, many of the district's schools have now received a tiered system analysis. Systems Assistance Teams will use the information to provide targeted assistance to schools.

Mr. Johnson presented a Discipline Matrix Teacher Flowchart. The flowchart was updated in January 2024 and all K-12 principals were trained at that time. He said principals then trained the teachers in their buildings to ensure that all staff are fluent with the district's discipline procedures.

Vice Chair Jonak asked if a version of the flowchart is shared with families.

Mr. Johnson said that is something they could work on. He added that their Student Rights and Responsibilities Handbook is shared with families.

Mr. Pfaefflin informed the board that they recently began training elementary principles on room clear procedures for use when a classroom is disruptive and it is necessary to move students to a separate location to maintain student safety or dignity.

Mr. Johnson provided an update about increasing staffing. He said they are adding 2.0 FTE Student Success Coordinators at Buena Vista and Edgewood elementary schools, and adding Assistant Principals at Howard, Holt, and Willagillespie elementary schools. They are adding a Student Success Coordinator at each high school.

In closing, Mr. Pfaefflin stated that full implementation [of MTSS] takes five years, and it is currently year one.

V. ADJORN

Chair Rabasa adjourned the work session at 6:33 p.m.

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
SCHOOL DISTRICT 4J, LANE COUNTY, OREGON

Date: April 3, 2024

The Board of Directors (BOD) of School District No. 4J, Lane County, Oregon, held a regular board meeting at 7:00 p.m. in-person at the Education Center, 200 North Monroe Street in Eugene, Oregon, via live-stream and broadcast on KRVM. Notice of the meeting was emailed to the media and posted on the 4J website on Friday, March 29, 2024.

ROLL CALL

BOARD MEMBERS PRESENT:
Maya Rabasa, Chair
Jenny Jonak, Vice Chair
Ericka Thessen
Rick Hamilton
Morgan Munro
Tom Di Liberto (online)

STAFF:
Colt Gill, Interim Superintendent
Jenna McCulley, Chief of Staff
Brooke Wagner, Director of Human Resources
Kyle Tucker, Chief Operations Officer
Sebastian Bolden, Director of Middle School Education
Larry Williams, Executive Director of Academic Access and Advancement
Imelda Rodriguez De la Cruz, Western Regional Educators Network (WREN) Lead
Chemika Bolden, Grow Your Own Program Lead
Matt Brown, Director of Finance
Arthur Hart, Director of Transportation
Oscar Loureiro, Director of Research and Planning
Steve Menachemson, Director of Technology
Ed Mendelssohn, CTE Administrator
Tammy Steeves, Secondary ELA Specialist
Adrienne Pierce, Secondary Curriculum and MTSS Administrator
Debbie McKim, Executive Assistant to the Superintendent and Board

Sherry Moore, Executive Assistant to the Chief of Staff

EMPLOYEE GROUPS:
Sabrina Gordon, President of Eugene Education Association (EEA)

Nancy Buffum, President of Eugene Education Foundation (EEF)
Nicolas Hadley, President of Manager, Administrator, Professional, and Supervisor (MAPS) (online)

MEDIA:
KRVM
Register Guard

I. REGULAR BOARD MEETING

II. CALL TO ORDER, ROLL CALL, FLAG SALUTE, LAND ACKNOWLEDGEMENT

Chair Maya Rabasa called the regular board meeting to order at 7:07 p.m. She said the names of the board members who were present. Superintendent Colt Gill led the flag salute and Chair Rabasa read the land acknowledgement statement.

III. AGENDA APPROVAL

Chair Rabasa requested to postpone Item 4: Proposal for Academic Calendars for the Next Two Years, listed under Items for Action at a Future Meeting.

IV. INTRODUCTION OF GUESTS AND SUPERINTENDENT'S REPORT

Chair Rabasa introduced Interim Superintendent Colt Gill, who will be serving in his role for the next 15 months.

Interim Superintendent Gill provided a statement, saying that he is grateful for the opportunity. In his career, Eugene School District 4J has always been known for its innovation and its commitment to educational excellence and equity. He is thrilled to be a part of the 4J family. Interim Superintendent Gill said in the past three days, he has met leadership from Oregon School Employees Association (OSEA) and Manager, Administrator, Professional, and Supervisor (MAPS). Soon he will meet with Eugene Education Association (EEA). Other activities have included visiting one school, a facilities office, the Education Center, etc., and he has had the opportunity to meet with several staff members in various departments. Interim Superintendent Gill added that district staff are working hard and its showing. He said there is a genuine readiness to serve our schools so that we can serve our students and families better. He will continue his focus on discovery and building trust.

V. RECEIVE REPORTS FROM HIGH SCHOOL STUDENT REPRESENTATIVES

Nellie Schmitke-Rosiek provided a report from South Eugene High School. She said students and staff are getting back into gear after spring break and seniors are looking ahead toward graduation. Ms. Schmitke-Rosiek brought attention to a recent event at Spencer Butte Middle School, in which a teacher was asked to take down a Palestinian flag that they had displayed in their classroom. Ms. Schmitke-Rosiek asserted that the [districts] response was problematic for a number of reasons. She said it is a complicated issue. She has no doubt that people are genuinely are having feelings of discomfort about the flag being displayed in the classroom, but she also believes that silence about the suffering of the Palestinian people is a source of discomfort for others. She said the silence enables the violence causing suffering. The answer to the situation is not to prohibit any statement of solidarity with the Palestinian people. She suggested that prohibiting a gesture of solidarity with Palestinians is itself a form of hidden curriculum and expressed that the teacher's gesture was a subtle act of care. She urged the board to reconsider the prohibition and find a more nuanced way to support all 4J students.

Sheridan Schilling provided a report from Churchill High School. Several spring sports competitions are taking place: tennis, track and field, baseball, and softball. Junior Varisty softball had a home game against Springfield on Wednesday, April 3. Girls' lacrosse plays West Albany on Friday, April 5. There is a unified basketball game on Thursday, April 11. The Lancer Pageant Program is hosting a car wash fundraiser on Sunday, April 7, raising money for Children's Miracle Network's Kids Helping Kids program. The pageant is on Friday, April 19 at 7:00 p.m. Ms. Schilling said substantial steps are being taken to stop drug use on campus and staff are more closely monitoring students. The new program seems to be a step in the right direction, contributing to a safer and more conducive learning environment.

Ms. Munro provided a report from Sheldon High School, on behalf of Carmen Gonzalez Valle. During spring break, the baseball team travelled to Arizona to compete and observe spring training. The softball team travelled to California to compete. Boys' and girls' golf travelled to southern Oregon. The tennis team competes against Thurston on Monday, April 8. Lacrosse, a club sport, requires participants to drive themselves to far away competitions. They have a game against South on Friday, April 5. The Sheldon band won their district festival and are going to State. Sheldon is hosting the distruct choir festival on Friday, April 5. Sheldon started the process of forecasting and there have been issues in terms of classes that aren't showing up. It has contributed to students feeling like advisory class is a waste of time since those minutes could be used for instructional time with teachers. This has put stress on the IB students, since IB students aren't meeting the instructional time and are missing over 20 hours of instructional time.

VI. ITEMS RAISED BY THE AUDIENCE

Chair Rabasa shared the rules for public comment. She stated that although the board typically accepts up to ten public comments, they will receive comments from all individuals who submitted prior to the deadline.

Alex Safron, parent of two students in 4J, held a sign that read "Another Jewish Family for a Free Palestine." He said that Jewish safety exists only in a world where constructive dialogue and critical questioning can occur. He referenced an incident during which a district teacher was threatened with termination if he did not comply with the request to remove a Palestinian flag from his classroom. Mr. Safron said supporting Palestine is not antisemitic. He asked the board to carefully consider the matter and enact a policy to protect district teachers and students from censorship.

Anna Story, Jewish 4J educator and scholar, shared her perspective that the insinuation that a Palestinian flag is antisemitic encourages binary thinking.

Eloise Parish Mueller, 4J alumnus, stated that something critical she learned at 4J was the importance of understanding history in order to not repeat the atrocities of the past. She said that genocide is the most blatant and horrific example, and it is what we are witnessing in Palestine right now. Ms. Mueller said she wants teachers in local public schools to be allowed and empowered to express solidarity with victims of genocide. She said if we silence conversations about atrocities our leaders are perpetrating, what kind of message are we sending to our youth? She urged allowing flags of all nations and tribes to be displayed in district classrooms.

Sheila Hadjivassiliou, 4J educator, advocated for flags of tribes and nations to be considered protected symbols in classrooms, much like the Pride and Black Lives Matter (BLM) flag. She explained she was troubled by assumptions made in a letter she read: assumptions about a heterogeneous group of people, about who our students are or are not, about intent and symbolism, and the erasure of certain students. She said it is not okay for educators to shut down discussion when students are having conversations with or without their guidance.

Leilani Sabzalian, 4J alumnus and parent of two 4J students, stated that it was troubling to hear that a 4J educator was directed to remove a Palestinian flag or face disciplinary action. She said the Palestinian flag is an important cultural and national symbol for millions of people and would affirm the classroom is a welcoming space for Palestinian students and that they belong. Ms. Sabzalian said it is Oregon Department of Education (ODE) policy that every student belongs. She suggested that if the board supports the removal of the Palestinian flag, they would be catering to students, staff, and families whose comfort requires the erasure and exclusion of other people.

Jamie Myers, 4J educator, raised the issue of workplace wellness. She said in 2022, the United States Surgeon General identified five essentials for workplace wellbeing: protection from harm, connection and community, work life harmony, treated with dignity/find meaning in work, and opportunity for growth. She asserted that 4J must do better. Many school employees do not feel physically or emotionally safe at work. She cited an unmanageable workload for licensed educators. Since fall of 2020, 4J was the recipient of a wellness grant. Suggestions from an annual survey indicated the desire for those wellness activities/programs to be merged with personal development time.

Nancy Good, 4J parent, shared her perspective about district communication, including school counselors in the McKinney Vento program. She said although [McKinney Vento] has been helpful for some students, it has not been ideal in her situation. For example, she waited four months to receive a letter she requested from the program stating her son's eligibility. She explained that on January 6, 2024, she unenrolled her son from high school – a mutual agreement between her and her son. Her son then went to the school and said he wanted to attend again. Since then, Ms. Good said she has been completely cut off from contact with her son. She has tried reaching out to the school counselor and Vice Principal, and they have provided no information. She said she has been totally disregarded as his parent and something needs to be done.

Shachar Efrati, Jewish community member, explained that as a member of a family with Holocaust survivors, the current destruction in Gaza is frighteningly familiar. He said the Indigenous people of Palestine have a right to exist, and a right to feel safe and secure. He said the Palestinian flag is not a threat nor a condemnation, but a symbol of a people with a right to dignity, land, and history.

Melissa Ivan, 4J educator at Monroe Middle School, asked the district to halt the implementation of advisory next year regarding the new middle school schedule. She said the Eugene Education Association (EEA) put out a survey and 75% of educators are asking for the district to halt. Ms. Ivan's two top reasons are: 1. They piloted a new rigorous 45-minute language arts curriculum, and students are still building stamina. 2. One of the biggest barriers to elevating student voices is the feeling that there is so much to teach in such little time. She said four minutes makes a difference and requested more recovery time given COVID.

Jenoge Khatter, 4J educator, stated that he believes strongly in affirming diverse identities and multiple perspectives. He explained that he displayed a scarf, stylized as a national flag up, in his classroom. A day later, he was asked to remove the flag. In response, Mr. Khatter offered to host conversations or forums to learn more about symbols of nations and current events. He told that only the removal of the flag was acceptable. He cited discrimination, not toward himself, but toward those identifying with the national symbol (i.e. flag). On Wednesday he was given a written directive to remove the flag on penalty to termination. He asserted that it is not wrong to identify with the symbols of one's tribe, people, or nation. He said there are symbols of hate, exclusion, and degradation; but the flag of Palestine is not inherently such a symbol. He requested that the board affirm, via policy, that flags of all nations and tribes be protected symbols in our schools.

Nour Aboelez, South Eugene High School alumnus, provided public comment virtually. Ms. Aboelez said she is deeply troubled by the potential consequences facing an educator for raising a Palestinian flag in their classroom. She said it saddens her to see the erosion of the values that have long been the bedrock of our educational community. She said the action reflects a failure to uphold principals of inclusivity and suggests that certain viewpoints are deemed unwelcome or taboo. She said such actions undermine the fundamental tenants of critical thinking. She urged the board to reconsider punitive actions against Mr. Khatter and reaffirm the district's dedication to diversity, inclusion, and academic freedom.

Hanan Elsherif, 4J parent, expressed her support for district educator Jenoge Khatter. She said Mr. Khatter is a beloved educator because he believes that students must be taught how to think, not what to think. She stated that she defends Mr. Khatter's right to expression. She said Mr. Khatter's action [of displaying a Palestinian flag] should be seen as act of courage and he should be praised, not punished.

Laura Diamond, Jewish community member, expressed solidarity with Palestinians. She said she is horrified to hear that a teacher could face termination for presenting a Palestinian flag in their classroom. She suggested that censorship of the Palestinian flag signals to young folks that they will be punished for standing up for what is just. She urged the board to take a step in the right direction.

VII. COMMENTS BY EMPLOYEE GROUPS

Nicolas Hadley, Manager, Administrator, Professional, and Supervisor (MAPS) President, extended a welcome to Interim Superintendent Gill, stating that they are looking forward to future collaboration.

Sabrina Gordon, Eugene Education Association (EEA) President, brought attention to the draft calendars provided in the meeting packet, stating that EEA submitted an alternative calendar. She highlighted four minor changes:

1. Retain 8-hour grading days for mid-semester grading.
2. The day in February between semesters remain as an 8-hour planning day.
3. The day after spring break remain as a non-student/professional development day.
4. At the elementary level: one day during the week before the last week of school remain an 8-hour grading day.

She added that they are currently negotiating a new bargaining contract between EEA and 4J. She encouraged all 4J staff, board members, parents, and students to attend the public discussions.

Nancy Buffum, Eugene Education Foundation (EEF) President, thanked those who attended the EEF Gala on March 21, 2024. She reported that $114,000 was raised. The period for applying for EEF grants opens April 8 and closes May 3, 2024.

VIII. COMMENTS AND COMMITTEE REPORTS BY INDIVIDUAL BOARD MEMBERS

Ms. Thessen thanked public commenters for their testimony. She reported rewarding visits to Yujin Gakuen and Cal Young Middle School. Ms. Thessen brought attention Autism Awareness Month, Sexual Assault Awareness month, and Arab American Heritage Month, all happening in April.

Ms. Munro reported on the Charter Schools Committee. She said it was great to hear about the work happening in the district's charter schools. She reported that no schools are up for renewal this year. Ms. Munro thanked those who attended Eugene Education Foundation (EEF) gala. She encouraged the public to provide input regarding the calendar.

Vice Chair Jonak thanked the public commenters and student representatives, stating that their accounts were moving. She hopes for the board to review district policy regarding flags and symbols.

Mr. Di Liberto welcomed Interim Superintendent Gill, stating that he feels optimistic and positive. Regarding the topic of the removal of a Palestinian flag displayed in a classroom, Mr. Di Liberto expressed that he is deeply concerned about the decision and is eager to examine what 4J policy might have driven it.

Chair Rabasa thanked the community for speaking out. Regarding the topic of the removal of a Palestinian flag displayed in a classroom, she will be asking the board to do a comprehensive review of district policy.

IX. CONSENT GROUP – ITEMS FOR ACTION

1. APPROVE BOARD MEETING MINUTES FOR FEBRUARY 21, 2024, FEBRUARY 28, 2024, MARCH 6, 2024, MARCH 11, 2024, AND MARCH 13, 2024

2. MEMORANDUM OF AGREEMENT BETWEEN EUGENE SCHOOL DISTRICT 4J AND EUGENE EDUCATION ASSOCIATION

3. APPROVE NETAPP STORAGE REPLACEMENT AND EXPANSION

MOTION: Ms. Munro made a motion to approve the consent agenda. Seconded by Ms. Thessen. **The motion passed unanimously, 6:0:0; Chair Rabasa, Vice Chair Jonak, Ms. Thessen, Mr. Di Liberto, Ms. Munro, and Mr. Hamilton all voting in favor.**

X. ITEM FOR INFORMATION

1. RECEIVE REPORT FROM WESTERN REGIONAL EDUCATORS NETWORK (WREN) ON BLACK, INDIGENOUS PEOPLE OF COLOR (BIPOC) AFFINITY GROUPS

Presented by Eugene School District 4J's Black, Indigenous, People of Color (BIPOC) Staff Affinity Group

The BIPOC Staff Affinity Group introduced themselves and provided a presentation via PowerPoint. They said the group partnered with the Western Regional Educators Network (WREN) to create a space for staff at 4J.

In 2017 the Oregon Legislature Senate Bill 182, establishing the Educator Advancement Council (EAC), in order to support a diverse and thriving educator workforce in order to support all Oregon students. To meet that goal, the EAC established ten regional networks. 4J is in region C, the Western Regional Educator Network, made up of four counties and more than two hundred schools. WREN's mission is "to elevate and embrace teachers' voices by emphasizing the Oregon Equity Lens to interrupt historical patterns of inequity and support educators through every stage of their career from recruitment through retirement by creating more inclusive and empowering school cultures." Their aim is to "create more inclusive and equitable school cultures in order to increase the percentage of teachers of color in the region from 9.8% to 14.3%."

WREN is a process-oriented network and a capacity building organization. As a foundation for all their improvement projects, they lean into the Continuous Improvement Mindset: bias toward action, keep a learning orientation, possibly wrong/definitely incomplete, collective responsibility, fail forward, start small, and systems thinking.

Group members shared some successes, including a number of well-attended events that brought BIPOC members of the district together. Group members expressed that it's been nice to be in community and not be siloed and isolated.

Ms. Munro asked about their hopes and plans for the future.

Imelda Rodriguez De la Cruz responded that they will continue to grow BIPOC staff participation. Also, problem solving to provide release time for staff so everyone can attend events.

Mr. Williams added that his goal is to not only retain, but to grow, the group.

Mr. Hamilton requested an email about future events so he has the option of attending.

2. RECEIVE REPORT OF PROGRESS FOR CENTER FOR APPLIED LEARNING AND COMMUNITY IMPACT (CALCI)
Presented by members of the Center for Applied Learning and Community Impact (CALCI)

CALCI members provided a report via PowerPoint presentation.

CTE Administrator Ed Mendelssohn explained that Future Build was CALCI's first district-wide program. As they have grown, they have thought of themselves as an ecosystem inside the school district. They now have 21 programs that are housed at respective high schools. If the ecosystem is going to be healthy, the schools and programs need to be well-supported and nurtured. Mr. Mendelssohn said CALCI offers new and innovative programs that are community focused.

John Stapleton, Lane WorkForce Ambassador, said they have spent the last ten years in an earnest attempt to align their workforce systems with youth seeking employment. He said the regional program is bringing education, workforce, industry, and community, to work in collective impact space. He said an example of a meaningful real world project is the temporary housing unit builds. In fact, the work has been so successful it is being propagated throughout the state. Mr. Stapleton stated that many districts do not have the resources and skillsets that 4J has brought to get the programs off the ground. He encouraged the district to keep going.

Two programs currently in operation are Future Build and Creative Current. Two new programs – Humanitec and EmpowerED – are slated to begin next year.

Kate Doyle, CALCI educator, said their programs are designed to be safe and welcoming places that reengage all students with unique project-based learning experiences. She explained that CALCI programs are available to all eleventh and twelfth graders in the district, there are no prerequisites, and transportation is provided.

3. RECEIVE UPDATED REPORT ON INCIDENTS RELATED TO 4J BOARD POLICY ACC: RACIAL HARRASSMENT

Oscar Loureiro, Director of Research and Development, provided a PowerPoint presentation on incidents related to 4J board policy ACC: Racial Harassment.

Mr. Loureiro explained that in implementation of the district's ACC policy, they created online forms for students, families, and staff members to report incidents of bullying, bias, and harassment.

Referencing a table, Mr. Loureiro highlighted a total of 397 incidents reported by students and families since September 2023. He said almost half of reports indicated bullying incidents and racial harassment was the second most common type of incident.

Referencing a table, Mr. Loureiro highlighted a total of 40 incidents reported by staff members since September 2023.

Ms. Munro asked what caused the jump in reports in January.

Mr. Loureiro responded that he does not know, but perhaps it was a reminder about reporting.

Chair Rabasa asked if the numbers/data reflect multiple reports about the same incident.

Mr. Loureiro responded yes. He said the data can reflect all persons involved (i.e. witness, staff, victim). He said they try to filter by asking where/when an event happened. He said in some cases they are not certain based on the data.

XI. ITEMS FOR ACTION

None.

XII. ITEMS FOR ACTION AT A FUTURE MEETING

1. TRANSPORTATION SUPPLEMENTAL PLAN

Art Hart, Transportation Director, provided a Transportation Supplemental Plan via PowerPoint presentation.

Mr. Hart explained that the Supplemental Bussing Plan has not been updated for 32 years, and in that time, schools and roads have changed. Today there are more people, housing, and traffic. The transportation department is guided by equitable outcomes, student safety, and attendance; as well as objective criteria: crossing safety, crash history, speed limit, etc. He said the supplemental plan, which has been in the works since 2017, mostly identifies hazards. The transportation department hopes the board will approve the plan so that they can send it to the state for reimbursement.

2. MIDDLE SCHOOL ENGLISH LANGUAGE ARTS (ELA) INSTRUCTIONAL MATERIALS ADOPTION

Adrienne Pierce, Secondary Curriculum and MTSS Administrator, and Tammy Steeves, Secondary ELA Specialist, provided a PowerPoint presentation on the adoption of Middle School English Language Arts (ELA) instructional materials.

Ms. Pierce explained that 4J reading data indicates a need for action, specifically for the most underserved students. She said that student literacy data revealed a stark disparity across the region. She suggested that well-designed, high quality instructional material is a key to bridging the gap. In 2018, a bond was passed to purchase the language arts materials and now they need to have the materials implemented by fall 2024.

Ms. Steeves said that the district piloted two courses in 2023-24. A seven-week pilot was conducted at five middle schools. Team members reviewed and collected data from teachers, families, and students; and they came to a 100% consensus when selecting the curriculum. Now, they are seeking school board approval. With board approval, they can purchase all the materials. They hope to get the materials to instructors before summer break.

The grand total middle school budget for a 7-year contract costs $619,928.73, including professional development.

Ms. Munro asked what the district has budgeted for this.

Ms. Pierce responded that there is roughly two million left in the bond, however it needs to cover all contents, and not just for middle school, but for high school, too. She said she doesn't know where all the funds are coming from, but in conversation with the previous Superintendent there was a commitment that [the district] would find it.

Mr. Di Liberto asked if there is a Spanish version of the curriculum.

Ms. Pierce responded that the district's dual immersion program has their own curriculum that they are currently piloting.

A request for approval will come before the board at their next regularly scheduled board meeting on April 17, 2024.

XIII. SUGGESTIONS BY THE BOARD FOR CONSIDERATION OF ITEMS AT A FUTURE MEETING

Vice Chair Jonak suggested the topic of reviewing district policies regarding flags and displaying them in schools.

XIV. ADJORN

Chair Rabasa adjourned the regular board meeting at 10:41 p.m.

Eugene School District 4J
200 North Monroe Street
Eugene, OR 97402-4295

ITEM FOR ACTION – CONSENT AGENDA

Date of Meeting
May 1, 2024

Title
Approve the purchase of replacement MacBook Air laptops for students and staff

Presenter
Steve Menachemson

Background
Secondary students and 4J staff use MacBook laptops. Due to device age of staff laptops, device damage beyond repair, the need to maintain a float of devices to use while a device is in repair and also to replace device loss, purchase a batch of devices is necessary.

This is a request for approval not purchase, not to exceed $550k.

There is currently a discount for the purchase of MacBook M1 devices. This is driven by the newer M2 and M3 versions. The discount is current set at ~13 %, or ~$100 per device off the education price point. The risk to not making this timely purchase will likely result in the purchase price going up, or having to purchase the newer model at a much higher price point starting at $899.

This purchase is made using technology reserve funds and available bond savings that qualify.

Board and Superintendent Goals
The proposal supports the Board Goal to provide prudent stewardship of District resources to best support student success, education equity and choice.

Recommendation
The Superintendent recommends this purchase at a cost of ~550k (787 devices), reflecting a savings of ~79k.

Eugene School District 4J
200 North Monroe Street
Eugene, OR 97402-4295
541-790-7700
www.4j.lane.edu

ITEM FOR ACTION

Date of Meeting
5/1/2024

Title
Fiscal Year 2023 Audit Report

Presenter
Matt Brown, Finance Director

Background
Each year, the district receives an audit that is required by a third party. The Fiscal Year 2023 audit was completed with a clean and unmodified opinion which is the highest rating an audit can receive.

As our full Audit for 2023 begin in November 2023, the district lost its main accounting associate director and this put the district behind on preparation for materials for the audit process along with existing staff in new roles that have not been through an audit process before and new/additional staff just recently hired that had not experienced in audit in our capacity. Through the audit process for 2023, there were identified areas that needed to be corrected. All issues identified have been corrected either during the audit process or recently implemented shortly afterwards to ensure these identifiers are corrected for the upcoming 2024 audit process that will begin in May/June. It was identified during this process and with the loss of one of our main accountants, that additional staff will need to be hired to better assist and prepare for audits in the future. We are currently recruiting for an Audit Manager for the district to fill this need. Our hope is to find a CPA that will assist the district in future preparation of auditing standards and be a key role in the Financial Services department to successfully move forward.

Recommendation
Staff recommends approving the final audit, which has been submitted to ODE and the Secretary of State. A final signature from the Chair of the Board, Superintendent, and Finance Director is required for the corrective action plan as noted in the background information.

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April 2, 2024

To the Board of Directors
Eugene School District 4J
Eugene, Oregon

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eugene School District 4J for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

<u>Purpose of the Audit</u>

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

<u>Our Responsibility under U.S. Generally Accepted Auditing Standards and the Uniform Guidance</u>

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.

2. State minimum standards – We found exceptions requiring comment on pages 85-86 of the report.

3. Federal Awards - We found instances of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.

4. Management letter – We noted matters considered to be material weaknesses and significant deficiencies as noted in the Schedule of Findings and Questioned Costs.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023, except for the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements.. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the financial statements are the actuarial estimate of the District’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits. Other sensitive estimates affecting the basic financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered difficulties in performing and completing our audit as the District was not fully ready for the audit as scheduled.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, there were misstatements detected as a result of audit procedures and corrected by management that were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do no express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS – an amendment of GASB 62

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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

Tara M. Kamp, CPA

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

EUGENE SCHOOL DISTRICT 4J
EUGENE, OREGON

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

EUGENE SCHOOL DISTRICT
Eugene, Oregon

Annual Financial Report
For the fiscal year ended
June 30, 2023

Prepared by:
Office of Budget and Finance

Eugene School District 4J List of Elected and Appointed Officials

Elected Officials as of June 30, 2023

Name	Term Expires
Gordon Lafer	6/30/2023
Alicia Hays	6/30/2023
Judy Newman	6/30/2025
Keerti Hasiji Kauffman	6/30/2023
Maya Rabasa – Chair	6/30/2025
Michelle Hsu	6/30/2023
Laural O'Rourke	6/30/2025

Appointed Officials

Andy Dye, Superintendent

Matt Brown, Director of Financial Services

EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

T A B L E O F C O N T E N T S

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EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

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PAULY, ROGERS, AND CO., P.C.
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April 2, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Eugene School District No. 4J
Lane County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eugene School District No. 4J , as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Eugene School District No. 4J , as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund and major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eugene School District No. 4J and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The District adopted new accounting guidance, *GASB Statement No. 96 – Subscription-Based Information Technology Arrangements* during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eugene School District No. 4J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Eugene School District No. 4J's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Eugene School District No. 4J 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and listing of board members containing their term expiration dates located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2024 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated April 2, 2024, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Tara M Kamp, CPA

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

EUGENE SCHOOL DISTRICT 4J

Management's Discussion and Analysis

June 30, 2023

As management of Eugene School District 4J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have now furnished in our Transmittal Letter and with the District's financial statements, which follow.

For the June 30, 2023 audit, the district has switched presentation methods from an ACFR to basic financial statements. The reason behind this change is because of staffing changes at the district and loss of 2 CPA accountants that previously prepared the ACFR. With that, you will see minor changes to reporting schedules and categories to fit more basic financial statements than the previous ACFR statements.

Financial Highlights

The District's net position improved by $37.7 million during the year ended June 30, 2023 to a positive net position of $18.5 million.

PERS Pension Plan

GASB 68 require that the District report pension information directly within the Government-wide Financial Statements and expand note disclosures within the Notes to the Basic Financial Statements for fiscal periods beginning on or after June 15, 2014. The requirements of 68 incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense, income and deferred outflows of resources and deferred inflows of resources related to pensions. GASB 71 addresses an issue relating to amounts associated with contributions, if any, made by a state or local government employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The Oregon Public Employees Retirement System has provided the District with the audited pension balances necessary to reflect GASB 68 and 71 entries in the financial statements. The entries made to comply with the requirements of these statements have had the following impact on District reporting. For the year ending June 30, 2023, the net pension liability has improved from a negative $152.9 million to a negative $148.1 million.

Other Postemployment Benefits

The implementation of GASB 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of Statement 68, and Amendments to Certain Provisions of Statements 67 and 68" and 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than

Pensions." These standards impact reporting for Other Postemployment Benefits (OPEB) plans as detailed in this report.

It is important to note that the implementation of GASB 68/71, GASB 73 and 75 have not created new liabilities for the District or modify the District's responsibility regarding Oregon PERS pension benefits or OPEB plans. It simply presents long-term pension and OPEB information to a more prominent place than in past financial reports and presenting a more holistic picture of the ultimate costs for these programs.

Other Financial Highlights

Total revenues increased $30 million from $303 million to $333 million. Property Taxes increased from $126 million up to $145 million alongside state and federal resources which increased by $17 million.

Governmental Funds provide information that gives more insight from the overall District picture in two ways. First, the funds focus on spendable resources. More significantly, capital outlays are expenditures and capital assets are not financial resources. The combined fund balance of the governmental funds as of June 30, 2023 was $226 million.

Overview of the Financial Statements

The basic financial statements consist of: (1) the government-wide Statement of Net Position and Statement of Activities, which provide information about the activities of the District as a whole and present a longer-term view of the District's finances; (2) Fund financial statements which describe the District's operations in more detail than the government-wide statements, for instance how services were financed in the short-term as well as what remains for future spending; and (3) the notes to the financial statements. The financial report also presents supplementary information including budget to actual presentations for required major funds.

Statement of Net Positions

The Statement of Net Position presents information on all the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Net position is the remaining assets after the liabilities have been paid off or otherwise satisfied. 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.

Statement of Net Position (in Thousands)

	Governmental Activities		Total Change
	2023	2022	2022 to 2023
Cash and other assets	282,798	336,529	(53,731)
Property taxes receivable	4,741	5,232	(491)
Pension assets	2,944	2,850	94
Capital assets	410,882	365,222	45,660
Total Assets	**701,365**	**709,833**	**(8,468)**
Deferred outflow of resources	**71,306**	**80,422**	**(9,116)**
Accrued and other liabilities	77,412	76,631	781
Long-term debt	618,847	625,898	(7,051)
Total liabilities	**696,259**	**702,529**	**(6,270)**
Deferred inflow of resources	**57,908**	**106,954**	**(49,046)**
Net Position			
Net investment in capital assets	74,947	61,076	13,871
Restricted	2,107	3465	(1,358)
Unrestricted	(58,550)	(83,768)	25,218
Total Net Position	**18,504**	**(19,227)**	**37,731**

Capital Assets

Investment in capital assets amounts to $411 million. This investment includes land and construction in progress, athletic field improvements, buildings and improvements, site improvements, intangibles, and vehicles and equipment, net of depreciation. The District's investment in capital assets is shown in the following table:

Capital Assets (net of Depreciation) (In thousands)

			Total Change
	2023	2022	2022 to 2023
Land	2,185	2,185	-
Construction in Progress	154,696	128,752	25,944
Building & Improvements	246,338	224,849	21,489
Vehicles & Equipment	6,834	6,819	15
Intangibles	78	226	(148)
Subscription Based	751	-	751
Total	410,882	362,831	48,091

Deferred Outflow of Resources

Deferred outflows of resources represents a consumption of net position/fund balance that applies to a future period(s). In 2022-23, these deferred outflows of resources include a deferred charge on refunding of general obligation bonds, PERS pension deferred outflows, district stipend pension and RHIA OPEB deferred outflows and other postemployment benefits deferred outflows. Additional information related to these items is provided in the financial highlights section.

Liabilities

Accrued liabilities, representing 7% of the District's total liabilities, consist of payables on accounts, salaries, and benefits, interest charges, and unearned revenue. Outstanding long-term liabilities represent 93% of the District's total liabilities. These include several different instruments including general obligation bonds, limited pension bonds, the District's net pension liability and total other postemployment benefit (OPEB) liability, and financed purchases. The balances include unamortized premiums and early termination benefits.

Deferred Inflow of Resources

Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s). In 2022-23, the financial statements include deferred inflows of resources for PERS pension, the stipend retirement program, the RHIA OPEB program and the OPEB retirement program. Additional information related to these items is provided in the financial highlights section.

Statement of Activities

The Statement of Activities shows how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses, and other transactions that increase or reduce net position. It reports revenues and expenses under the accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 years.

Changes in Net Position (in thousands)			
	Governmental Activities		Total Change
	2023	2022	2022 to 2023
Revenues:			
Program revenues:.			
Charges for services	$ 5,815	$ 5,815	$ -
Operating grants and contributions	56,742	72,308	(15,566)
Capital grants and contributions	-	719	(719)
Program revenues total:	62,557	78,842	(16,285)
General Revenues:			
Property Taxes	145,590	126,494	$ 19,096
State school fund - General Support	108,016	90,351	17,665
Other federal and local sources	7,255	7,400	(145)
Earnings on investments	9,656	1,369	8,287
General revenues total:	270,517	225,614	44,903
Total revenues	**333,074**	**304,456**	**28,618**
Expenses:			
Instruction	136,749	141,688	$ (4,939)
Support Services	76,246	109,749	(33,503)
Community Services	4,379	8,444	(4,065)
Interest on long-term debt	15,412	12,065	3,347
Total Expenses	**232,786**	**271,946**	**(39,160)**
Change in net position	37,732	32,188	5,544
Net Position - Beginning	(19,228)	(51,416)	32,188
Net Position - Ending	**$ 18,504**	**$ (19,228)**	**$ 37,732**

Revenues and Expenses

Overall revenues for the district increased from $303 million to $333 million. This increase was mainly attributed to an increase in State and Federal resources and property taxes. Expenses decreased from the previous year of $271 million to $232 million.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on the 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 a compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. To be considered a major fund, the fund must meet two criteria. Assets, liabilities, revenue, or expenses must be at least 10% of all governmental funds and at least 5% of all governmental funds plus any enterprise funds. However, the District may also choose to report any other governmental or enterprise fund as a major fund if the District determines that the fund is particularly important to financial statement users.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows – cash flow and funding for current services – 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 the District's near-term financing requirements. In particular, unassigned fund balances may service as a useful measure of a government's net resources available for spending at the end of a fiscal year.

Ending fund balance for governmental fund types is reported in five fund balance categories in accordance with 54 Fund Balance Reporting and Governmental Fund Type Definitions. For more information on the details behind each fund balance category see Section I, of this report.

Since 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 the Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statement of Net Position and Statement of Activities.

The District maintains six individual governmental funds, four of which are considered major funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Charges in Fund Balance for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the General, State and Local Programs Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information. Additionally, the District adopts an annual appropriated budget for all funds as required by Oregon Budget Law. Budgetary comparison Statements/schedules have been provided to demonstrate compliance elsewhere in this report.

Combined Ending Fund Balances

At June 30, 2023, the District's governmental funds reported combined ending fund balances of approximately $226 million with increasing revenues and decreasing expenses from the previous year.

General Fund
The General Fund is the chief operating fund of the District. As of June 30, 2023 the total ending fund balance is $75 million. In order to maintain minimum fund balance in accordance with board policy, committed fund balance is $11 million. At the end of the fiscal year, the General Fund balance was 33% of total General Fund revenues.

Federal, State, and Local Programs Funds
The fund balance in the Federal, State, and Local Programs Funds as of June 30, 2023 is $1.5 million. In past years, this Fund's assets and liabilities were equal as revenue was neither accrued or deferred based on eligible grant expenditures.

Proprietary Funds
The District maintains one proprietary fund type – internal service funds. Internal service funds are an accounting devise used to accumulate and allocate costs internally among the District's at various functions. The District uses its internal service funds to account for risk management, insurance and other postemployment retirement benefits. Since these services benefit governmental, rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Capital Funds
The district increased capital assets from the previous year. As of June 30, 2023, capital assets for governmental activities is $410 million compared to $362 million in 2022. A majority of the increase in 2023 comes from construction in progress which includes currently building schools as well as buildings and improvements going back again to making improvements at several school sites.

Debt Service Funds
The district has issued $699 in bonds since 2011 through eight series of general obligation bonds. The remaining balance as of June 30, 2023 of these bonds is $462 million, with $28.5 million due in one year. General obligations are paid from general property tax revenues that have been issued for capital projects.

Transfers
Transfers are made between the General Fund and other funds to support operations such as risk management and nutrition services, and from other funds to the General Fund to support General Fund operations. Interfund transfers for the year ended June 30, 2023 total $2.9 million.

Economic Factors and Next Year's Budget
Resources supporting District General Fund operations primarily reflect Local and State revenues, with

additional income representing Federal, County, and other sources. The largest segment, which includes State funding and local property taxes, is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students. The School Board has set policy that states that the District will target 2% of its annual General Fund operating budget as contingency and 5% of its annual General Fund operating revenues as ending fund balance. The District's Budget Committee and School Board considered all of these factors in the preparation of the District's budget for the 2023/24 fiscal year.

Reports 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 Finance Services Department at 200 North Monroe, Eugene, Oregon 97402.

EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF NET POSITION
June 30, 2023

ASSETS:		
Cash and investments	$	262,411,436
Receivables		
Property taxes		4,741,166
Accounts and other		16,589,328
Leases receivable		261,680
Prepaid expenses		2,655,420
Supply inventories		853,890
Due from custodial fund		25,856
Total OPEB asset for RHIA		2,944,115
Capital assets:		
Capital assets not being depreciated		156,882,009
Capital assets being depreciated, net		254,000,876
Total assets		701,365,776
DEFERRED OUTFLOWS OF RESOURCES:		
PERS pension related deferral		58,106,964
OPEB related deferral - medical		1,111,908
OPEB related deferral - RHIA		74,498
District pension related deferral		198,839
Deferred charge on refunding		11,814,245
Total deferred outflows		71,306,454
LIABILITIES:		
Accounts payable		10,683,637
Accrued payroll and related charges		19,538,523
Accrued interest payable		6,361,725
Unearned revenue		10,205,794
Accrued vacation		1,736,597
Long-term obligations due within one year		
Debt - current portion		28,884,222
Long-term obligations due in more than one year		
Debt - Due in more than one year		455,796,584
PERS net pension liability		148,198,054
District pension liability		743,869
Total OPEB liability - medical		14,110,233
Total liabilities		696,259,238
DEFERRED INFLOWS OF RESOURCES:		
PERS pension related deferral		52,482,803
OPEB related deferral - medical		4,566,086
OPEB related deferral - RHIA		402,445
District pension related deferral		195,223
Unavailable revenue - lease		261,680
Total deferred inflows of resources		57,908,237
NET POSITION:		
Net investment in capital assets		74,947,876
Restricted for:		
Nutrition		796,499
Debt Service		932,090
Grants		378,783
Unrestricted		(58,550,493)
Total net position	$	18,504,755

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

FUNCTIONS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Instruction	$ 161,397,750	$ 287,013	$ 24,361,067	$ -	(136,749,670)
Support services	108,142,664	5,421,600	26,474,829	-	(76,246,235)
Community services	10,391,664	106,499	5,906,110	-	(4,379,055)
Interest on long-term debt	15,412,020	-	-	-	(15,412,020)
Total governmental activities	$ 295,344,097	$ 5,815,111	$ 56,742,006	$ -	(232,786,980)

General Revenues	
Taxes:	
Property taxes, levied for:	
General purposes	106,205,025
Debt service	39,385,249
Federal aid not restricted to specific purposes	555,666
State revenue not restricted to specific purposes	108,016,806
Earnings on investments	9,656,839
Other unrestricted revenues	6,700,120
Total general revenues	270,519,705
Changes in net position	37,732,725
Net position, beginning of year	(19,227,970)
Net position, end of year	$ 18,504,755

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Federal, State, and Local Programs Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS:						
Equity in pooled cash and investments	$ 60,080,606	$ 9,635,337	$ 4,393,503	$ 159,334,771	$ 10,230,558	$ 243,674,775
Receivables:						
Taxes	3,581,767	-	1,159,399	-	-	4,741,166
Accounts	683,702	15,439,925	14,072	81,865	328,954	16,548,518
Leases	-	-	-	261,680	-	261,680
Prepaid items	18,035	1,216,677	-	1,106,400	314,308	2,655,420
Supply inventory	105,358	-	-	-	748,532	853,890
Due from other funds	33,699,192	-	-	-	-	33,699,192
Total assets	$ 98,168,660	$ 26,291,939	$ 5,566,974	$ 160,784,716	$ 11,622,352	$ 302,434,641
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts payable	$ 1,672,823	$ 1,379,566	$ -	$ 7,025,026	$ 471,331	$ 10,548,746
Accrued payroll and related charges	17,938,447	1,077,095	-	48,463	115,325	19,179,330
Due to other funds	-	14,076,139	-	19,570,988	26,209	33,673,336
Unearned revenue	-	8,163,679	-	-	-	8,163,679
Total liabilities	19,611,270	24,696,479	-	26,644,477	612,865	71,565,091
Deferred inflows of resources:						
Unavailable revenue - property taxes	3,340,370	-	1,075,071	-	-	4,415,441
Unavailable revenue - lease deferred	-	-	-	261,680	-	261,680
Total deferred inflows of resources	3,340,370	-	1,075,071	261,680	-	4,677,121
Fund balances:						
Nonspendable	123,393	1,216,677	-	1,106,400	1,062,840	3,509,310
Restricted for:						
Debt service	-	-	932,090	-	-	932,090
Capital projects	-	-	-	112,121,552	-	112,121,552
Nutrition services	-	-	-	-	796,499	796,499
Grants	-	378,783	-	-	-	378,783
Committed for:						
Debt service	-	-	3,559,813	-	-	3,559,813
Capital projects	-	-	-	20,650,607	-	20,650,607
School resources	-	-	-	-	9,150,148	9,150,148
Minimum fund balance	11,288,481	-	-	-	-	11,288,481
Unassigned	63,805,146	-	-	-	-	63,805,146
Total fund balances	75,217,020	1,595,460	4,491,903	133,878,559	11,009,487	226,192,429
Total liabilities, deferred inflows of resources, and fund balance	$ 98,168,660	$ 26,291,939	$ 5,566,974	$ 160,784,716	$ 11,622,352	$ 302,434,641

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balances - Governmental Funds		$ 226,192,429
The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.		
Net capital assets		410,882,885
The proportionate share of the OPEB Retiree Health Insurance Account (RHIA) Asset is not reported as an asset in the District's governmental activities.		2,944,115
Deferred outflows and inflows related to pension liabilities are not reported in the governmental funds.		
PERS pension related deferred outflows		58,106,964
PERS pension related deferred inflows		(52,482,803)
District pension related deferred outflows		198,839
District pension related deferred inflows		(195,223)
OPEB related deferred outflows - RHIA		74,498
OPEB related deferred inflows - RHIA		(402,445)
OPEB related deferred outflows - medical		1,111,908
OPEB related deferred inflows - medical		(4,566,086)
The unamortized portion of the deferred charge on refunding is not reported in the governmental funds		11,814,245
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.		
Long term Liabilities		
OPEB liability - medical	$ (14,110,233)	
PERS pension liability	(148,198,054)	
District pension liability	(743,869)	
Interest payable	(6,361,725)	
Accrued vacation	(1,736,597)	
Long term debt	(484,680,806)	
		(655,831,284)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position		16,241,272
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years operations, and therefore are considered unavailable in the funds.		4,415,441
Net Position		$ 18,504,755

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Federal, State, and Local Programs Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Revenues:						
Local sources						
Taxes	$ 106,266,029	$ -	$ 39,385,249	$ -	$ -	$ 145,651,278
Charges for services	1,059,470	463,231	6,471,573	434,402	2,648,722	11,077,398
Contributions	-	770,274	-	-	-	770,274
Interest earnings	4,074,334	-	727,404	4,655,252	-	9,456,990
Miscellaneous	886,652	1,523,853	-	138,880	-	2,549,385
Intermediate sources	3,255,721	124,740	-	-	-	3,380,461
State sources	109,910,339	24,299,779	-	-	876,392	135,086,510
Federal sources	350	24,146,729	316,721	-	4,993,897	29,457,697
Total revenues	225,452,895	51,328,606	46,900,947	5,228,534	8,519,011	337,429,993
Expenditures:						
Current:						
Instruction	130,319,679	22,876,700	-	4,072,307	2,373,361	159,642,047
Support services	82,488,656	26,229,361	-	2,634,728	1,705,997	113,058,742
Enterprise and community services	487,629	1,382,124	-	17,626	8,858,960	10,746,339
Facilities acquisition and construction	-	200	-	7,023,813	565	7,024,578
Capital outlay	428,211	719,218	-	51,568,831	349,116	53,065,376
Debt service						
Principal	-	-	28,165,000	70,319	-	28,235,319
Interest	-	-	17,279,555	1,309	-	17,280,864
Total expenditures	213,724,175	51,207,603	45,444,555	65,388,933	13,287,999	389,053,265
Revenues over (under) expenditures	11,728,720	121,003	1,456,392	(60,160,399)	(4,768,988)	(51,623,272)
Other financing sources (uses):						
Sale of capital asset	-	-	-	89,561	-	89,561
SBITA proceeds	63,904	71,057	-	-	-	134,961
Transfer in	-	-	-	-	2,586,000	2,586,000
Transfer out	(2,929,041)	-	-	-	-	(2,929,041)
Total other financing sources (uses):	(2,865,137)	71,057	-	89,561	2,586,000	(118,519)
Net Change in Fund Balance	8,863,583	192,060	1,456,392	(60,070,838)	(2,182,988)	(51,741,791)
Fund balances, beginning of year	66,353,437	1,403,400	3,035,511	193,949,397	13,192,475	277,934,220
Fund balances, end of year	$ 75,217,020	$ 1,595,460	$ 4,491,903	$ 133,878,559	$ 11,009,487	$ 226,192,429

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Total Net Changes in Fund Balances - Governmental Funds		$ (51,741,791)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are		
Accrued vacation	$ (19,545)	
Deferred charge on refunding	(1,345,234)	
Long term debt principal repaid	31,396,119	30,031,340
Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.		
Capital Asset Additions	61,596,312	
Depreciation Expense	(14,397,948)	47,198,364
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		53,276
Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.		(61,004)
The pension and OPEB expense (income) represents the change in net pension asset (liability) from year to year due to changes in net pension liability and total OPEB liability and the fair value of the pension plan and OPEB net position available to pay pension and OPEB benefits.		
PERS pension expense		10,414,118
District pension expense		150,710
OPEB expense - Medical		895,206
OPEB income - RHIA		398,677
The results of operations of the internal service funds are included in the governmental activities in the statement of net position		393,829
Change in Net Position of Governmental Activities		$ 37,732,725

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources				
Taxes	$ 103,363,000	$ 103,363,000	$ 106,266,029	$ 2,903,029
Charges for services	908,600	908,600	1,059,470	150,870
Interest earnings	1,262,500	1,262,500	4,074,334	2,811,834
Miscellaneous	842,500	842,500	886,652	44,152
Intermediate sources	3,302,065	3,302,065	3,255,721	(46,344)
State sources	107,790,666	107,790,666	109,910,339	2,119,673
Federal sources	150	150	350	200
Total revenues	217,469,481	217,469,481	225,452,895	7,983,414
Expenditures:				
Instruction	134,275,264	134,275,264 (1)	130,329,224	3,946,040
Support services	83,286,226	83,286,226 (1)	82,907,322	378,904
Enterprise and community services	425,514	425,514 (1)	487,629	(62,115)
Debt service	1,000	1,000 (1)	-	1,000
Facility acquisition	1,000	1,000 (1)	-	1,000
Contingency	41,167,458	41,167,458 (1)	-	41,167,458
Total expenditures	259,156,462	259,156,462	213,724,175	45,432,287
Revenues over (under) expenditures	(41,686,981)	(41,686,981)	11,728,720	53,415,701
Other financing sources (uses):				
SBITA proceeds	-	-	63,904	63,904
Transfers in	4,000	4,000	-	(4,000)
Transfers out	(3,176,000)	(3,176,000) (1)	(2,929,041)	246,959
Total other financing sources (uses)	(3,172,000)	(3,172,000)	(2,865,137)	306,863
Net change in fund balance	(44,858,981)	(44,858,981)	8,863,583	53,722,564
Fund balance, beginning of year	52,855,000	52,855,000	66,353,437	13,498,437
Fund balance, end of year	$ 7,996,019	$ 7,996,019	$ 75,217,020	$ 67,221,001

(1) Appropriation level

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
FEDERAL, STATE AND LOCAL PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources				
Charges for services	$ 68,893	$ 68,893	$ 463,231	$ 394,338
Contributions	799,617	799,617	770,274	(29,343)
Miscellaneous	1,897,374	1,897,374	1,523,853	(373,521)
Intermediate sources	164,792	164,792	124,740	(40,052)
State Sources	21,529,424	21,529,424	24,299,779	2,770,355
Federal sources	31,859,810	31,859,810	24,146,729	(7,713,081)
Total revenues	56,319,910	56,319,910	51,328,606	(4,991,304)
Expenditures:				
Instruction	23,623,144	23,623,144 (1)	22,975,778	647,366
Support services	26,730,853	26,730,853 (1)	26,829,665	(98,812)
Enterprise and community services	2,330,060	2,330,060 (1)	1,382,124	947,936
Facilities acquisition	3,475,857	3,475,857 (1)	20,036	3,455,821
Contingency	1,409,996	1,409,996 (1)	-	1,409,996
Total expenditures	57,569,910	57,569,910	51,207,603	6,362,307
Revenues over (under) expenditures	(1,250,000)	(1,250,000)	121,003	1,371,003
Other financing sources (uses):				
SBITA proceeds	-	-	71,057	71,057
Total other financing sources (uses)	-	-	71,057	71,057
Net change in fund balance	(1,250,000)	(1,250,000)	192,060	1,442,060
Fund balance, beginning of year	1,250,000	1,250,000	1,403,400	153,400
Fund balance, end of year	$ -	$ -	$ 1,595,460	$ 1,595,460

(1) Appropriation level

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2023

ASSETS	
Current assets:	
Equity pooled in cash and investments	$ 18,736,661
Accounts receivable	40,810
Total assets	18,777,471
LIABILITIES	
Current liabilities:	
Accounts and interest payable	134,891
Accrued payroll and related charges	359,193
Unearned revenue	2,042,115
Total liabilities	2,536,199
NET POSITION	
Unrestricted	16,241,272
Total net position	$ 16,241,272

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
GOVERNMENTAL ACTIVITIES
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

OPERATING REVENUES	
Interfund charges for services	$ 37,005,541
Other reimbursements	162,873
Total operating revenues	37,168,414
OPERATING EXPENSES	37,317,475
OPERATING INCOME	(149,061)
NONOPERATING REVENUES	
Interest income	199,849
INCOME BEFORE TRANSFERS	50,788
TRANSFERS	
Transfers in	343,041
Total transfers	343,041
CHANGE IN NET POSITION	393,829
Net position, beginning of year	15,847,443
Net position, end of year	$ 16,241,272

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF CASH FLOWS - GOVERNMENTAL ACTIVITIES
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 162,873
Receipts from interfund services provided	36,909,402
Payments to suppliers	(36,832,389)
Payments to retirees	(604,877)
Net cash provided by operating activities	(364,991)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	343,041
Net cash provided by noncapital financing activities	343,041
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	199,849
Net cash provided by investing activities	199,849
Net increase in cash and cash equivalents	177,899
CASH AND CASH EQUIVALENTS, Beginning of year	18,558,762
CASH AND CASH EQUIVALENTS, End of year	$ 18,736,661

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPEARTING ACTIVITIES:	
Operating income	$ (149,061)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in accounts and other receivables	(40,810)
Increase (decrease) in accounts payable	34,427
Increase (decrease) in accrued payroll and related charges	(154,218)
(Increase) decrease in unearned revenues	(55,329)
Total adjustments	(215,930)
Net cash used by operating activities	$ (364,991)

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
June 30, 2023

ASSETS	
Current assets:	
Equity pooled in cash and investments	$ 289,098
Accounts and other receivables	10,000
Total assets	299,098
LIABILITIES	
Current liabilities:	
Accounts payable	1,085
Due to other funds	25,856
Total liabilities	26,941
NET POSITION	
Held for scholarships	272,157
Total net position	$ 272,157

See accompanying notes to basic financial statements.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
For the Year Ended June 30, 2023

REVENUES	
Local sources	
Miscellaneous	$ 84,096
Total revenues	84,096
EXPENDITURES	
Instruction	3,266
Community services	38,000
Total expenditures	41,266
CHANGE IN NET POSITION	42,830
Net position, beginning of year	229,327
Net position, end of year	$ 272,157

See accompanying notes to basic financial statements.

I. Summary of Significant Accounting Policies

The financial statements of Eugene School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

Eugene School District 4J is a municipal corporation governed by an elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily operation 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 these financial statements.

The District has granted charters to five public charter schools: Ridgeline Montessori Public Charter School, The Village School, Network Charter School, Coburg Community Charter School and Twin Rivers Charter School. The District does not report these schools as component units of the District, as none qualify as a component unit as defined by GASB 14, 39 and 61. These public charter schools are legally separate, tax-exempt organizations governed by their own board of directors and their financial statements may be obtained from their administrative offices.

B. Government wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District, except fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. For the most part, eliminations have been made from the government-wide financial statements to minimize the double-counting of internal activities. For example, indirect expense allocations charged to individual funds have been eliminated in the statement of activities. Interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) charges for goods and services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt and arbitrage rebates are recorded only when payment is due.

Property taxes, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in other funds.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt and pension debt of governmental funds.

The C*apital Projects Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities.

The *Federal, State and Local Programs Fund* accounts for resources acquired and payments made for federal, state and local grants.

Additionally, the District reports the following fund types:

Internal Service Funds (Proprietary Funds) account for the insurance services and postemployment benefits provided to the other funds of the District.

Custodial Fund (Fiduciary Funds) account for privately funded scholarship programs.

The District reports unearned revenue on the balance sheets of the governmental funds. Unearned revenues arise when revenue does not meet both the measurable and available criteria for recognition in the current period. Revenues also arise when resources are received by the District before it has a legal claim to them, as when scholarship and grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met or when the District has a legal claim to the resources, the liability for unavailable or unearned revenue is removed from the balance sheet and revenue is recognized.

I. Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds for insurance and postemployment retirement benefits. Operating expenses for the internal service funds include insurance premiums, salaries and benefits, supplies, materials, administrative expenses, and postemployment benefits. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District maintains one fiduciary fund which is accounted for in the same manner as proprietary funds.

When both restricted and unrestricted resources are available for use, it is the District's plan to use restricted resources first, then unrestricted resources as they are needed.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of, and for the year ended, June 30, 2023. Actual results may differ from such estimates.

E. Assets, Liabilities and Deferred Outflows/Inflows of Resources

1. Cash and Investments

Oregon Revised Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States. Certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, time certificates of deposit, corporate indebtedness, and the Oregon State Treasury's Oregon Short-Term Fund, which includes the Local Government Investment Pool. The district has placed further restrictions on authorized investments within School Board Policy DFA and Administrative Rule DFA-AR to manage portfolio risk and other investment concerns.

Investments are carried at fair value. During the year, the District's investments included deposits in financial institutions and the Oregon Short-Term Fund, all of which are authorized by Oregon law and district policy. For purposes of the statement of cash flows, the balance of equity in pooled cash and investments reflects amounts invested in the Oregon Short-Term Fund and financial institutions, and is considered to be cash.

The District is required by Oregon law to insure its deposits with financial institutions through federal depository insurance funds coverage or participation in the Oregon Public Funds Collateralization Program (PFCP) administered by the Oregon State Treasury. Financial institutions are authorized for use by the district annually through a resolution of the Board of Directors.

The Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution.

2. Interfund Receivables and Payables, Transfers and Loans

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other.

I. Summary of Significant Accounting Policies (Continued)

Interfund loans are considered advances and are reported as an asset of the lending fund and as a liability of the borrowing fund.

3. Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become a lien on July 1 for personal and real property. Collection dates are November 15, February 15, and May 15. 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 shown in the balance sheet of the governmental funds. Property taxes collected within approximately 60 days of fiscal year end are recognized as revenue, while the remaining amount of taxes receivable are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

4. Inventories

School operating supplies, gasoline and diesel, food and cafeteria supplies are stated at average cost. Commodities received from the United States Department of Agriculture (USDA) are recorded at cost using the first-in/ first-out (FIFO) method. The cost of all inventories is recorded as expenditures when consumed rather than purchased (consumption method). Accordingly, inventories are considered a resource available for expenditure and included in the fund balance of the applicable funds.

5. Pension and Pension Liabilities

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

6. Capital Assets

Capital assets, which include grounds and improvements, buildings, construction in progress, intangibles, equipment and vehicles are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Assets that are purchased or constructed are recorded at historical cost where historical records are available or estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation.

Maintenance and equipment replacements of a routine nature and repairs that do not add to the value of an asset or materially extend an asset’s useful life are charged to expenditures as incurred and not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Improvements, buildings, equipment and vehicles of the District are depreciated using the straight-line method over the following estimated lives:

I. Summary of Significant Accounting Policies (Continued)

Assets	Years
Buildings	60
Portable buildings, building improvements	20-30
Site improvements	20-30
Custodial, kitchen, grounds equipment	15
School buses, passenger cars, vans and pickups	10
Trucks, trailers, miscellaneous vehicles	10
Miscellaneous equipment	10
Intangibles	10
Computer equipment	5

At the inception of a lease, an expenditure and other financing source are recognized at the net present value of future minimum lease payments in the governmental fund from which lease payments will be made. Subsequent lease payments are recorded as expenditures in the appropriate governmental fund on the due date.

Lease Assets
Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Subscription Assets
Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

7. Long Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Repayments of financed purchases are recorded in the Capital Equipment Reserve Fund (a sub-fund of the Capital Projects Fund). Payments of postemployment benefit obligations are recorded in the Postemployment Benefits Fund.

Leases Payable
In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

I. Summary of Significant Accounting Policies (Continued)

Subscription Liabilities
In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The District has several items that arise under a full accrual basis of accounting that qualify for reporting in this category. The statement of net position reports one type related to the net OPEB liability, one type related to the net PERS pension liability, one type related to a stipend pension liability and one type related to bond refunding. These amounts are deferred and recognized as an out flow of resources in the period that the amounts become available.

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

The District has several items that arise for reporting in this category. The balance sheet reports unavailable revenues from two sources: property taxes and leases. The statement of net position reports two types related to the net OPEB liability, one type related to the stipend pension liability and one type related to the net PERS pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position also reports the lease deferred inflow.

9. Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

F. Governmental Fund Balances

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

Governmental Fund type fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

I. Summary of Significant Accounting Policies (Continued)

Restricted – Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by a formal action, a formally signed resolution, of the Board of Directors. The Board of Directors is the highest level decision making authority. The formal action may be performed at any time and consists of an affirmative vote of a majority of the Board to approve, modify or rescind a motion to commit funds.

Assigned – Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board of Directors approves which resources should be "reserved" during the adoption of the annual budget. The District's Director of Financial Services uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.

Unassigned – All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

In governmental funds, the District's plan is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

G. Fund Balance

School Board policy DI mandates that the District maintain a 5.0 percent minimum ending fund balance in the General Fund. As of June 30, 2023, the General Fund ending fund balance is $75,217,020 that represents a 33.25 percent ending fund balance, exceeding the targeted 5.0 percent minimum.

Minimum fund balance policy DI - The Board has adopted a policy to maintain a minimum ending fund balance in the General Fund in order to provide stable services and employment and to offset cyclical or unforeseen variations in revenues and expenditures without borrowing. The Board established minimum fund balance is five percent of current year annual operating revenues excluding transfers between funds. When the Board decides to allow a temporary reduction in the minimum ending fund balance, the Board will adopt a plan to rebuild it to the targeted five percent level within five years.

The seven-member Board of Directors is the policy-making body of the school district. The Board derives its legal authority from the statutes of the State of Oregon.

H. Net Position

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

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

I. Summary of Significant Accounting Policies (Continued)

I. Grant and Scholarship Revenue

Unreimbursed grant expenditures due from grantor agencies are reflected in the governmental fund financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is reflected as unearned revenue in the balance sheet. USDA commodity inventory is recorded at the assigned value and is recognized as revenue and expenditures when used.

Scholarship contributions are recorded as revenue when awarded in accordance to donor requirements. Cash received from scholarship donations not yet awarded are reflected in the Custodial Fund ending fund balance in the statement of net position.

J. Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan, and are charged as expenses/expenditures.

The District also offers its employees access to various tax deferred annuity plans established pursuant to Section 403(b) of the Internal Revenue Code.

K. Other Postemployment Benefits

The District currently maintains one single-employer early retirement supplement program which provides for payments of stipends to qualified employees. In addition, eligible District employees who elect retirement are entitled to participate in the District's group medical insurance plan as provided by Oregon Revised Statutes.

L. Compensated Absences

Compensated absences for vacation pay are reported in the governmental fund types only if they have matured. Accumulated sick pay does not vest and is, therefore, recorded when leave is taken.

M. Fair Value Inputs and Methodologies and Hierarchy

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

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

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs); and

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

I. Summary of Significant Accounting Policies (Continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

II. Stewardship, Compliance and Accountability

A. Budgeting and Appropriations

A budget is prepared annually for the governmental, proprietary and fiduciary funds in accordance with legal requirements set forth under Oregon Local Budget Law. All funds are budgeted on the modified accrual basis of accounting.

Expenditures are controlled by appropriations adopted by resolution of the Board of Directors. The legal level of appropriations is at the major program category level (Instruction, Supporting Services, Enterprise and Community Services, Facilities Acquisition, Debt Service, Transfers, and Operating Contingency) and lapses at the end of each fiscal year. The Board of Directors can, by resolution, transfer appropriations between existing appropriation categories and increase appropriations to allow expenditure of unexpected revenues received during the year. Management can transfer appropriations within a major program category. Final budget amounts include the original budget and transfers. Budget expenditures were within authorized appropriations for the year ended June 30, 2023 except General Fund – Enterprise and Community Services by - $62,115, Federal, State and Local Programs Fund – Support Services by $98,812, Capital Projects Fund – Instruction by $340,202, Enterprise and Community Services by $185,506, and the School Resource Fund – Enterprise and Community Service by $5,058 and Facilities Acquisition and Construction by $338,618.

B. Economic Dependency

The District received General Fund revenue of $225,452,895. Of this amount, $109,910,339 comes from agencies within the State of Oregon. Due to the significance of this reported revenue source, the District is considered to be economically dependent on the State of Oregon.

C. Budgetary Basis Accounting

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

II. Stewardship, Compliance and Accountability (Continued)

	Budgetary Basis	GAAP Basis
USDA Commodity Inventory	USDA commodity inventory is recorded at cost when received and the assigned value is recognized as revenue and expenditures when used.	Revenue is recognized for the difference in cost and assigned value when commodities are received.
Properties acquired by long-term financing such as from financed purchases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payment will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, and debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.

III. Detailed notes on all funds

A. Cash and Investments

The District maintains a cash and investment pool that is available for use by all funds. Cash and investments are comprised of the following at June 30, 2023:

III. Detailed notes on all funds (Continued)

		Carrying Amount
Cash and deposits	$	106,637,480
Investments		156,063,054
Total	$	262,700,534
Equity in pooled cash and investments - Governmental Funds Balance Sheet	$	243,674,775
Equity in pooled cash and investments		
Internal Service Fund - Statement of Net Position		18,736,661
Fiduciary Fund - Statement of Net Position		289,098
Total	$	262,700,534

Deposits As of June 30, 2023, the District held the following deposits:		Carrying Amount		Bank Balance
Pooled demand deposits	$	106,637,480	$	110,348,385
Total deposits	$	106,637,480	$	110,348,385

1. Custodial credit risk – deposits

In the case of deposits, custodial credit risk is the risk that the District's deposits may not be returned to the District in the event of a bank failure. The District's deposits with financial institutions are insured up to $250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). To provide additional security required and authorized by Oregon Revised Statutes (ORS), Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the Oregon State Treasurer.

At year-end, bank balances of $750,000 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2023, the District's net carrying amount of deposits was $106,637,480 and the bank balance was $110,348,385.

2. Investments

The Eugene School District 4J Board authorizes the District to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, time certificates of deposit and the State Treasurer's Investment Pool as per the State Treasurer's investment policies which are governed by Oregon Revised Statutes and the Oregon Short Term Fund Board (OSTFB).

III. Detailed notes on all activities and funds (Continued)

A. Cash and Investments (Continued)

As of June 30, 2023, the District held the following investments and maturities:

	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government Investment Pool	$ 55,796,273	0.416	35.75%
U.S. Government Agency and Treasury Securities	100,266,781	0.1765	64.25%
Total	$ 156,063,054	0.5925	100.00%

The Oregon State Treasury invests the Oregon Short Term Fund (OSTF) of which the Local Government Investment Pool (LGIP) is a part. Participation in the LGIP is voluntary for local governments. The LGIP was created to offer a short-term investment alternative for Oregon local governments and is not registered with the U.S. Securities and Exchange Commission. Pool investments are governed by the OSTF portfolio rules, which are approved by the Oregon Investment Council. The portfolio of rules are available on Oregon State Treasury's website at www.Oregon.Gov/Treasury.

The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured no guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool. The District measures these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

As of June 30, 2023, the fair value of the District's deposits with the LGIP was equal to 99.63% of the District's account balance (pool shares). Additional information related to pool investment and account is contained with the OSTF audited financial statements at www.Oregon.Gov/Treasury.

With the exception of pass-through funds, the maximum amount of pool investments to be placed in the Local Government Investment Pool is limited by Oregon Statute. Per statute, the limit increases annually proportionate to the U.S. City Average Consumer Price Index. The limit was $59,847,000 at June 30, 2023. The limit can be temporarily exceeded for ten business days and does not apply to either pass-through funds or to funds invested on behalf of another governmental unit.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a transactional counterparty failure, the District will not be able to recover the value of an investment in the possession of an outside party. The District minimizes custodial credit risk by pre-qualifying any financial institutions, broker/dealers and advisors with which the District will do business. All securities, except for the District's investment in the Local Government Investment Pool which is not evidenced by securities, are required to be held by an independent third-party safekeeping institution selected by the District, and must be evidenced by safekeeping receipts in the District's name. District policy DFA "Investment of Funds" was revised in January 2018 and is supported by a detailed administrative rule regarding investment activities (DFA-AR) designed to minimize custodial credit risk.

III. Detailed notes on all activities and funds (Continued)

A. Cash and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State of Oregon statutes (ORS 294.035, 294.040 and 294.810) restrict the types of investments in which the District may invest. Authorized investments include obligations of the U.S. Government and its agencies, certain bonded A. obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, corporate indebtedness, and the Oregon State Treasury's Oregon Short Term Fund (which includes the Local Government Investment Pool). District policy DFA "Investment of Funds" was readopted in January of 2018 and is supported by a detailed administrative rule regarding investment activities (DFA-AR) designed to minimize credit risk. The Oregon Short Term Fund (which includes the Local Government Investment Pool) is not rated for credit risk.

At June 30, 2023 the District's investment were rated as follows:

	Rating by Moody's Investors Service		
Investment Type	Aaa	Not Rated	Total
Local Governmental Investmet Pool	$ -	$ 55,796,273	$ 55,796,273
U.S. Government Agency and Treasury Obligations	100,266,779	-	100,266,779
Total	$ 100,266,779	$ 55,796,273	$ 156,063,052

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet the cash requirement for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in the Local Government Investment Pool (LGIP). Operating funds may be invested in the LGIP to the extent permitted by ORS 294.810. Excess amounts are invested in adherence with the portfolio maturity constraints listed below:

Maturity Constraints	Minimum % of Operating Funds
Under 3 months	25% or three months estimated operating expenditures
Under 6 months	50%
Under 1 year	75%
Under 18 months	100%

District policy DFA "Investment of Funds" and the related administrative rule regarding investment activities (DFA-AR) address liquidity and interest rate risk.

Concentration of Credit Risk

The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District maintains policy DFA "Investment of Funds" and a detailed administrative rule regarding investment activities including portfolio exposure limits.

III. Detailed notes on all activities and funds (Continued)

A. Cash and Investments (Continued)

Specific investment types shall not exceed the percentages of the total investment portfolio as indicated below:

Issue Type	Maximum % Holdings
US Treasury Obligations	100%
US Agency Securities	100%
Per Agency (Senior Obligations Only)	100%
Oregon Short Term Fund	Maximum allowed per ORS 294.810
Time Deposits/Savings Accounts/Certificates of Deposits	50%

Foreign Currency Risk

The District is not authorized to purchase investments which have this type of risk.

B. Accounts and Other Receivables

Accounts and other receivables consist primarily of claims for reimbursement of costs under various federal and state grant programs and interest on investments.

Leases Receivables

Bailey Hill Property -- a 47-month lease as Lessor for the use of the site. An initial lease receivable was recorded in the amount of $32,193. As of 06/30/2023, the value of the lease receivable is $17,915. The lessee is required to make monthly fixed payments of $500. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of 06/30/2023 was $17,915, and the district recognized lease revenue of $8,150 during the fiscal year. The lessee has 1 extension option(s), each for 12 months. The district had a termination period of 3 months as of the lease commencement.

EGGE -- a 14-month lease as Lessor for the use of EGGE land space. An initial lease receivable was recorded in the amount of $23,612. As of 06/30/2023, the value of the lease receivable is $0. The lessee is required to make monthly fixed payments of $5,913. The lease has an interest rate of 0.1850%. The value of the deferred inflow of resources as of 06/30/2023 was $0, and the district recognized lease revenue of $3,373 during the fiscal year.

Coburg Community Charter -- a 60-month lease as Lessor for the use of Coburg School teaching space. An initial lease receivable was recorded in the amount of $341,505. As of 06/30/2023, the value of the lease receivable is $243,765. The lessee is required to make monthly fixed payments of $5,300. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of 06/30/2023 was $243,765 and the district recognized lease revenue of $68,301 during the fiscal year. The lessee has 1 extension option(s), each for 36 months. The district had a termination period of 3 months as of the lease commencement.

Principal and Interest Expected to Maturity

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 70,967	$ 6,133	$ 77,100
2025	77,040	4,560	81,600
2026	74,239	2,861	77,100
2027	39,434	1,036	40,470
Total	$ 261,680	$ 14,590	$ 276,270

III. Detailed notes on all activities and funds (Continued)

B. Accounts and Other Receivables (Continued)

Governmental Activities:

Lease Receivable	Balance as of July 1, 2022	Additions	Deletions	Balance as of June 30, 2023
Buildings				
The Bailey Hill Property	$ 26,810	$ -	$ 8,895	$ 17,915
Coburg Community Charter School - Teaching Space	-	341,505	97,740	243,765
Total Building Lease Receivale	26,810	341,505	106,635	261,680
Land				
EGGE - Land Space	7,197	-	7,197	-
Total Land Lease Receivable	7,197	-	7,197	-
Total Leases Receivable	$ 34,007	$ 341,505	$ 113,832	$ 261,680

Governmental Activities:

Deferred inflows	Balance as of July 1, 2022	Additions	Deletions	Balance as of June 30, 2023
Buildings				
The Bailey Hill Property	$ 26,810	$ -	$ 8,895	$ 17,915
Coburg Community Charter School - Teaching Space	-	341,505	97,740	243,765
Total Building Lease Receivale	26,810	341,505	106,635	261,680
Land				
EGGE - Land Space	7,197	-	7,197	-
Total Land Lease Receivable	7,197	-	7,197	-
Total Leases Receivable	$ 34,007	$ 341,505	$ 113,832	$ 261,680

C. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2023 are as follows:

	Due to Other	Due from Other
General Fund	$ -	$ 33,699,192
Debt Service Fund	-	-
Capital Projects Fund	19,570,988	-
Federal, State and Local Programs Fund	14,076,139	-
Other Governmental Funds	26,209	-
Custodial Fund	25,856	-
Total	$ 33,699,192	$ 33,699,192

III. Detailed notes on all activities and funds (Continued)

C. Interfund Receivables, Payables and Transfers (Continued)

Interfund receivables and payables (due to / due from other funds) arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans.

The interfund transfers during the year ended June 30, 2023 are as follows:

	Transfer In	Transfer Out
General Fund	$ -	$ 2,929,041
Capital Projects Fund	-	-
Other Governmental Funds	2,586,000	-
Internal Service Funds	343,041	-
Total	$ 2,929,041	$ 2,929,041

During the year, transfers from the General Fund to other governmental funds are made 1) in support of risk management operations, 2) as transfers to maintenance, transportation, curriculum, and technology reserves, and 3) as negotiated transfers to employee group insurance reserves. Transfers from the Internal Service Funds are negotiated transfers from the Insurance Reserve Fund to the General Fund.

D. Inventories

Inventory balances at June 30, 2023 are as follows:

General Fund	
Instructional supplies and materials	$ 50,091
Gasoline and diesel	55,267
Total General Fund	$ 105,358
Other Governmental Funds	
Nutritional Services Fund	
Value of commodities on hand from the U.S. Department of Agriculture	191,302
Other nutritional services food	557,230
Total Other Governmental Funds	$ 748,532

III. Detailed notes on all activities and funds (Continued)

E. Capital Assets

Capital asset activity for the year ending June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 2,185,342	$ -	$ -	$ 2,185,342
Construction in progress	128,712,745	55,135,986	(29,152,064)	154,696,667
Total capital assets not being depreciated	130,898,087	55,135,986	(29,152,064)	156,882,009
Capital assets being depreciated:				
Athletic field improvements	21,349,598	1,246,911	-	22,596,509
Buildings and improvements	432,022,067	32,583,675	-	464,605,742
Equipment	17,954,347	323,811	-	18,278,158
Vehicles	16,324,503	1,457,991	-	17,782,494
Intangibles	2,617,545	-	-	2,617,545
Total capital assets being depreciated	490,268,060	35,612,388	-	525,880,448
Right to use asset being amortized:				
Buildings and improvements	483,434	-	-	483,434
Equipment	298,848	-	(35,969)	262,879
Subscription based information technology arrangements	-	853,203	-	853,203
Total capital assets being amortized	782,282	853,203	(35,969)	1,599,516
Accumulated depreciation for:				
Athletic field improvements	(14,550,343)	(957,544)	-	(15,507,887)
Buildings and improvements	(214,241,718)	(11,168,537)	-	(225,410,255)
Equipment	(15,961,885)	(607,043)	-	(16,568,928)
Vehicles	(11,688,451)	(1,054,629)	-	(12,743,080)
Intangibles	(2,351,558)	(187,749)	-	(2,539,307)
Total accumulated depreciation	(258,793,955)	(13,975,502)	-	(272,769,457)
Accumulated amortization for right to use assets:				
Buildings and improvements	(214,691)	(214,691)	-	(429,382)
Equipment	(108,464)	(105,194)	35,969	(177,689)
Subscription based information technology arrangements	-	(102,560)	-	(102,560)
Total accumulated amortization	(323,155)	(422,445)	35,969	(709,631)
Total capital assets being amortized/depreciated, net				
Governmental activities capital assets, net	$ 362,831,319	$ 77,203,630	$ (29,152,064)	$ 410,882,885

Depreciation and amortization expense was charged to the following functions of the governmental activities of the District as follows:

	Depreciation and Amortization Expense
Instruction	$ 8,110,689
Support	5,741,286
Enterprise and Community Services	545,972
Total	$ 14,397,947

III. Detailed notes on all activities and funds (Continued)

E. Capital Assets (Continued)

Construction Commitments
The District has active construction projects as of June 30, 2023. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately $38,684,957 for goods, services, and construction of facilities. Construction projects include rebuilding one high school and two elementary schools.

F. Financed Purchases

The District has entered into agreements for financing the acquisition of buses for student transportation. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum payments as of the inception date. The value of buses currently under financed purchase is $649,080, with accumulated depreciation of $649,080 and a net book value of $0 as of June 30, 2023.

Obligations of the District's governmental activities under financed purchases at June 30, 2023 was paid off and the ending balance was $0.

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt

The following is a summary of long term debt transactions of governmental activities for the year ended June 30, 2023:

	Principal Issued	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due in One Year
General obligation bonds						
2011 Series	$ 19,127,258	$ 19,127,258	$ -	$ -	$ 19,127,258	$ -
2013 Series	39,996,054	8,048,143	-	3,355,000	4,693,143	-
2014 Series	80,000,000	5,460,000	-	2,585,000	2,875,000	2,875,000
2016 Series	39,750,000	23,795,000	-	2,835,000	20,960,000	2,995,000
2017 Series	45,255,000	41,790,000	-	715,000	41,075,000	830,000
2019 Series	150,000,000	134,785,000	-	-	134,785,000	-
2020 Series Ref.	115,025,000	108,880,000	-	7,240,000	101,640,000	8,530,000
2022 Series	120,000,000	120,000,000	-	7,325,000	112,675,000	8,780,000
Total G.O. bonds	646,558,312	461,885,401	-	24,055,000	437,830,401	24,010,000
2004 Pension bonds	53,435,000	28,920,000	-	4,110,000	24,810,000	4,580,000
Total bonds	699,993,312	490,805,401	-	28,165,000	462,640,401	28,590,000
Issuance premiums:						
2013 Series	-	212,898	-	212,898	-	-
2014 Series	-	504,682	-	258,029	246,653	-
2016 Series	-	768,862	-	177,100	591,762	-
2017 Series	-	3,678,459	-	416,366	3,262,093	-
2019 Series	-	11,115,734	-	905,967	10,209,767	-
2020 Series	-	301,156	-	41,137	260,019	-
2022 Series	-	7,302,660	-	794,977	6,507,683	
Total issuance premiums	-	23,884,451	-	2,806,474	21,077,977	-
Total bonds, net of issuance premiums	699,993,312	514,689,852	-	30,971,474	483,718,378	-
Lease liability						
Building lease	483,434	271,058	-	216,975	54,083	54,083
Equipment lease	298,848	192,492	-	107,352	85,140	85,139
Total lease liability	782,282	463,550	-	324,327	139,223	139,222
Subscription based information technology arangements						
SBITAs	853,205	-	853,205	30,000	823,205	155,000
Financed purchase	2,031,518	70,318	-	70,318	-	-
Total	$ 703,660,317	$ 515,223,720	$ 853,205	$ 31,396,119	$ 484,680,806	$ 28,884,222

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

The general obligation bonds are paid from general property tax revenues from the Debt Service Fund. Federal arbitrage restrictions apply to substantially all debt. General obligation bonds have been issued for capital projects.

General Obligation Bonds

The District's General Obligation Bond principal and interest payments are guaranteed under the Oregon School Bond Guaranty (OSBG) program. Article XI-K of the Constitution of the State of Oregon allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts in order to secure lower interest costs on general obligation bonds of such districts. Payment of principal and interest on bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 to 328.356.

The Debt Management Division of the Office of the State Treasurer administers the OSBG program. If the District were to fail to transfer sufficient moneys to meet a scheduled debt service payment to the bond paying agent at least 15 days before the payment due date, the Treasurer's Office would step in to make the required transfer on or before the scheduled payment date. The Treasurer's Office would then seek to recover from the District the amount transferred by:

i) intercepting any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by or through the State to the District, and

ii) exercising the rights of a secured creditor in any money or assets pledged by the District to secure its reimbursement obligation to the State.

The authority of the Treasurer's Office to intercept payments under the OSBG Act has priority over all claims against money provided by the State to the District, including any claim based on a funds diversion agreement under ORS 238.698.

2004 Pension Bonds

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

Unlike the District's general obligation bonds, the 2004 pension bonds are not covered under the OSBG program. The OSBG does not guarantee payment of principal, premium or interest on pension bonds or other debt that is not a voter-approved general obligation bond.

An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of the District's State School Fund support is withheld on a monthly basis and provided to the Series 2004 Trustee ("Trustee") for payment of bond principal and interest. The Series 2004 Pension Bonds are limited tax bonds and pension bond payments are not subject to acceleration even in default. In the event of a default by one or more issuers of the series, the Trustee may exercise any remedy available at law or in equity; however, each series 2004 issuer is responsible solely for its own pension bond payments and related fees or charges.

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

The District's obligations under the 2004 pension bond issuance shall terminate if and when the following has occurred:

1. Prepayment in full of the District's Series 2004 Pension Bonds
2. Legal defeasance of the District's Series 2004 Pension Bond obligations

Financings

The district entered into other financing options (formerly capital leases) for transportation equipment which are paid from the state transportation grant through the Capital Equipment Reserve Fund. These financings have been issued to purchase buses for student transportation.

Leases Payable

Downtown Center -- a 28-month lease as Lessee for the use of 101 West 10th Avenue. An initial lease liability was recorded in the amount of $248,350. As of 06/30/2023, the value of the lease liability is $36,054. The District is required to make monthly fixed payments of $8,667. The lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note. The District has 1 extension option(s), each for 36 months.

LCC Classroom -- a 26-month lease as Lessee for the use of LCC - Classrooms 101 West 10th Avenue. An initial lease liability was recorded in the amount of $231,101. As of 06/30/2023, the value of the lease liability is $18,030. The District is required to make monthly fixed payments of $8,667. The lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

Canon Copiers -- a 35-month lease as Lessee for the use of Canon Image Runner MFP. An initial lease liability was recorded in the amount of $142,492. As of 06/30/2023, the value of the lease liability is $44,914. The District is required to make monthly fixed payments of $16,191. The lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

Kersey Property -- a 36-month lease as Lessee for the use of radio transmission towers and buildings on site. An initial lease liability was recorded in the amount of $119,779. As of 06/30/2023, the value of the lease liability is $40,225. The District is required to make monthly fixed payments of $3,974. The lease has an interest rate of 0.8150%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.The District had a termination period of 3 months as of the lease commencement.

Central Lincoln PUD -- a 30-month lease as Lessee for the use of a tower and site building. An initial lease liability was recorded in the amount of $3,982. As of 06/30/2023, the value of the lease liability is $0. The District is required to make annual fixed payments of $1,995. The lease has an interest rate of 0.2450%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

California Oregon Broadcasting -- a 22-month lease as Lessee for the use of broadcast tower and site building. An initial lease liability was recorded in the amount of $35,968. As of 06/30/2023, the value of the lease liability is $0. The District is required to make quarterly fixed payments of $4,508. The lease has an interest rate of 0.3080%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	Lease Asset Value	Amortization
Buildings	$ 483,434	$ 429,382
Equipment	262,879	177,689
Total Leases	$ 746,313	$ 607,071

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 139,223	$ 270	$ 139,493
	$ 139,223	$ 270	$ 139,493

Subscription based information technology arrangements

On 01/31/2023 the District entered into a 36 month subscription for the use of Raptor Platform. An initial subscription liability was recorded in the amount of $688,846. As of 06/30/2023, the value of the subscription liability is $685,623. The District is required to make monthly variable principal and interest payments of $30,000. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

On 07/01/2022, the District entered into a 25 month subscription for the use of Capstone - PGO. An initial subscription liability was recorded in the amount of $60,457. As of 06/30/2023, the value of the subscription liability is $58,505. The District is required to make annual fixed payments of $34,183. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

On 07/01/2022, the District entered into a 35 month subscription for the use of Convergint Software Support. An initial subscription liability was recorded in the amount of $27,902. As of 06/30/2023, the value of the subscription liability is $27,077. The District is required to make annual fixed payments of $14,384. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

On 09/01/2022, the District entered into a 36 month subscription for the use of Agile Sports Technologies - North Eugene. An initial subscription liability was recorded in the amount of $38,000. As of 06/30/2023, the value of the subscription liability is $26,000. The District is required to make annual fixed payments of $12,000. The subscription has an interest rate of 0.00%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

On 09/01/2022, the District entered into a 36 month subscription for the use of Agile Sports Technologies - Churchill. An initial subscription liability was recorded in the amount of $38,000. As of 06/30/2023, the value of the subscription liability is $26,000. The District is required to make annual fixed payments of $12,000. The subscription has an interest rate of 0.00%. The value of the right to use asset as of 06/30/2023 is included in the capital asset note.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	SBITA Asset Value	Amortization
SBITA	$ 853,203	$ 102,560
Total SBITAs	$ 853,203	$ 102,560

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 155,000	$ 25,953	$ 180,953
2025	376,197	9,803	386,000
2026	292,008	1,386	293,394
	$ 823,205	$ 37,142	$ 860,347

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

General obligation bonds - 2011 Series, future payments due in annual installments of zero to $15,000,000 plus interest, paid semi-annually at 4.5% to 4.75% through June 15, 2031.	$	19,127,258
General obligation bonds - 2013 Series, future payments due in annual installments of $1,518,545 to $3,355,000 plus interest, paid semi-annually at 4.25% to 5.0% through June 15, 2028.		4,693,143
General obligation bonds - 2014 Series, future payments due in annual installments of $2,585,000 to $2,875,000 plus interest paid semi-annually at 5.0% through June 15, 2024.		2,875,000
General obligation bonds - 2016 Series, future payments due in annual installments of $2,835,000 to $4,010,000 plus interest paid semi-annually at 2.0% to 3.0% through June 15, 2029.		20,960,000
General obligation bonds - 2017 Series, future payments due in annual installments of $715,000 to $7,180,000 plus interest paid semi-annually at 3.0% to 5.0% through June 15, 2037.		41,075,000
General obligation bonds - 2019 Series, future payments due in annual installments of $0 to $22,855,000 plus interest paid semi-annually at 3.0% to 5.0% through June 15, 2039.		134,785,000
General obligation bonds - 2020 Refunding Series, future payments due in annual installments of $7,240,000 to $12,100,000 plus interest paid semi-annually at 0.6% to 2.0% through June 15, 2034.		101,640,000
General obligation bonds - 2022 Series, future payments due in annual installments of $3,370,000 to $13,425,000 plus interest paid semi-annually at 3.0% to 5.0% through June 15, 2042.		112,675,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of $4,110,000 to $6,220,000 plus interest, paid semi-annually at 5.53% through June 30, 2028.		24,810,000
Issuance premiums - 2014 Series bond, amortized semi-annually through June 15, 2024.		246,653
Issuance premiums - 2016 Series bond, amortized semi-annually through June 15, 2029.		591,762
Issuance premiums - 2017 Series bond, amortized semi-annually through June 15, 2037.		3,262,093
Issuance premiums - 2019 Series bond, amortized semi-annually through June 15, 2039.		10,209,767
Issuance premiums - 2020 Refunding bond, amortized semi-annually through June 15, 2034.		260,019
Issuance premiums - 2022 Series bond, amortized semi-annually through June 15, 2042.		6,507,683
Lease liability - buildings and equipment lease liabilities through June 30, 2023.		139,223
Subscription based information technology arrangements through June 30, 2023		823,205
Total	$	484,680,806

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

No interest costs were capitalized during the year.

Bond Issuances and Remaining Authorizations

In November 2018, District voters approved the issuance of general obligation bonds totaling $319.3 million, $150 million of which were issued in April 2019, $120 million of which were issued in April 2022 and the remaining $49.3 million of which are expected to be issued in June 2024.

Bond Issuances and Remaining Authorizations

In April 2022, the District issued $120,000,000 in General Obligation Bonds, Series 2022. The interest rate is fixed at rates ranging from 3.0% and 5.0%. Interest payments on the bonds are payable semiannually in June and December, beginning December 2022. The bonds mature on June 15, 2042 with principal payments due annually on June 15th. The bonds were issued at a premium of $7,302,661, which is being amortized over the life of the bonds.

Year Ending	Bonds - 2022 Series		Bonds - 2020 Refunding		Bond - 2019 Series		Bond - 2017 Series		Bond - 2016 Series	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 8,780,000	$ 4,487,150	$ 8,530,000	$ 1,232,722	$ -	$ 5,188,037	$ 830,000	$ 1,701,350	$ 2,995,000	$ 567,437
2025	9,700,000	4,048,150	12,100,000	1,181,543	-	5,188,037	950,000	1,659,850	3,190,000	477,587
2026	3,635,000	3,563,150	6,415,000	1,096,842	4,150,000	5,188,037	1,570,000	1,612,350	3,400,000	381,888
2027	4,030,000	3,381,400	6,695,000	1,035,900	4,635,000	4,980,537	1,745,000	1,533,850	3,580,000	313,887
2028	4,450,000	3,179,900	6,985,000	965,602	5,155,000	4,748,787	1,935,000	1,446,600	3,785,000	224,387
2029	4,855,000	2,957,400	10,325,000	885,275	5,705,000	4,491,037	2,165,000	1,369,200	4,010,000	120,300
2030	-	2,714,650	10,795,000	756,213	6,295,000	4,205,787	6,610,000	1,282,600	-	-
2031	-	2,714,650	11,280,000	610,480	6,930,000	3,891,038	7,180,000	952,100	-	-
2032	3,370,000	2,714,650	9,080,000	452,560	3,305,000	3,613,838	2,520,000	593,100	-	-
2033	3,725,000	2,546,150	9,495,000	320,900	3,645,000	3,481,638	2,740,000	467,100	-	-
2034	4,100,000	2,359,900	9,940,000	168,980	3,965,000	3,372,288	2,920,000	384,900	-	-
2035	4,730,000	2,195,900	-	-	14,415,000	3,253,338	3,105,000	297,300	-	-
2036	5,130,000	2,006,700	-	-	15,520,000	2,676,738	3,300,000	204,150	-	-
2037	5,550,000	1,801,500	-	-	16,685,000	2,055,938	3,505,000	105,150	-	-
2038	6,090,000	1,579,500	-	-	21,525,000	1,388,538	-	-	-	-
2039	6,570,000	1,335,900	-	-	22,855,000	742,788	-	-	-	-
2040	11,895,000	1,138,800	-	-	-	-	-	-	-	-
2041	12,640,000	781,950	-	-	-	-	-	-	-	-
2042	13,425,000	402,750	-	-	-	-	-	-	-	-
Total	$ 112,675,000	$ 45,910,150	$ 101,640,000	$ 8,707,017	$ 134,785,000	$ 58,466,401	$ 41,075,000	$ 13,609,600	$ 20,960,000	$ 2,085,486

Sinking fund for Series 2011B

Series B of the 2011 General Obligation Bond (Qualified School Construction Bond) requires bond principal of $15,000,000 to be paid in full at the end of the bond term on June 15, 2028. Beginning in 2023, levied tax revenues will be set aside in a sinking fund to meet this obligation. Principal amounts noted below include sinking fund deposits to be held until June 15, 2028 when the full principal amount is due.

III. Detailed notes on all activities and funds (Continued)

G. Long Term Debt (Continued)

Bonds - 2014 Series		Bonds - 2013 Series		Bonds - 2011 Series		Bonds - 2044 Pension			Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Requirements	Principal	Interest
$ 2,875,000	$ 143,750	$ -	$ -	$ -	$ 705,000	$ 4,580,000	$ 1,371,497	$ 43,986,943	$ 28,590,000	$ 15,396,943
-	-	-	-	-	705,000	5,085,000	1,118,314	45,403,481	31,025,000	14,378,481
-	-	1,611,288	1,592,412	-	705,000	5,630,000	837,216	41,388,183	26,411,288	14,976,895
-	-	1,563,310	1,730,390	-	705,000	6,220,000	525,989	42,675,263	28,468,310	14,206,953
-	-	1,518,545	1,880,155	15,000,000	705,000	3,295,000	182,148	55,456,124	42,123,545	13,332,579
-	-	-	-	1,430,517	1,734,483	-	-	40,048,212	28,490,517	11,557,695
-	-	-	-	1,375,140	1,879,860	-	-	35,914,250	25,075,140	10,839,110
-	-	-	-	1,321,601	2,033,399	-	-	36,913,268	26,711,601	10,201,667
-	-	-	-	-	-	-	-	25,649,148	18,275,000	7,374,148
-	-	-	-	-	-	-	-	26,420,788	19,605,000	6,815,788
-	-	-	-	-	-	-	-	27,211,068	20,925,000	6,286,068
-	-	-	-	-	-	-	-	27,996,538	22,250,000	5,746,538
-	-	-	-	-	-	-	-	28,837,588	23,950,000	4,887,588
-	-	-	-	-	-	-	-	29,702,588	25,740,000	3,962,588
-	-	-	-	-	-	-	-	30,583,038	27,615,000	2,968,038
-	-	-	-	-	-	-	-	31,503,688	29,425,000	2,078,688
-	-	-	-	-	-	-	-	13,033,800	11,895,000	1,138,800
-	-	-	-	-	-	-	-	13,421,950	12,640,000	781,950
-	-	-	-	-	-	-	-	13,827,750	13,425,000	402,750
$ 2,875,000	$ 143,750	$ 4,693,143	$ 5,202,957	$ 19,127,258	$ 9,172,742	$ 24,810,000	$ 4,035,164	$ 609,973,668	$ 462,640,401	$ 147,333,267

Defeased General Obligation Bonds

In prior years, the District defeased general obligation bonds outstanding by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. Accordingly, the trust account asset and the liabilities for the defeased obligations are not included in the District's basic financial statements. As of June 30, 2023, $101,825,000 of general bonds defeased are still outstanding.

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan

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

https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238)**. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

   i. **Pension Benefits**. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
   A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

   ii. **Death Benefits**. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
      - member was employed by PERS employer at the time of death,
      - member died within 120 days after termination of PERS covered employment,
      - member died as a result of injury sustained while employed in a PERS-covered job, or
      - member was on an official leave of absence from a PERS-covered job at the time of death.

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

   iv. **Benefit Changes After Retirement**. Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair 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.

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan (Continued)

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

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

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

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

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

ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **Disability Benefits**. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled 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.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were $25,664,622, excluding amounts to fund employer specific liabilities. In addition approximately $7,669,784 in employee contributions were paid or picked up by the government in fiscal 2023. At June 30, 2023, the government reported a net pension liability of $148,198,054 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the government's proportion was 0.968 percent and 0.988 percent, respectively. Pension expense for the year ended June 30, 2023 was ($10,414,118).

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan (Continued)

The rates in effect for the year ended June 30, 2023 were:

(1) Tier 1/Tier 2 – 21.27%
(2) OPSRP general services – 18.16%

Changes in assumptions	23,253,076	212,441
Net difference between projected and actual earnings on pension plan investments	-	26,494,945
Net changes in proportionate share	-	11,114,188
Differences between contributions and proportionate share of contributions	1,995,446	13,737,039
Subtotal - Amortized Deferrals (below)	32,442,342	52,482,803
Contributions subsequent to measuring date	25,664,622	-
Deferred outflow (inflow) of resources	$ 58,106,964	$ 52,482,803

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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

Year ending June 30,	Amount
2024	$ (4,369,023)
2025	(7,784,701)
2026	(15,406,156)
2027	8,955,391
2028	(1,435,973)
Thereafter	-
Total	$ (20,040,462)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf

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

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan (Continued)

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan (Continued)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

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

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		*2.40%*

(Source: June 30, 2022 PERS ACFR; p. 74)

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	$ 262,816,430	$ 148,198,054	$ 52,267,766

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the government for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than $5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the government.

III. Detailed notes on all activities and funds (Continued)

H. Defined Benefit Pension Plan (Continued)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:
Employees of the government are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:
Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP 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:
Employees of the government pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning $2,500 or more per month (increased to $3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The government did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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

http://www.oregon.gov/pers/EMP/Pages/GASB.aspx

III. Detailed notes on all activities and funds (Continued)

I. Other Post-employment benefits – Retirement Health Insurance Account (RHIA)

Plan Description:
As a member of Oregon Public Employees Retirement System (OPERS) the government contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by 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 after January 1, 2004. 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 an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating governments are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the government currently contributes 0.05% of annual covered OPERF payroll and 0.0% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The governments' contributions to RHIA for the years ended June 30, 2021, 2022 and 2023 were $22,209, $20,421 and $18,946, respectively, which equaled the required contributions each year.

At June 30, 2023, the government reported a net OPEB liability/(asset) of ($2,944,115) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the government's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022 and 2021, the government's proportion was 0.829 percent and 0.830 percent, respectively. OPEB expense for the year ended June 30, 2023 was ($398,677).

III. Detailed notes on all activities and funds (Continued)

I. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$ (440,800)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	61,017
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	$ (379,783)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experien	$ -	$ 79,783
Changes in assumptions	23,052	98,136
Net difference between projected and actual earnings on pension plan investments	-	224,526
Net changes in proportionate share	32,500	-
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	55,552	402,445
Contributions subsequent to measuring date	18,946	-
Deferred outflow (inflow) of resources	$ 74,498	$ 402,445

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2024.

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

Year ending June 30,	Amount
2024	$ (141,184)
2025	(135,932)
2026	(141,687)
2027	71,909
2028	-
Thereafter	-
Total	$ (346,894)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf

III. Detailed notes on all activities and funds (Continued)

I. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

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

III. Detailed notes on all activities and funds (Continued)

I. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		*2.40%*

(Source: June 30, 2022 PERS ACFR; p. 74)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	$ (2,653,478)	$ (2,944,115)	$ (3,193,259)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs

The District sponsors a Single Employer Pension Plan and Other Postemployment Benefits (OPEB) program with ongoing obligations: Early Termination – Stipend Benefits and Postemployment Medical and Life Insurance Benefits. This plan is valued on an actuarial basis and the District has an actuarial study completed every two years. The most recent valuation is dated July 1, 2022 actuarial valuation report dated August 16, 2023 and provides revised disclosure information under GASB Statements 73 and 75 for the fiscal year ending June 30, 2023.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The most recent valuation was performed as of July 1, 2022, using an Actuarial Valuation Date of July 1, 2022, and Measurement Dates of June 30, 2023 and June 30, 2024. Assumptions included an interest rate for discounting future liabilities 3.75% (percent) per year; a general inflation rate of 2.5% (percent) per year; overall payroll growth of 3.50% (percent) per year; and an annual premium increase rate of 4.0% (percent) for 2022-23 increasing to a high of 6.0% in 2026-27 before slowly decreasing to an annual rate of 5.5% (percent) by 2041+ which is consistent with expectations for long-term health care cost inflation.

The Entry Age Normal Actuarial Cost Method was used to determine contribution levels for the early retirement programs. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis (percentage of salary) over the earnings or service of the individual between entry age and assumed exit age(s).

Demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those developed in the most recent experience study for Oregon PERS. Key assumptions were as follows:

Demographic Assumptions	Description
Annual Cap Increase Rate	The increase rate for District' contribution towards employee coverage (the annual cap) was lowered to better reflect actual and anticipated experience in the current valuation report. The annual cap is assumed to increase by 1.0% (percent) annually.
Mortality Rates	Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally. Adjustments of 125% of published rates for males, 100% of published rates for females. Retirees: PUB 2010 Retiree tables for Teachers, sex distinct, projected generationally. Beneficiaries: PUB 2010 Employee and Retiree Tales for General Employee, sex distinct, projected generationally.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs

Demographic Assumptions (Continued)	Description (Continued)
Mortality Rates (Continued)	Beneficiary adjustments: Set back 12 months for males, no set back for females: 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females. Improvement scale; Unisex Social Security Data Scale (60 year average).
Retirement Rates	Retirement rates were calculated based on District employee age, Tier 1 / 2 or OPSRP membership, and years of service. Members who can become eligible for District-paid stipend were assumed not to terminate employment prior to retirement.
Participation	100% (percent) of active members eligible for stipend benefits were assumed to elect coverage upon retirement. The following percentages of current active employees were assumed to be enrolled in a medical plan at retirement: 100% (percent) of active employees eligible for District-paid medical benefits and currently enrolled in a medical plan. 75% (percent) of active employees not eligible for District-paid medical benefits and currently enrolled in a medical plan.

Program participants consisted of the following at July 1, 2022:

Participant Counts	Administrators	Classified	Licensed	Total
Number of Active Participants	162	964	1115	2242
Number of Inactive Participants	13	37	79	129
Total Number of Participants	175	1001	1194	2371

A copy of the most current Actuarial Valuation Report for the District's Early Retirement Program may be obtained by contacting the District Office.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Descriptions of the plans are as follows:

Early Termination – Stipend Benefits

Plan Description – The Board of Directors, through contract negotiations, has previously authorized the District to offer early termination benefits as an incentive for employees to retire early. This single employer defined benefit program covers the following employee groups:

Administrator – Stipend Benefit

Eligibility	Employees must be PERS eligible and be age 58 years or older or have with 30 years of service at retirement. Must have at least ten years of continuous district service, be employed the last 5 years in an administrative position, be hired and employed as a 4JA member prior to July 1, 2996, and did not elect to participate in Plan B. Early Out Option – Employees age 53 to less than age 58, meeting all the above Administrative eligibility criteria, with the exception of being age 58, may also be eligible for a stipend benefit.
Duration	Retirees shall be paid a monthly stipend for a maximum of 84 months beginning the month after eligibility for Early Retirement and ending the month of the retiree's 62nd birthday. Early Out Option – retirees shall be paid a monthly stipend for a maximum of 48 months beginning the month after being eligible for Early Retirement and ending the month of the retiree's 62nd birthday.
Benefit Amount	Eligible retirees receive a stipend of either $450 a month (administrative positions with a pay range of 9 or higher) or $325 a month (administrative positions with a pay range of 8 or lower.) In the event of the retiree's death, the remaining stipend payments will be paid to the retiree's estate.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Classified – Stipend Benefit

Eligibility	Employees who have 10 years consecutive service with the District AND meet PERS requirements for regular retiree benefits and Tier 1 age 58 or: • Meet PERS requirements for regular retiree benefits and Tier 2 age 60 • Meet PERS requirements for regular retiree benefits and OPSRP age 65 • 30 years of service in PERS as of retirement, regardless of age.
Benefit Amount	Lump sum payment of $2,000 for retirees with 10 years of service with the District, lump sum payment of $3,000 for retirees with 20 years of service with the District, and lump sum payments of $4,000 for retirees with 30 years of service with the District. This is referred to as "Option 1" in the collective bargaining agreement. Classified retirees who chose this option are not eligible for the Postemployment Medical and Life Insurance Benefits payments described within this note.

Licensed (Certified) – Stipend Benefit

Eligibility	Plan A – Employees must be employed in an Eugene Education Association (EEA) bargaining position prior to July 1, 1998, have 10 years of District service, and be 58 years of age or older or have 30 years of service with PERS as of retirement date, regardless of age. Early Out Option – Employees age 53 to less than age 58 with 10 years district service may be eligible for a stipend benefit in a reduced, prorated amount.
Duration	Eligible retirees shall be paid a monthly stipend beginning the first month of retirement and ending the month of the retiree's 62nd birthday. In the event of the retiree's death, the remaining stipend payments hall be paid to the retiree's estate.
Benefit Amount	Eligible retirees receive a stipend of up to $450 a month until age 62. The maximum amount is reduced to $400 per month for retirements before age 58. The $400 per month is prorated for retirements before age 55.

The pension-type benefit is required to be valued under GASB Statement No. 73. The District does not issue a stand-alone financial report for this plan.

Summary of Significant Accounting Policies – the Early Termination Stipend Benefits plan is accounted for in the Postemployment Benefits Fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. District contributions, in the form of regular transfers to the Postemployment Benefits Fund, are recognized when due and a formal commitment to provide the contributions has been made as part of the annual adopted budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance, and the District does not accumulate assets in a trust (as defined in GASB 73 paragraph 4) to address this liability. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Total Pension Liability – The District's Total Pension Liability and total other post-employment benefits were measured as of June 30, 2023 and determined by an actuarial valuation as of July 1, 2022.

Schedule of changes in total pension liability and related ratios:

	2023	2022	2021
Total Pension Liability - beginning	$ 955,776	$ 1,148,305	$ 1,153,528
Service cost	39,389	45,342	47,769
Interest	31,923	24,367	24,214
Change in accounting principle	-	-	-
Effect of changes to benefit terms	(56,779)	-	-
Diff between expected & actual experience	(51,525)	-	100,023
Changes of assumptions or other inputs	(8,766)	(40,894)	73,089
Benefit payments	(166,149)	(221,344)	(250,318)
Total Pension Liability - end of year	$ 743,869	$ 955,776	$ 1,148,305
Estimated covered payroll	49,108,232	42,850,232	41,602,167
Total pension liability as a percentage of covered payroll	1.51%	2.23%	2.76%

Schedule of Pension Expense and Collective Deferred Inflows and Outflows – For the year ended June 30, 2023, the District's recognized Pension expense is ($150,710).

As of June 30, 2023, 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	$ 122,845	46,841
Changes in assumptions	75,994	148,382
Deferred outflow / inflow of resources	$ 198,839	$ 195,223

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

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

Year ended June 30:	Amount
2024	$ 906
2025	906
2026	906
2027	906
2028	902
Thereafter	(909)
	$ 3,617

Sensitivity of the Total Pension Liability to changes in the Discount Rate – the following table presents the Total OPEB Liability of the Early Termination – Stipend Benefits Program, calculated using the discount rate as of the measurement date, as well as what the program's Total Pension Liability would be if it were calculated using a discount rate that was 1.0% (1 percentage point) lower or higher than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Total Pension Liability	$ 776,742	$ 743,869	$ 712,070

Postemployment Medical and Life Insurance Benefits

The District's postemployment healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, beginning in the fiscal year ending June 30, 2017.

Plan Description - The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postemployment healthcare insurance for eligible retirees and their spouses through the District's group health insurance plans, which cover both active and retired participants. Benefit provisions are established through negotiations between the District and representatives of collective bargaining units. The District's postemployment medical plan does not issue a publically available financial report. This program covers the following employee groups:

Administrator – Medical and Life Benefit

Eligibility	Employees who satisfy the Stipend Benefit eligibility noted earlier in this note are eligible for a monthly District contribution toward their hospital/medical insurance premiums.
Life Insurance	Certain Administrative retirees are eligible for $50,000 of term life insurance until age 65.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Administrator – Medical and Life Benefit (continued)

Duration	Coverage for retiree and spouse continues until the retiree's Medicare eligibility. The contribution for Early Out Option retirees ends after 84 months or Medicare eligibility, if earlier. If the retiree passes away prior to District contribution end, their surviving spouse can elect to continue the District contribution for as long as the retiree would have been eligible.
District Paid Benefit	District contributions continue until Medicare eligibility by the age at either $270 per month or a pro-rated amount for those participants of the Early Out Option provision.

Licensed (Certified) – Medical and Life Benefit

Eligibility	Employees who satisfy the Stipend Benefit eligibility noted earlier in this note are eligible for a monthly District contribution toward unit member and spouse retiree medical insurance premiums.
Duration	Contribution for retiree and spouse continues until the retiree' Medicare eligibility.
District Paid Benefit	Retirees receive 56% of the District contribution for a full time employee ($1,290 for period October 2022 through September 2023). The contribution is prorated if retiring under the Early Out Option.

Classified – Medical and Life Benefit

Eligibility	Employees who satisfy the Stipend Benefit eligibility noted earlier in this note are eligible for a monthly District contribution toward their hospital/medical insurance premiums.
Dependent Eligibility	Spouses of deceased retirees are eligible to receive the District contribution for as long as the retiree would have been eligible, or the spouse's Medicare eligibility, if earlier.
District Paid Benefit	Option 2 – District-paid monthly contributions of $375 and Classified Insurance Reserve additional monthly contribution of $25 for up to 36 months or Medicare eligibility by age, whichever comes first. Employee must retire by June 30, 2026; Option 2 expires June 30, 2029. Option 3 – Employees age 57 or older with 10 years of consecutive regular employment with the District who are not eligible for regular PERS retirement may choose to have a District-paid monthly contribution (as defined in Option 2 as of the year of payment) paid in any consecutive monthly period from retirement to age 65. Monthly payments may not exceed 36 months. Employee must retire by June 30, 2026; Option 3 expires June 30, 2029.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Classified – Medical and Life Benefit (continued)

District Paid Benefit (continued)	Classified retirees who elect either option 2 or 3 are ineligible for the stipend benefits described earlier in this note.

Medicare Carve-Out

All Classes of Retirees	Retiree or Retiree's spouse or domestic partner qualified for Medicare coverage prior to age 65 because of a disability, will be eligible to receive a monthly reimbursement toward PERS or other supplemental Medicare coverage, not to exceed the amount or duration of the normal District retiree insuance contribution listed above. For Classified retirees, the reimbursement will also factor in the Medicare Part A and Part B premiums.

Implicit Medical Benefit

Eligibility	All classes of employees are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage as well.
Duration	Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become eligible).
Benefit Amount	There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. This is due to medical premium rates being determined by blending both active employees and retiree experience.

Summary of Significant Accounting Policies – the Postemployment Medical and Life Insurance Benefits plan is accounted for in the Postemployment Benefits Fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. District contributions, in the form of regular transfers to the Postemployment Benefits Fund, are recognized when due and a formal commitment to provide the contributions has been made as part of the annual adopted budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance, and the District has not established an irrevocable trust (or equivalent arrangement) to address this liability. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Total OPEB Medical and Life Liability – The District's Total OPEB Medical and Life Liability and total other post-employment benefits were measured as of June 30, 2023 and determined by an actuarial valuation as of July 1, 2022.

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Schedule of changes in total OPEB liability and related ratios

	2023	2022	2021
Total OPEB Liability - beginning	$ 14,099,081	$ 15,347,875	$ 16,257,809
Service cost	851,784	1,005,577	921,366
Interest	498,097	352,386	371,220
Change in accounting principle	-	-	-
Effect of changes to benefit terms	440,349	-	-
Diff between expected & actual experience	523,677	-	292,587
Changes of assumptions or other inputs	(863,732)	(1,223,035)	(1,134,115)
Benefit payments	(1,439,023)	(1,383,722)	(1,360,993)
Total OPEB Liability - end of year	$ 14,110,233	$ 14,099,081	$ 15,347,874
Estimated covered payroll	173,611,044	146,629,289	142,358,533
Total OPEB liability as a percentage of covered payroll	8.13%	9.62%	10.78%

Schedule of OPEB expense and collective deferred inflows and outflows – For the year ended June 30, 2023, the District recognized OPEB expense is $895,206.

At June 30, 2023, 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	$ 631,734	802,357
Changes in assumptions	480,174	3,763,729
Deferred outflow / inflow of resources	$ 1,111,908	$ 4,566,086

Amounts reported as deferred outlfows and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2024	$ (1,246,413)
2025	(1,246,415)
2026	(146,589)
2027	(306,649)
2028	(306,649)
Thereafter	(201,463)
	$ (3,454,178)

III. Detailed notes on all activities and funds (Continued)

J. Early Retirement Programs (Continued)

Sensitivity of the Total OPEB Medical and Life Liability to changes in Discount and Trend Rates – the following tables present the Total OPEB Liability of the Postemployment Medical and Life Insurance Benefits program, calculated using the discount rate and trend rate as of the measurement date, as well as what the program's Total OPEB Medical and Life Liability would be if it were calculated using a discount rate or a trend rate that was 1.0% (1 percentage point) lower or higher than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Total OPEB Medical and Life Liability	$ 14,997,408	$ 14,110,233	$ 13,270,009

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Medical and Life Liability	$ 12,756,705	$ 14,110,233	$ 15,692,781

K. Tax Abatements

The following tax abatement agreements, entered into by Lane County, Oregon, impact tax collections for the District. As of June 30, 2023, the District provides tax abatements through the following programs:

Low Income Rental Housing (ORS 307.515 – 307.535):

- In 1989 the Oregon Legislature authorized a property tax exemption for low income housing held by nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within Lane County.

  To be eligible for this exemption a nonprofit organization must be a public benefit corporation or a religious corporation, as defined in ORS 65.001, providing housing to low income persons (income at or below 60 percent of the area median income). Nonprofit 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 to 307.523.

Enterprise Zone (ORS Chapter 285C):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established through ORS 285C.050 to 285C.250 that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemptions, participating firms are required to meet the program requirements set by state statute and the local sponsor.

III. Detailed notes on all activities and funds (Continued)

K. Tax Abatements (Continued)

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for up to five years after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdictions.

Housing; Multiple-Unit in Core Areas (ORS 307.241 to 307.245):

- This law is in the publics' interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any city, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606(2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. This exemption is limited to the tax levy of a city or county that adopts ORS 307.600 to 307.637. This program exempts property taxes for a period of no more than 10 successive years, and the exemption may not include land or any improvements not a part of the multiple-unit housing.

Nonprofit Corporation Housing Assistance (ORS 307.241 to 307.245):

- The purpose of ORS 307.241 to 307.248 is to assist private nonprofit corporations to provide permanent housing, recreational and social facilities, and care to elderly persons. To qualify for this exemption, a corporation must meet all of the requirements of ORS 307.242 to 307.245 and must file an application each year with the county assessor on or before April 1st for the next tax year.

The cost of the exemption is paid primarily by the Oregon State General Fund. On or before October 15th, the Lane County Assessor computes the tax on these properties as if they were not exempt and certifies that amount to the county treasurer and to the Department of Revenue. The department then pays the county treasurer, less 3 percent, by November 15th. If the State General Fund appropriation is not enough to cover all of the property tax it may be proportionally reduced. The nonprofit corporation retains its full property tax exemption and the county governments and other local taxing districts must absorb the portion of the taxes not paid by the state.

For the fiscal year ended June 30, 2023, the District abated property taxes totaling $2,634,954 under these programs.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Low Income Rental Housing	$ 862,004
Enterprise Zone	688,895
Housing; Multiple-Unit in Core Areas	1,076,827
Nonprofit Corporation Housing Assistance	7,228
Total	$ 2,634,954

III. Detailed notes on all activities and funds (Continued)

L. Risk Management

The District is exposed to various risks of loss related to torts; theft; or damage to and destruction of assets; errors and omissions and natural disasters. The Insurance Reserve Fund, an internal service fund, reflects the expected liability for unemployment claims and long-term disability claims, as well as current accounts payable for medical and dental, workers' compensation and other insurance premiums. The District is a member of the Special Districts Insurance Services (SDIS) / Property & Casualty Coverage for Education (PACE). PACE is a self-insured risk pool currently operating as common risk management and insurance programs for more than 850 local government entities and more than 200 educational organizations.

As part of this risk pool, the District is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the pool, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the pool being required to pay any claim of loss. The District allows the pool's agents and attorneys to represent the District in investigations, settlements, discussions and all levels of litigation arising out of any claim made against the District within the scope of loss protection furnished by the pool.

The District fully insures for its unemployment claims. The liability includes estimates for incurred, but not reported (IBNR) claims. IBNR claims are those that are incurred through the end of the fiscal year, but not reported until after that date.

The District's long-term disability plan is a premium only plan and has covered all claims incurred after September 1996. The District's workers' compensation and medical insurance are premium only plans. There are no liabilities for claims under these plans, only the current accounts payable for the premiums.

The District self-insures for costs up to policy deductible limit as follows:

- Business Auto (Fleet Liability) is insured after the District pays a self-insured retention of $25,000 per occurrence.
- Building and Business Personal Property is insured after the District pays a self-insured retention of $100,000 per occurrence, subject to certain sub-limits by category of property.
- Workers' compensation claims are insured up to $1,000,000 per claim.
- Public Entity Liability is insured after the District pays a self-insurance retention of $100,000 per occurrence, subject to certain sub-limits by coverage.

There have been no reductions in insurance coverage from the prior year and no settlements exceeding insurance coverage for the past three years.

Changes in the balance of claims liabilities at the end of the year are as follows:

Unemployment	2021	2022	2023
Accrued claim losses, July 1	$ 1,739,661	$ 1,915,821	$ 504,154
Claims incurred, including an estimate of claims incurred but not reported	1,915,821	504,154	352,693
Claims payments	(329,602)	(113,419)	(116,800)
Reduction of accrual	(1,410,059)	(1,802,402)	(387,354)
Accrued claim losses, June 30	$ 1,915,821	$ 504,154	$ 352,693

III. Detailed notes on all activities and funds (Continued)

L. Risk Management (Continued)

Related liabilities recorded in the Insurance Reserve Fund at June 30, 2023 are as follows:

Accrued payroll and related charges		
Unemployment-accrued claim losses	$	352,693
Other		134,891
		487,584
Unearned Revenue		
Deferred medical		2,042,115
Total	$	2,529,699

M. Claims and Litigation

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

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

N. Subsequent Events

District is involved in various claims and legal matters relating to its operations which have all been tended to, and are either being adjusted by the District’s liability carrier or are being defended by attorneys retained by the District or the District’s liability carrier. The status of these matters is uncertain at this time. Any potential loss is also uncertain.

EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

EUGENE SCHOOL DISTRICT NO. 4J

EUGENE, OR

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL) (2)	(c) Covered payroll (1)	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.96785523 %	$ 148,198,054	$ 115,295,975	128.54 %	84.50 %
2022	0.98820421	118,253,258	105,162,393	112.45	87.57
2021	1.03982565	226,925,722	103,347,503	219.58	75.79
2020	1.07607247	186,134,767	99,623,479	186.84	80.23
2019	1.08935666	165,023,186	96,557,767	170.91	82.07
2018	1.11662335	150,521,250	91,493,283	164.52	83.12
2017	1.14553912	171,972,020	87,591,258	196.33	80.53
2016	1.24405605	71,426,997	83,098,293	85.95	91.88
2015	1.30039080	(29,476,149)	79,685,167	-36.99	103.60
2014	1.30039080	66,360,848	77,155,912	86.01	91.97

SCHEDULE OF CONTRIBUTIONS

For Year End	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	$ 25,664,622	$ 25,664,622	$ -	$ 133,692,829	19.20 %
2022	22,335,292	22,335,292	-	115,295,975	19.37
2021	23,845,710	23,845,710	-	105,162,393	22.68
2020	23,518,638	23,518,638	-	103,347,503	22.76
2019	22,877,197	22,877,197	-	99,623,479	22.96
2018	17,151,660	17,151,660	-	96,557,767	17.76
2017	12,378,824	12,378,824	-	91,493,283	13.53
2016	12,195,391	12,195,391	-	87,591,258	13.92
2015	13,613,624	13,613,624	-	83,098,293	16.38
2014	12,865,509	12,865,509	-	79,685,167	16.15

(1) The amounts presented for each fiscal year use the prior year's data to match the measurement date used by the pension plan for each fiscal year.
(2) The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

EUGENE SCHOOL DISTRICT NO. 4J

EUGENE, OR

SCHEDULE OF THE PROPORTIONATE SHARE OF THE OPEB LIABILITY (ASSET) FOR RHIA AND SCHEDULE OF CONTRIBUTIONS

For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE OPEB LIABILITY (ASSET) FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the OPEB liability/asset	(b) Employer's proportionate share of the OPEB liability/asset (2)	(c) Covered payroll (1)	(b/c) TOL/(A) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB RHIA liability
2023	0.82854599 %	$ (2,944,115)	$ 115,295,975	-2.55 %	194.60 %
2022	0.83003151	(2,850,333)	105,162,393	-2.71	183.86
2021	0.88991635	(1,813,295)	103,347,503	-1.75	150.09
2020	0.92359316	(1,784,715)	99,623,479	-1.79	144.38
2019	0.92536468	(1,032,958)	96,557,767	-1.07	123.99
2018	0.89659880	(374,185)	91,493,283	-0.41	108.89
2017	0.89659388	251,450	87,591,258	0.29	94.14

SCHEDULE OF CONTRIBUTIONS

For Year End	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	$ 18,946	$ 18,946	$ -	$ 133,692,829	0.01 %
2022	20,421	20,421	-	115,295,975	0.02
2021	22,209	22,209	-	105,162,393	0.02
2020	63,601	63,601	-	103,347,503	0.06
2019	457,771	457,771	-	99,623,479	0.46
2018	448,112	448,112	-	96,557,767	0.46
2017	448,340	448,340	-	91,493,283	0.49

(1) The amounts presented for each fiscal year use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.
(2) The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
SCHEDULE OF FUNDING PROGRESS FOR EARLY RETIREMENT PROGRAMS
For the Year Ended June 30, 2023

EARLY RETIREMENT PROGRAMS

EARLY TERMINATION - STIPEND BENEFITS

Actuarial Valuation Date	Actuarial Measurement Date	Total Pension Liability	Covered-Employee Payroll	Total Pension Liability as a Percentage of Covered-Employee
7/1/2022	6/30/2023	$ 743,869	$ 49,108,232	1.51%
7/1/2020	6/30/2022	955,776	42,850,232	2.23%
7/1/2020	6/30/2021	1,148,305	41,602,167	2.76%
7/1/2018	6/30/2020	1,153,528	43,250,073	2.67%
7/1/2018	6/30/2019	1,227,445	41,787,510	2.94%
7/1/2016	6/30/2018	993,561	12,169,581	8.16%
7/1/2016	6/30/2017	1,155,533	11,815,127	9.78%

POSTEMPLOYMENT MEDICAL AND LIFE INSURANCE BENEFITS

Actuarial Valuation Date	Actuarial Measurement Date	Total OPEB Liability	Covered-Employee Payroll	Total OPEB Liability as a Percentage of Covered-Employee Payroll
7/1/2022	6/30/2023	$ 14,110,233	$ 173,611,044	8.13%
7/1/2020	6/30/2022	14,099,081	146,629,289	9.62%
7/1/2020	6/30/2021	15,347,875	142,358,533	10.78%
7/1/2018	6/30/2020	16,257,809	136,933,760	11.87%
7/1/2018	6/30/2019	15,226,900	132,303,150	11.51%
7/1/2016	6/30/2018	25,199,776	125,726,220	20.04%
7/1/2016	6/30/2017	26,034,473	122,064,291	21.33%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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

EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET
June 30, 2023

	Nutrition Services Fund	School Resources Fund	Total
ASSETS:			
Equity in pooled cash and investments	$ -	$ 10,230,558	$ 10,230,558
Receivables:			
Accounts and other receivables	302,874	26,080	328,954
Prepaid items	-	314,308	314,308
Supply inventories	748,532	-	748,532
Total assets	$ 1,051,406	$ 10,570,946	$ 11,622,352
LIABILITIES, AND FUND BALANCE:			
Liabilities:			
Accounts payable	$ 155,379	$ 315,952	$ 471,331
Accrued payroll and related charges	75,452	39,873	115,325
Due to other funds	24,076	2,133	26,209
Total liabilities	254,907	357,958	612,865
Fund balances:			
Nonspendable	748,532	314,308	1,062,840
Restricted	47,967	796,499	844,466
Committed	-	9,102,181	9,102,181
Total fund balance	796,499	10,212,988	11,009,487
Total liabilities and fund balance	$ 1,051,406	$ 10,570,946	$ 11,622,352

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Nutrition Services Fund	School Resources Fund	Total
Revenues:			
Local sources			
Charges for services	$ 130,597	$ 2,518,125	$ 2,648,722
State sources	876,392	-	876,392
Federal sources	4,993,897	-	4,993,897
Total revenues	6,000,886	2,518,125	8,519,011
Expenditures:			
Instruction	-	2,383,424	2,383,424
Support services	-	1,705,997	1,705,997
Enterprise and community services	8,852,902	6,058	8,858,960
Facilities acquisition and construction	-	339,618	339,618
Total expenditures	8,852,902	4,435,097	13,287,999
Revenues over (under) expenditures	(2,852,016)	(1,916,972)	(4,768,988)
Other financing sources (uses):			
Transfer in	1,586,000	1,000,000	2,586,000
Total other financing sources (uses):	1,586,000	1,000,000	2,586,000
Net change in fund balance	(1,266,016)	(916,972)	(2,182,988)
Fund balances, beginning of year	2,062,515	11,129,960	13,192,475
Fund balances, end of year	$ 796,499	$ 10,212,988	$ 11,009,487

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
COMBINING STATEMENT OF NET POSITION
ALL INTERNAL SERVICE FUNDS
June 30, 2023

	Insurance Reserve Fund	Postemployment Benefits Fund	Total
ASSETS			
Equity in pooled cash and investments	$ 15,226,533	$ 3,510,128	$ 18,736,661
Accounts receivable	40,810	-	40,810
Total assets	15,267,343	3,510,128	18,777,471
LIABILITIES			
Accounts payable	134,891	-	134,891
Accrued payroll and related charges	352,693	6,500	359,193
Unearned revenue	2,042,115	-	2,042,115
Total liabilities	2,529,699	6,500	2,536,199
Net Position			
Unrestricted	12,737,644	3,503,628	16,241,272
Total net position	$ 12,737,644	$ 3,503,628	$ 16,241,272

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ALL INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

	Insurance Reserves Fund	Postemployment Benefits Fund	Total
OPERATING REVENUES			
Interfund charges for services	$ 36,655,541	$ 350,000	$ 37,005,541
Other reimbursements	162,873	-	162,873
Total operating revenues	36,818,414	350,000	37,168,414
OPERATING EXPENSES	36,706,098	611,377	37,317,475
Total expenditures	36,706,098	611,377	37,317,475
OPERATING INCOME	112,316	(261,377)	(149,061)
NONOPERATING REVENUES			
Interest Income	199,849	-	199,849
INCOME BEFORE TRANSFERS	312,165	(261,377)	50,788
TRANSFERS			
Transfers in	343,041	-	343,041
Total transfers	343,041	-	343,041
CHANGE IN NET POSITION	655,206	(261,377)	393,829
NET POSITION, Beginning of year	12,082,438	3,765,005	15,847,443
NET POSITION, End of year	$ 12,737,644	$ 3,503,628	$ 16,241,272

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

	Insurance Reserves Fund	Postemployment Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 162,873	$ -	$ 162,873
Receipts from interfund services provided	36,559,402	350,000	36,909,402
Payments to suppliers	(36,832,389)	-	(36,832,389)
Payments to retirees	-	(604,877)	(604,877)
Net cash provided by operating activities	(110,114)	(254,877)	(364,991)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	343,041	-	343,041
Net cash provided by noncapital financing activities	343,041	-	343,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	199,849	-	199,849
Net cash provided by investing activities	199,849	-	199,849
Net increase in cash and cash equivalents	432,776	(254,877)	177,899
CASH AND CASH EQUIVALENTS, Beginning of year	14,793,757	3,765,005	18,558,762
CASH AND CASH EQUIVALENTS, End of year	$ 15,226,533	$ 3,510,128	$ 18,736,661
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPEARTING ACTIVITIES:			
Operating income	112,316	(261,377)	(149,061)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in accounts and other receivables	(40,810)	-	(40,810)
Increase (decrease) in accounts payable	34,427	-	34,427
Increase (decrease) in accrued payroll and related charges	(160,718)	6,500	(154,218)
(Increase) decrease in unearned revenues	(55,329)	-	(55,329)
Total adjustments	(222,430)	6,500	(215,930)
Net cash used by operating activities	(110,114)	(254,877)	(364,991)

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources				
Taxes	$ 39,838,948	$ 39,838,948	$ 39,385,249	$ 453,699
Charges for services	5,688,700	5,688,700	6,471,573	(782,873)
Interest earnings	120,000	120,000	727,404	(607,404)
Federal sources	664,815	664,815	316,721	348,094
Total revenues	46,312,463	46,312,463	46,900,947	(588,484)
Expenditures:				
Debt service				
Principal	27,730,000	27,730,000	28,165,000	(435,000)
Interest	17,817,648	17,817,648	17,279,555	538,093
Total expenditures	45,547,648	45,547,648 (1)	45,444,555	103,093
Net change in fund balance	764,815	764,815	1,456,392	691,577
Fund balance, beginning of year	1,908,000	1,908,000	3,035,511	1,127,511
Fund balance, end of year	$ 2,672,815	$ 2,672,815	$ 4,491,903	$ 1,819,088

(1) Appropriation level

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget		Actual	Variance to Final Budget
Revenues:					
Local sources					
Charges for services	$ 40,000	$ 40,000		$ 434,402	$ 394,402
Interest earnings	-	-		4,655,252	4,655,252
Miscellaneous	53,000	53,000		138,880	85,880
State sources	800,000	800,000		-	(800,000)
Total revenues	893,000	893,000		5,228,534	4,335,534
Expenditures:					
Instruction	3,732,105	3,732,105	(1)	4,072,307	(340,202)
Support services	17,268,246	17,268,246	(1)	5,297,795	11,970,451
Enterprise and community services	1,000	1,000	(1)	186,506	(185,506)
Facilities acquisition and construction	78,302,632	78,302,632	(1)	55,760,697	22,541,935
Debt service					
Principal	70,321	70,321	(2)	70,319	2
Interest	1,309	1,309	(2)	1,309	-
Total expenditures	99,375,613	99,375,613		65,388,933	33,986,680
Revenues over (under) expenditures	(98,482,613)	(98,482,613)		(60,160,399)	38,322,214
Other financing sources (uses)					
Transfer in	-	-		-	-
Transfer out	(1,000)	(1,000)	(1)	-	1,000
Sale of capital asset	7,741	7,741		89,561	81,820
Total other financing sources (uses)	6,741	6,741		89,561	82,820
Net change in fund balance	(98,475,872)	(98,475,872)		(60,070,838)	38,405,034
Fund balance, beginning of year	98,475,872	98,475,872		193,949,397	95,473,525
Fund balance, end of year	$ -	$ -		$ 133,878,559	$ 133,878,559

(1) Appropriation level
(2) Sum equals appropriation level

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
NUTRITION SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget		Actual	Variance to Final Budget
Revenues:					
Local sources					
Charges for services	$ 250,000	$ 250,000		$ 130,597	$ (119,403)
State sources	1,150,000	1,150,000		876,392	(273,608)
Federal sources	4,300,000	4,300,000		5,086,651	786,651
Total revenues	5,700,000	5,700,000		6,093,640	393,640
Expenditures:					
Enterprise and community services	7,286,000	9,064,000	(1)	8,852,902	211,098
Total expenditures	7,286,000	9,064,000		8,852,902	211,098
Revenues over (under) expenditures	(1,586,000)	(3,364,000)		(2,759,262)	604,738
Other financing sources (uses)					
Transfer in	1,586,000	1,586,000		1,586,000	-
Total other financing sources (uses)	1,586,000	1,586,000		1,586,000	-
Net change in fund balance	-	(1,778,000)		(1,173,262)	604,738
Fund balance, beginning of year	-	1,778,000		1,778,458	458
Fund balance, end of year	$ -	$ -		$ 605,196	$ 605,196

(1) Appropriation level

Reconciliation to GAAP basis fund balance	
Fund balance (budgetary basis) above	$ 605,196
Deferred revenue	191,303
GAAP ending fund balance	$ 796,499

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
SCHOOL RESOURCES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget		Actual	Variance to Final Budget
Revenues:					
Local sources					
Charges for services	$ 3,300,000	$ 3,300,000		$ 2,518,125	$ (781,875)
Total revenues	3,300,000	3,300,000		2,518,125	(781,875)
Expenditures:					
Instruction	8,149,045	8,149,045	(1)	2,383,424	5,765,621
Support services	2,804,051	2,804,051	(1)	1,705,997	1,098,054
Enterprise and community services	1,000	1,000	(1)	6,058	(5,058)
Facilities acquisition and construction	1,000	1,000	(1)	339,618	(338,618)
Operating contingency	2,000,000	2,000,000	(1)	-	2,000,000
Total expenditures	12,955,096	12,955,096		4,435,097	8,519,999
Revenues over (under) expenditures	(9,655,096)	(9,655,096)		(1,916,972)	7,738,124
Other financing sources (uses)					
Transfer in	1,000,000	1,000,000		1,000,000	-
Transfer out	(1,000)	(1,000)	(1)	-	1,000
Total other financing sources (uses)	999,000	999,000		1,000,000	1,000
Net change in fund balance	(8,656,096)	(8,656,096)		(916,972)	7,739,124
Fund balance, beginning of year	10,156,096	10,156,096		11,129,960	973,864
Fund balance, end of year	$ 1,500,000	$ 1,500,000		$ 10,212,988	$ 8,712,988

(1) Appropriation level

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
INSURANCE RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget		Actual	Variance to Final Budget
Revenues:					
Local sources					
Interest earnings	$ 32,000	$ 32,000		$ 199,849	$ 167,849
Miscellaneous	36,939,000	36,939,000		36,655,541	(283,459)
State sources	200,000	200,000		162,873	(37,127)
Total revenues	37,171,000	37,171,000		37,018,263	(152,737)
Expenditures:					
Instruction	1,000	1,000	(1)	-	1,000
Support services	39,284,091	39,284,091	(1)	36,706,098	2,577,993
Enterprise and community services	1,000	1,000	(1)	-	1,000
Operating contingency	500,000	500,000	(1)	-	500,000
Total expenditures	39,786,091	39,786,091		36,706,098	3,079,993
Revenues over (under) expenditures	(2,615,091)	(2,615,091)		312,165	(3,232,730)
Other Financing Sources, -Uses:					
Transfers in	590,000	590,000		343,041	(246,959)
Transfers out	(2,000)	(2,000)	(1)	-	(2,000)
Total other financing sources (uses)	588,000	588,000		343,041	(244,959)
Net change in fund balance	(2,027,091)	(2,027,091)		655,206	2,682,297
Fund balance, beginning of year	8,659,000	8,659,000		12,082,438	3,423,438
Fund balance, end of year	$ 6,631,909	$ 6,631,909		$ 12,737,644	$ 6,105,735

(1) Appropriation level

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
POSTEMPLOYMENT BENEFIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget		Actual	Variance to Final Budget
Revenues:					
Local sources					
Miscellaneous	$ 350,000	$ 350,000		$ 350,000	$ -
Total revenues	350,000	350,000		350,000	-
Expenditures:					
Support services	1,517,000	1,517,000	(1)	611,377	905,623
Total expenditures	1,517,000	1,517,000		611,377	905,623
Net change in fund balance	(1,167,000)	(1,167,000)		(261,377)	905,623
Fund balance, beginning of year	3,650,000	3,650,000		3,765,005	115,005
Fund balance, end of year	$ 2,483,000	$ 2,483,000		$ 3,503,628	$ 1,020,628

(1) Appropriation level

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
CUSTODIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Original Budget	Final Budget		Actual	Variance to Final Budget
Revenues:					
Local sources					
Miscellaneous	$ 201,731	$ 201,731		$ 84,096	$ (117,635)
State sources	56,785	56,785		-	(56,785)
Total revenues	258,516	258,516		84,096	(174,420)
Expenditures:					
Instruction	132,704	132,704	(1)	3,266	129,438
Enterprise and community services	125,812	125,812	(1)	38,000	87,812
Total expenditures	258,516	258,516		41,266	217,250
Net change in fund balance	-	-		42,830	42,830
Fund balance, beginning of year	-	-		229,327	229,327
Fund balance, end of year	$ -	$ -		$ 272,157	$ 272,157

(1) Appropriation level

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
SCHEDULE OF PROPERTY TAXES TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2023

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2022	Tax Collections	Discounts and Adjustments	Total
2022-2023	$ 150,025,190	$ 143,394,486	$ (4,171,988)	$ 2,458,716
2021-2022	2,388,893	1,291,361	(98,162)	999,370
2020-2021	1,314,618	647,785	(103,692)	563,141
2019-2020	828,784	513,561	(127,646)	187,577
2018-2019	207,208	69,610	(58,341)	79,257
2017-2018	492,769	38,092	(1,572)	453,105
	$ 155,257,462	$ 145,954,895	$ (4,561,401)	$ 4,741,166

	Total
SUMMARY OF PROPERTY TAX REVENUE	
Tax collection shown above	$ 145,954,895
Less prior year accrual	(755,827)
Add current year accural	325,725
Payments in lieu of tax and other adjustments	126,485
Total tax revenue (budgetary basis)	$ 145,651,278
GENERAL FUND	$ 3,581,767
DEBT SERVICE FUND	1,159,399
Total	$ 4,741,166

EUGENE SCHOOL DISTRICT NO. 4J
EUGENE, OR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Program Title	Pass-Through Entity Number	AL Number	Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Community Oriented Policing Service (COPS)				
Public Safety Partnership and Community Policing Grant	2019SVWX0020	16.710	$ 50,061	$ -
Total U.S. Department of Justice			**50,061**	**-**
U.S. Department of Education				
Office of Elementary and Secondary Education				
Indian Education Formula Grants to Local Educational Agencies	S060A201100	84.060A	**194,214**	**-**
Passed Through Oregon State Department of Education				
Title 1 Grants to Local Educational Agencies				
Title 1: Grants to Local Educational Agencies	58258	84.010	4,398	-
Title 1: Grants to Local Educational Agencies	66967	84.010	1,706,179	-
Title 1D: Grants to Local Educational Agencies	73057	84.010	67,735	-
Title 1D: Grants to Local Educational Agencies	66900	84.010	168	-
Title 1: Grants to Local Educational Agencies	67962	84.010	176,745	-
Title 1: Grants to Local Educational Agencies	65102	84.010	49,487	7,931
Title 1: Grants to Local Educational Agencies	72507	84.010	3,599,214	114,559
Subtotal Title I Grants to Local Educational Agencies			**5,603,926**	**122,490**
Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At Risk				
Neglected and Delinquent State Agency and Local Educational Agency Program	12291	84.013	**20,396**	**-**
Supporting Effective Instruction State Grants				
Supporting Effective Instruction State Grants - Class Size Reduction	53524	84.367	-	-
Supporting Effective Instruction State Grants - Class Size Reduction	72704	84.367	111,162	-
Supporting Effective Instruction State Grants - Class Size Reduction	67400	84.367	451,062	-
Subtotal Supporting Effective Instruction State Grants			**562,224**	**-**
English Language Acquisition State Grants				
English Language Acquisition State Grants	73089	84.365	56,244	-
English Language Acquisition State Grants	67130	84.365	39,909	-
Subtotal English Language Acquisition State Grants			**96,153**	**-**
Student Support and Academic Enrichment Program				
Student Support and Academic Enrichment 17-19	66756	84.424	333,710	-
Student Support and Academic Enrichment 20-21	72901	84.424	95,498	-
Subtotal Student Support and Academic Enrichment Program			**429,208**	**-**
)Elemetary and Secondary School Emergency Relief Fund (ESSER				
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19)	57805	84.425D	108,187	33,677
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19)	64575	84.425D	4,043,960	24,572
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19)	64575	84.425D	5,763,103	503,285
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19) Unfinished Learning Portion (COVID-19)	64880	84.425D	1,614,287	64,170
Subtotal ESSER			**11,529,537**	**625,704**
Governors Emergency Education Relief Fund (GEER)				
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant Unfinished Learning Portion (COVID-19)	69288	84.425C	31,987	-
ARP ESSER Homeless Children and Youth (COVID-19)	69341	84.425C	91,952	-
Subtotal GEER			**123,939**	**-**
Total Education Stabilization Fund			**11,653,476**	**625,704**
Career and Technical Education - Basic Grants to States (Perkins IV)				
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	5,903	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	2,223	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	9,262	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	9,612	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	13,361	-
Subtotal Career and Technical Education - Basic Grants to States			**40,361**	**-**
Twenty-First Century Community Learning Centers				
Twenty-First Century Community Learning Centers (Cohort 4 Year 2)	75194	84.287	502,497	-
Twenty-First Century Community Learning Centers (Cohort 4 Year 3)	68784	84.287	146,279	-
Subtotal Twenty-First Century Community Learning Centers			**648,776**	**-**
Education Research				
Freshman Success Research Grant (Passed through Univeristy of Oregon)	19927	84.305A	**2,421**	**-**

IDEA Cluster				
Special Education - Grants to States (IDEA, Part B)				
Regional Orthopedic Impaired (Passed through Lane ESD)	NA	84.027	13,557	-
IDEA Part B, Section 611	74011	84.027	2,353,932	-
IDEA Part B, Section 611	68615	84.027	1,129,586	-
IDEA Part B, Section 611 2021-22 ARP (COVID-19)	68366	84.027	570,081	-
IDEA Equipment and Supplies	75311	84.027	229,703	-
Subtotal Special Education - Grants to States (IDEA, Part B)			**4,296,859**	**-**
Special Education - Preschool Grants (IDEA Preschool)				
IDEA Part B, Section 619 - Preschool	68901	84.173	13,043	-
IDEA Part B, Section 619 - Preschool	69145	84.173	22,193	
Subtotal Special Education - Preschool Grants (IDEA Preschool)			**35,236**	**-**
Total IDEA Cluster			**4,332,095**	**-**
Rehabilitation Services - Vocational Rehabiliation Grants to States				
Youth Transition Program (Passed through DHS)	162392	84.126	**192,294**	**-**
Total U.S. Department of Education			**23,775,544**	**748,194**
U.S. Department of Transportation				
Highway Planning and Construction				
Student Traffic Safety Program (Passed through Lane Council of Governments)	2017-71	20.205	143,257	-
Total U.S. Department of Transportation			**143,257**	**-**
U.S. Department of Health and Human Services				
Promoting Safe and Stable Families				
Family Resource ctr II 2021-22 Lane County CCF (Passed through Lane County, Oregon)	50847A8	93.556	**4,408**	**-**
Foster Care Student Transportation				
Foster Care Student Transporation Reimbursement	71641	93.648	**10,206**	**-**
Total U.S. Department of Health and Human Services			**14,614**	**-**
U.S. Department of Agriculture				
Passed through Oregon State Department of Education				
Child Nutrition Cluster				
School Breakfast Program (SBP)				
School Breakfast Program - USDA Commodities (Noncash Assistance)	NA	10.555	616,283	-
School Breakfast Program	NA	10.553	986,517	-
Commodity SFSP	NA	10.559	1,028	-
Subtotal School Breakfast Program (SBP)			**1,603,828**	**-**
National School Lunch Program (NSLP)				
National School Lunch Program	NA	10.555	2,998,542	-
National School Lunch Program (COVID-19)	NA	10.649	295,377	-
Subtotal National School Lunch Progam (NSLP)			**3,293,919**	**-**
Fresh Fruit and Vegetable Program				
Fresh Fruit and Vegetable Program - Howard Elementary	69560	10.582	1,527	-
Fresh Fruit and Vegetable Program - Howard Elementary	74983	10.582	23,439	-
Fresh Fruit and Vegetable Program - McCormack	69562	10.582	393	-
Fresh Fruit and Vegetable Program - McCormack	74984	10.582	16,034	-
Fresh Fruit and Vegetable Program - Holt	69563	10.582	1,617	-
Fresh Fruit and Vegetable Program - Holt	74981	10.582	24,304	-
Fresh Fruit and Vegetable Program - El Camino	69561	10.582	1,319	-
Fresh Fruit and Vegetable Program - El Camino	74985	10.582	17,276	-
Fresh Fruit and Vegetable Program - Chavez	69559	10.582	905	-
Fresh Fruit and Vegetable Program - Chavez	74982	10.582	25,292	-
Subtotal Fresh Fruit and Vegetable Program			**112,106**	**-**
Total Child Nutrition Cluster			**5,009,853**	**-**
Child and Adult Care Food Program (CACFP)				
Child and Adult Care Food Program	NA	10.558	96,149	-
Subtotal Child and Adult Care Food Program (CACFP)			**96,149**	**-**
Farm to School Program (Local Food for Schools LFS)				
Local Food for Schools 23-24 Formula	NA	10.185	51,146	-
Subtotal Farm to School Program (Local Food for Schools LFS)			**51,146**	**-**
Total U.S. Department of Agriculture			**5,157,148**	**-**
Total Federal Expenditures			$ 29,140,624	$ 748,194

Reconciliation of Federal Expenditures to Federal Revenue	
Federal revenue reported above	$ 29,140,624
Federal revenue not required to be reported in this schedule:	
Qualified School construction bond subsidy	316,721
Miscellaneous federal revenue	352
Total revenue from federal sources	$ 29,457,697

EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

PAULY, ROGERS AND CO., P.C.
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April 2, 2024

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Eugene School District No. 4J as of and for the year ended June 30, 2023, and have issued our report thereon dated April 2, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the Eugene School District No. 4J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. Expenditures exceeded appropriations as noted on page 25 of the report.
2. During our review of the 2022-23 budget process, we noted that the District did not designate a budget officer in accordance with ORS 294.331.
3. During our review of the 2022-23 budget process, we noted that the District did not publish a notice for their Budget committee meeting in accordance with ORS 294.426 (5).
4. During our review of the 2022-23 budget adjustment, we noted that the District made budget adjustment after the District had overspent appropriations.

5. During testing of the 2022-2023 Adopting the Budget Resolution, we noted the District using reserves for appropriations. Reserves are not considered an expenditure, however contingencies can be used for appropriations.
6. During our testing of SIA, we noted that the District did not appropriately account for the unspent fund balance for fiscal year end.
7. During our testing of SIA expenditures, we noted four instances where current fiscal year SIA funds were expended for goods and services outside the allowed period for current fiscal year funds.
8. During our review of SIA expenditure testing, we noted an instance where the expenditure was not properly documented. There was a reconciliation tab for the total expenditure, however the corresponding tabs did not reflect the allocations per the recon and amount being expended.
9. During our testing of bids/quotes process for the District, we noted an instance for a vendor where the District did not perform bidding or quoting procedures in accordance with ORS279, ORS279A, ORS279B and ORS279C.
10. During our testing of the District's Teacher Experience, we noted that the District did not submit finalized complete data to ODE for the 2023 fiscal year.

<u>OAR 162-10-0230 Internal Control</u>

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

We noted matters involving the internal control structure and its operations we consider to be significant deficiencies and material weaknesses under standards established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Questioned Costs.

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

Tara M Kamp, CPA

Tara M Kamp, CPA
PAULY, ROGERS AND CO., P.C.

EUGENE SCHOOL DISTRICT NO. 47J
LANE COUNTY, OREGON

GRANT COMPLIANCE

PAULY, ROGERS, AND CO., P.C.
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www.paulyrogersandcocpas.com

April 2, 2024

To the Board of Directors
Eugene School District No. 4J
Lane County, Oregon

INDEPENDENT AUDITORS' 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*

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, each major fund, and the aggregate remaining fund information of Eugene School District No. 4J as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated April 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs noted as FS-2023-008, FS-2023-009, FS-2023-010, FS-2023-011, FS-2023-012, and FS-2023-013 to be significant deficiencies.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses noted as FS-2023-01, FS-2023-02, FS-2023-03, FS-2023-04, FS-2023-05, FS-2023-06, and FS-2023-07.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of 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*.

Entity's Response to Findings

The entity's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tara M Kamp, CPA

Tara M. Kamp, CPA
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April 2, 2024

To the Board of Directors
Eugene School District No. 4J
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Eugene School District No. 4J's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Eugene School District No. 4J 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Eugene School District No. 4J and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items SA-2023-001, SA-2023-002, SA-2023-003, SA-2023-004, and SA-2023-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below we did identify certain deficiencies in internal control over compliance we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items SA-2023-001, SA-2023-002, SA-2023-003, SA-2023-004, and SA-2023-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

EUGENE SCHOOL DISTRICT NO. 4J
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	x	yes		no
Significant deficiency(s) identified that are not considered to be material weaknesses?	x	yes		none reported
Noncompliance material to financial statemetns noted?		yes	x	no
Any GAGAS audit findings disclosed that are required to be reported reported in accordance with section 515(d)(2) of the Uniform Guidance?		yes	x	no

FEDERAL AWARDS

Internal control over major programs:				
Material weakness(es) identified?		yes	x	no
Significant deficiency(s) identified that are not considered to be material weaknesses?	x	yes		none reported
Type of auditors' report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	x	yes		no

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER	NAME OF FEDERAL PROGRAM CLUSTER
84.027, 84.173	IDEA Cluster
84.425	Elementary and Secondary Education
10.555, 10.553, 10.559, 10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and B programs	$ 874,219			
Auditee qualified as low-risk auditee?		yes	x	no

EUGENE SCHOOL DISTRICT NO. 4J
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

FS-2023-001 – MATERIAL WEAKNESS

CONDITION: The District conducted multiple journal entries that were materially misstated and the mistakes were not caught by the District. The District made subsequent corrections.

CRITERIA: Journal entries must be accurate to reflect accurate financial reporting.

EFFECT: Without proper controls over journal entries, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reviews and approves journal entries for accuracy before posting to the general ledger.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-002 – MATERIAL WEAKNESS

CONDITION: The District's bank reconciliations presented multiple misstatements; the combination of all misstatements resulted in a material misstatement. The District made subsequent corrections.

CRITERIA: Bank reconciliations should accurately reconcile the bank balance to the book balance for cash and investments.

EFFECT: Without proper controls over bank reconciliations, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reviews and approves bank reconciliations for accuracy and variances are corrected.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-003 – MATERIAL WEAKNESS

CONDITION: The District only maintains an electronic excel document for their bank reconciliations which can be edited anytime. The District made subsequent corrections without updating documentation of timing of preparation and review. This type of documentation does not allow the Auditors to determine when the reconciliation was prepared and reviewed and does not provide sufficient audit evidence to determine if the reconciliation was completed in accordance with good internal control procedures.

CRITERIA: Bank reconciliations should be prepared and protected so they cannot be edited without documentation of editing.

EFFECT: Without proper controls over bank reconciliations, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District use the financial accounting software for bank reconciliations rather than excel.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-004 – MATERIAL WEAKNESS

CONDITION: The District's fiscal year end property tax revenues, receivables and related deferred revenues were misstated. The District made subsequent corrections.

CRITERIA: Property tax revenues, receivables and related deferred revenues should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over property tax revenues, receivables, and related deferred revenues, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-005 – MATERIAL WEAKNESS

CONDITION: The District's prepaid expenditures were misstated at fiscal year end. The District made subsequent corrections.

CRITERIA: Prepaid expenditures should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over prepaid expenditures, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-006 – MATERIAL WEAKNESS

CONDITION: The District's payroll liabilities were misstated at fiscal year end. The District made subsequent corrections.

CRITERIA: Payroll liabilities should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over payroll liabilities, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-007 – MATERIAL WEAKNESS

CONDITION: The District's deferred revenues were misstated at fiscal year end. The District made subsequent corrections.

CRITERIA: Deferred revenues should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over deferred revenues, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-008 – SIGNIFICANT DEFICIENCY

CONDITION: The District's accounts receivable was misstated at fiscal year end. The District made subsequent corrections.

CRITERIA: Accounts receivable should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over accounts receivable, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-009 – SIGNIFICANT DEFICIENCY

CONDITION: The District's inventory was misstated at fiscal year end. The District made subsequent corrections.

CRITERIA: Inventory should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over inventory, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-010 – SIGNIFICANT DEFICIENCY

CONDITION: The District's accrued compensated absences were misstated at fiscal year end. The District made subsequent corrections.

CRITERIA: Accrued compensated absences should be reconciled at fiscal year end and updated accordingly in accordance with generally accepted accounting principals.

EFFECT: Without proper controls over accrued compensated absences, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles accounts and conducts accurate closing entries for fiscal year end reporting.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-011 – SIGNIFICANT DEFICIENCY

CONDITION: The District did not report all of the subscription based information technology arrangements in the implementation of GASB Statement. No. 96.

CRITERIA: All subscription based information technology arrangements should be accounted for under the new standard.

EFFECT: Without proper controls over subscription based information technology arrangements, the possibility exists of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles and reports all subscription based information technology arrangements.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-012 – SIGNIFICANT DEFICIENCY

CONDITION: The District submitted inaccurate 941 forms to the IRS. The District made subsequent corrections.

CRITERIA: 941 Forms should be accurately completed before submitting them to the IRS.

EFFECT: Without proper controls over IRS forms the possibility exists of material misstatement or non compliance to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles and reviews 941 forms.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

FS-2023-013 – SIGNIFICANT DEFICIENCY

CONDITION: The District did not conduct regular reconciliations of PERS expenditures and related liability.

CRITERIA: PERS expenditures and related liability should be regularly reconciled to ensure accuracy.

EFFECT: Without proper controls over PERS expenditures and liabilities, the possibility exists of material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District thoroughly reconciles and reviews PERS expenditures and the related liability.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA-2023-001 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: The schedule of federal expenditures should report pass through amounts for grants to sub-recipients.

CONDITION: The District misstated the pass through amounts to sub-recipients for this program. The District made subsequent corrections.

QUESTIONED COSTS: None

CONTEXT: The finding is limited to this major program and the context noted in the condition.

EFFECT: Without proper controls over reporting pass through amounts to sub-recipients, the possibility exists of material misstatement to the schedule of expenditures of federal awards.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend pass through amounts to sub-recipients are accurately reported.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

SA-2023-002 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: The schedule of federal expenditures should report all expenditures related to a federal grant.

CONDITION: The District misstated the expenditures for this grant on the schedule of expenditures of federal awards. The District made subsequent corrections.

QUESTIONED COSTS: None

CONTEXT: The finding is limited to this major program and the context noted in the condition.

EFFECT: Without proper controls over reporting expenditures, the possibility exists of material misstatement to the schedule of expenditures of federal awards.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend grant expenditures are accurately reported.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

SA-2023-003 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.027 and 84.173 IDEA Cluster

SPECIFIC REQUIREMENT: The schedule of federal expenditures should report all expenditures related to a federal grant.

CONDITION: The District misstated the expenditures for this grant on the schedule of expenditures of federal awards. The District made subsequent corrections.

QUESTIONED COSTS: None

CONTEXT: The finding is limited to this major program and the context noted in the condition.

EFFECT: Without proper controls over reporting expenditures, the possibility exists of material misstatement to the schedule of expenditures of federal awards.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend grant expenditures are accurately reported.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

SA-2023-004 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: The grant should properly report items in correct categories of expenditures.

CONDITION: The District reported significant amount of items as equipment and real property that should not have been reported as such.

QUESTIONED COSTS: None

CONTEXT: The finding is limited to this major program and the context noted in the condition.

EFFECT: Without proper controls over reporting categorizations of expenditures, the possibility exists of material misstatement to the schedule of expenditures of federal awards.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend grant expenditures are accurately reported.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

SA-2023-005 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: Recipients and sub-recipients that use ESF funds for remodeling, renovation or construction projects that are over $2,000 and use laborers and mechanics must meet Davis-Bacon prevailing wage requirements.

CONDITION: The District did not collect the certified payroll reports from the contractors during the year under audit.

QUESTIONED COSTS: None

CONTEXT: The finding is limited to this major program and the context noted in the condition.

EFFECT: Without certified payroll reports being collected the possibility exists that prevailing wages were not met.

CAUSE: Certified payroll reports from the contractors were not obtained during the fiscal year.

RECOMMENDATION: We recommend the District collect and review certified payroll reports from contractors for construction projects with labor funded through federal dollars as the project is happening.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

SECTION IV – PRIOR YEAR FINDINGS

FS-2022-001 SIGNIFICANT DEFICIENCY

CONDITION: Beginning fund balances for two funds were significantly misstated and did not match the prior year's ending fund balances.

STATUS: Appears to have been corrected in the current fiscal year.

FS-2022-002 MATERIAL WEAKNESS

CONDITION: Accounts payable and capital assets were materially misstated at year end as multiple transactions were attributed to the 2022 fiscal year then they should have been recorded in the 2023 fiscal year.

STATUS: Appears to have been corrected in the current fiscal year.

SA-2022-003 MATERIAL WEAKNESS

FEDERAL AWARD PROGRAM: 32.009 Emergency Connectivity Fund Program

CONDITION: The District did not meet the asset and service inventory requirements outlined in the grant's compliance supplement.

STATUS: Not applicable in current fiscal year because the grant was not received.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.

School District 4J
Eugene Public Schools
200 North Monroe Street
Eugene, OR 97402-4295

April 3, 2024

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action

Eugene School District 4J respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2023. The audit was completed by the independent auditing firm Pauly Rogers & Company and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on May 1, 2024, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

1. Deficiency #1 FS-2023-001
    a. Material Weakness – The District conducted multiple journal entries that were materially misstated and the mistakes were not caught by the District. The District made subsequent corrections.
    b. New Financial Services staff have received additional training for reviewing journal entries before approval from any staff member that includes thoroughly reviewing the journal entry for accuracy, intention, and proper documentation & reasoning behind the journal entry. Any journal entry not matching all this criteria is sent back to the preparer for additional work.
    c. This was implemented as of April 2024
2. Deficiency #2 FS-2023-002
    a. Material Weakness - The District's bank reconciliations presented multiple misstatements; the combination of all misstatements resulted in a material misstatement. The District made subsequent corrections.
    b. New Financial Services staff was filling in at the time to completed bank reconciliations and made a mistake on a reconciliation. Reconciliations for bank accounts has been restored to a higher level financial analysis role to ensure proper entries and reconciliation standards are met. Bank reconciliations are also reviewed by upper management every month to ensure accuracy and proper documentation.
    c. This was implemented as of April 2024

3. Deficiency #3 FS-2023-003
    a. Material Weakness - The District only maintains an electronic excel document for their bank reconciliations which can be edited anytime. The District made subsequent corrections without updating documentation of timing of preparation and review. This type of documentation does not allow the Auditors to determine when the reconciliation was prepared and reviewed and does not provide sufficient audit evidence to determine if the reconciliation was completed in accordance with good internal control procedures.
    b. The bank reconciliation process has been adjusted to physically print off reconciliations when completed and then signed and dated by a supervisor after a review is done.
    c. This was implemented as of February 2024.
4. Deficiency #4 FS-2023-004
    a. Material Weakness - The District's fiscal year end property tax revenues, receivables and related deferred revenues were misstated. The District made subsequent corrections.
    b. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end procedures to ensure this is done timely to avoid future misstatements.
    c. This was implemented as of February 2024
5. Deficiency #5 FS-2023-005
    a. Material Weakness - The District's prepaid expenditures were misstated at fiscal yearend. The District made subsequent corrections.
    b. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end procedures to ensure this is done timely to avoid future misstatements.
    c. This was implemented as of February 2024
6. Deficiency #6 FS-2023-006
    a. Material Weakness - The District's payroll liabilities were misstated at fiscal yearend. The District made subsequent corrections.
    b. With a significant loss of staff from previous years that did this process, staff was unable to have payroll liabilities reconciled in time for the audit. We have changed managers within our payroll department along with hired new/additional staff to assist with the workload management to ensure reconciliations are done timely for the audit each year.
    c. This was implemented as of April 2024.
7. Deficiency #7 FS-2023-007
    a. Material Weakness - The District's deferred revenues were misstated at fiscal yearend. The District made subsequent corrections.
    b. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end procedures to ensure this is done timely to avoid future misstatements.

   c. This was implemented as of February 2024

8. Deficiency #8 FS-2023-008
   a. Significant Deficiency - The District's accounts receivable was misstated at fiscal yearend. The District made subsequent corrections.
   b. With the loss of staff and a new financial software system, staff was still in the process of learning the full cycle process of Accounts Receivable. Additional training was received during the audit process for us to clean up Fiscal Year 2023 and ensure proper documentation and processes were implemented for the future to ensure no issues should arise in the future.
   c. This was implemented as of February 2024
9. Deficiency #9 FS-2023-009
   a. Significant Deficiency - The District's inventory was misstated at fiscal yearend. The District made subsequent corrections.
   b. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end procedures to ensure this is done timely to avoid future misstatements.
   c. This was implemented as of February 2024
10. Deficiency #10 FS-2023-010
    a. Significant Deficiency - The District's accrued compensated absences were misstated at fiscal yearend. The District made subsequent corrections.
    b. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end procedures to ensure this is done timely to avoid future misstatements.
    c. This was implemented as of February 2024
11. Deficiency #11 FS-2023-011
    a. Significant Deficiency - The District did not report all of the subscription based information technology arrangements in the implementation of GASB Statement. No. 96.
    b. Additional training for staff will be completed over the next few months to ensure staff understand new GASB standards and how to correctly implement at the district. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end procedures to ensure this is done timely to avoid future misstatements.
    c. This was implemented in April 2024 and will be ongoing with additional trainings.
12. Deficiency #12 FS-2023-012
    a. Significant Deficiency - The District submitted inaccurate 941 forms to the IRS. The District made subsequent corrections.
    b. With new staff in positions, this year-end process was missed before the audit was started. Subsequent documentation and processes have been noted on the district's year-end

procedures to ensure this is done timely to avoid future misstatements. Errors in previous quarterly reports was found as new staff began putting together auditor information and reviewing submissions. Review by a supervisor for proper documentation is now part of the process before quarterly filings are completed.

   c. This was implemented in April 2024

13. Deficiency #13 FS-2023-013
    a. Significant Deficiency - The District did not conduct regular reconciliations of PERS expenditures and related liability.
    b. With new staff in positions, the district is hoping that regular PERS reconciliations are done more timely. Training of new staff for this process has already begun and additional staff may be needed to keep up with PERS changes with the amount of staff to manage within PERS.
    c. This training was implemented in April 2024 with ongoing training.
14. Deficiency #14 SA-2023-001
    a. Significant Deficiency - The District misstated the pass through amounts to sub-recipients for this program. The District made subsequent corrections.
    b. Proper documentation was not received by Charter Schools for payments made with federal ESSER dollars. Subsequent documentation was received during the audit process. This documentation has been noted for any future disbursements to ensure proper documentation is received beforehand.
    c. This was implemented as of March 2024
15. Deficiency #15 SA-2023-002
    a. Significant Deficiency - The schedule of federal expenditures should report all expenditures related to a federal grant.
    b. With changes during the audit process to expenditures, this resulted in a misstatement of the original SEFA reported to auditors. Subsequent changes were made once new expenditure information was recorded and the SEFA was appropriately updated.
    c. This was implemented as of February 2024.
16. Deficiency #16 SA-2023-003
    a. Significant Deficiency - The schedule of federal expenditures should report all expenditures related to a federal grant.
    b. With new staff, the SEFA report was incorrectly reporting IDEA expenditures in wrong groups. Once identified by auditors, the SEFA was corrected and submitted. Additional documentation was noted for next fiscal year to ensure federal expenditures are reported accurately.
    c. This was implemented as of February 2024.
17. Deficiency #17 SA-2023-004

a. Significant Deficiency - The grant should properly report items in correct categories of expenditures.
b. With new staff, the SEFA report was incorrectly reporting expenditures in wrong categories. Once identified by auditors, the SEFA was corrected and submitted. Additional documentation was noted for next fiscal year to ensure federal expenditures are reported accurately.
c. This was implemented as of February 2024.

18. Deficiency #18 SA-2023-005
    a. Significant Deficiency - Recipients and sub-recipients that use ESF funds for remodeling, renovation or construction projects that are over $2,000 and use laborers and mechanics must meet Davis-Bacon prevailing wage requirements.
    b. Proper documentation was not received before disbursement to show prevailing wage requirements in relation to Charter School payments. Documentation was received during the audit when requested by charter schools and no errors/issues were found. Documentation and notes for the future have been noted for future disbursements.
    c. This was implemented as of February 2024.

Governing Body Chair, Print Name	Signature
Superintendent, Print Name	Signature
Director of Finance, Print Name	Signature

Eugene School District 4J
200 North Monroe Street
Eugene, OR 97402-4295
541-790-7700
www.4j.lane.edu

ITEM FOR INFORMATION

Date of Meeting
May 1, 2024

Title
Receive Presentation of Madison Middle School's Continuous Improvement Plan (SCIP)

Presenter
Justin Corey, Madison Middle School Principal

Description
Receive presentation describing Madison Middle School's Continuous Improvement Plan (SCIP).

Eugene School District 4J
200 North Monroe Street
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ITEM FOR ACTION

Date of Meeting
May 1, 2024

Title
Invitation for a Member of the 4J Board of Directors to sit on the Chinese Immersion school naming Committee

Presenter
Colt Gill, Interim Superintendent

Background
Chinese Immersion Principal Jennifer Hebard met with district leaders this year, and has begun the process of choosing the right name for the school, which she describes as essential for establishing their identity, fostering community engagement, differentiating them from other schools in 4J and across the U.S.

The Chinese Immersion school has now had time to build a community and establish who they are and what they represent. In the current 2023-24 school year, the school serves students in grades K-7, adding one additional grade each year.

Description
The Chinese Immersion school invites a Board Member to join a gathering of interested Chinese Immersion school and community members to help find the perfect name for our school. Administrative Rules FF-AR outlines the members of this important team, and as part of that team, requires one board member.

We are currently in the process of choosing a name for Chinese Immersion that embodies our culture, vision, community and energy. We've spent a couple of months collecting names from staff, students, families and the community at large. We are now ready to sort through those names (using set criteria) and scale them down to a manageable number to be put back out to our school community for a vote.

On May 2nd, we will be meeting at Chinese Immersion Elementary, from 6:00 pm to 8:00 p.m. in our library. During this time, we will enjoy a meal together and begin the fun, but hard work of combing through the name suggestions using a set of criteria to assist.

We humbly ask for a Board Member to join this team and with their collaboration and energy help us to narrow down the suggestions to a number that can be voted on by the students, staff, families, and vested community members. We thank you for your time and consideration.

Recommendation
Interim Superintendent Colt Gill recommends that a member of the 4J Board of Directors serve on the Chinese Immersion School Naming Committee.

Eugene School District 4J

Code: **FF-AR**
Revised/Reviewed: 6/01/15; 10/03/18
Orig. Code: FF-AR

Naming Schools, Programs and Properties

Proposals for naming or renaming schools, programs and facilities should be sent to the communications department with a copy to the superintendent. The communications department will be responsible for assisting schools in naming and renaming efforts in accordance with board policy FF - Naming Schools, Programs and Properties and this administrative rule. The Board will make the final decision.

The procedure for application of those criteria and conditions in naming and renaming a school facility or other district facilities shall take place in the following manner.

For the purpose of this administrative rule the following definitions will apply:

"School" is an institution with a separate organizational structure that has an assigned administrator and a site council. It has a teaching staff, a budget, a curriculum that meets state content standards, educational programs that lead to students earning a high school diploma and a school improvement process. A school may share a facility, personnel and support services with another school or program, or it may be located in more than one facility. A school meets all state standards and other district policies.

"Program" is an educational component of a school offering specialized instruction, a focus on a particular theme or instructional approach or other ways to meet student needs. Students participating in the program are considered to be enrolled in the school with which the program is affiliated.

"School facility" means the property housing a school including, but not limited to, the school building, playgrounds, athletic fields and parking lots.

"Nonschool facility" means property housing district offices and programs that support schools.

"Areas within a facility" are spaces and rooms inside and out, including, but not limited to, classrooms, auditoriums, gymnasiums, administrative offices, meeting rooms, halls, cafeterias, athletic fields, playgrounds and parking lots.

"New naming" is the procedure used when naming previously nonexisting schools, programs, school facilities, nonschool facilities,or school conversions.

"Renaming" is the procedure used when changing the name of an existing school, program, school facility or nonschool facility.

"School conversions" are new schools resulting from the division of one existing school into more than one separate and distinct school, or from the merger of two separate and distinct schools into one school.

"Board leadership" means the chair, co-chair and one additional member of the Board.

Naming Process for New Schools, Programs and Facilities

After a decision has been made to create a new school or program, or to construct a new facility, at the direction of the superintendent, the communications department will undertake a naming process. A new school building that replaces an existing school building on the same site will carry the same name unless a proposal is brought forward to rename it. When a school or program is relocated to occupy an existing facility, the school or program and the facility that houses it will both retain their existing names unless a renaming process is completed.

Naming Process for Areas Within a School Facility

Requests to name an area within a school facility (e.g., library, gymnasium, playing field) will be received by the principal. The request should be supported by a rationale and indication of staff, student, parent and community support for the naming. The principal will notify the communications department of the naming request and a decision will be made whether or not to proceed, based upon evaluation of the request and rationale relative to Board policy FF - Naming Schools, Programs and Properties. If the principal and communications department decide not to proceed, a letter outlining the reason will be sent to the proposer(s). If a decision is made to proceed, the communications department will undertake a naming process.

Renaming of Schools, Programs and School Facilities

On occasion there may be proposals to rename existing schools, programs, school buildings or areas within a school from individuals, petitions, chosen committees or other representative groups. Requests will be received by the principal. Requests should be supported by a rationale; documentation of staff, student, parent and community support; a fiscal impact statement; and suggested methods of covering the expense of the name change. The principal will notify the communications department of the name change request and a decision will be made whether or not to proceed, based upon evaluation of the request and rationale relative to Board policy FF - Naming Schools, Programs and Properties. If the principal and communications department decide not to proceed, a letter outlining the reason will be sent to the proposer(s). If a decision is made to proceed, the communications department will undertake a naming process.

When a decision has been made to undertake a naming process, it will proceed as follows:

1. The communications department will appoint a naming recommendation committee.

2. The naming recommendation committee will consist of stakeholders including:

    a. For a school, program or school facility:

        (1) A Board member;
        (2) A district administrator;
        (3) The principal;
        (4) At least one teacher;
        (5) At least one classified employee;
        (6) A parent representative of the site council;
        (7) At least one community member from the immediate community served by the facility;
        (8) At least one student (when naming a high school);

(9) The athletic coordinator or athletic director (when naming a high school); and
(10) Other appropriate members designated by the communications department.

b. For a nonschool facility:

(1) A Board member;
(2) A district administrator;
(3) A teacher;
(4) A classified employee;
(5) At least one community member from the community served by the facility: and
(6) Other appropriate members designated by the communications department.

3. The committee, working with the communications department, will:

a. Set a timeline for choosing a name. For new schools, programs and facilities, the timeline must be consistent with the schedule to open the school, program or facility.
b. Notify the school community, neighborhood community, community groups, employee groups and district administrative staff about the naming process.
c. Make available multiple methods for interested parties to provide input; this may include holding one or more public meetings to hear comment from community members, parents, prospective students and staff.
d. Ensure that the proposed names meet the criteria outlined in Board policy FF - Naming Schools, Programs and Properties.
e. Give consideration to the historical background of the proposed names to ensure that they are not associated with activities that are in conflict with the district's mission, goals and nondiscrimination policy.
f. After consideration, vote to select a short list of proposed names (typically three to five).

4. On or before the conclusion of the designated timeline, the communications department and the committee will forward to the superintendent the committee's short list of proposed names, a description of the process used to determine the names, a brief rationale for each name, and the extent of support for the names in the school and neighborhood communities.

5. The superintendent will ensure that the procedural requirements of Board policy FF - Naming Schools, Programs and Properties and this administrative regulation are satisfied and will bring a recommendation to the Board for their consideration.

6. The Board will consider the proposal, gathering additional information and holding public hearings, as they deem necessary, and then vote on the proposal.

7. The decision of the Board will be final.

Naming Process for Areas within Nonschool Facilities

1. Requests to name or rename areas within nonschool facilities will be received by the communications department. Requests will be accompanied by a statement of rationale and financial impact.

2. The communications department will ensure that the procedural requirements of Board policy FF - Naming Schools, Programs and Properties and this administrative regulation have been satisfied. If approved, the proposal will be forwarded to the superintendent.

3. The superintendent and the Board chair will evaluate the request based upon the criteria established in Board policy FF - Naming Schools, Programs and Properties and make a decision whether or not to proceed with the request.

4. If the decision is not to proceed, the superintendent will notify the proposer of the decision and the reason for the decision.

5. If the decision is to proceed, the superintendent will bring a recommendation to the Board for their consideration.

6. The Board will consider the proposal, gathering additional information and holding public hearings, as they deem necessary, and then vote on the proposal.

7. The decision of the Board will be final.

Naming as a Result of Gifts

Proposals to name new facilities or parts of existing facilities may be considered as part of the contract negotiations in acceptance of a significant monetary gift. Names proposed must be in keeping with the criteria established in Board policy FF - Naming Schools, Programs and Properties.

The proposed name will be reviewed by a committee including, but not limited to, the superintendent, Board chair and the principal (if the name affects an existing school facility). Consideration will be given to the historical background of the name to ensure that it is not associated with activities that are in conflict with the district's mission, goals and nondiscrimination policy.

If the committee recommends the name proposal, the superintendent will bring the recommendation for the naming proposal and the resolution to accept the donation, including the rationale, to the Board for consideration.

Signs and Markers

The communications department and director of facilities shall develop and make available to schools guidelines and specifications concerning signs or markers placed on school facilities and campuses to honor persons or acknowledge entities for which areas within the school are named. Unless otherwise agreed to by the superintendent, the cost of signs or markers or any other cost associated with the naming will be the obligation of the individual school.

Eugene School District 4J

Code: **FF**
Adopted: 6/16/75
Readopted: 10/08/03; 6/01/15; 10/03/18
Orig. Code: FF; 8410

Naming Schools, Programs and Properties

The naming of all schools, programs and school district properties, including but not limited to school buildings, areas within school buildings, athletic fields and nonschool facilities, is the responsibility of the Board.

The Board recognizes the importance of soliciting student, staff, parent and community input in the selection of names. Name nominations may be presented by individuals, by petition, by chosen committees, or by other representative groups. The superintendent or designee will appoint an advisory committee to consider alternatives and make a recommendation to the superintendent about which names to recommend to the Board. While every effort will be made to respect student, staff, parent and community preferences, the Board retains the final authority over selection of names for schools, programs and facilities.

Criteria for Names

In considering appropriate names for any school, program or facility, it is the responsibility of the Board to ensure that the name has broad acceptance in a multicultural society and properly reflects the type and mission of the school, program or facility, as determined by the Board.

When evaluating school, program or facility names, the following general criteria shall be followed:

Names submitted for consideration may:

1. Be known and significant to the community, students and staff; or

2. Relate to local neighborhoods, to relevant geographic areas, to places of historical, geographical, geologic or cultural significance, to indigenous and characteristic flora or fauna; or

3. Be persons or groups of persons, preferably deceased at least three years, who have demonstrated international, national, state or local leadership in the fields of education, arts and sciences, or public service; or

4. Be thematic to reflect the character of the community culture and history; or

5. Reflect features of the facility or its program type and mission.

Names submitted for consideration shall not:

1. Duplicate or nearly duplicate the names of other schools, programs or facilities in the district or surrounding districts;

2. Reflect the names of specific cities with the exception of “Eugene”;

3. Be a person, location, theme or character whose primary identification is of a religious nature;

4. Include the word “neighborhood” in a school name unless the school has defined attendance boundaries; or

5. Include the word “school” in a program name if it does not meet the definition of a school as a complete educational program with a separate organizational structure, teaching staff, budget, etc.

Special Recognition of Specific Persons

The Board acknowledges that communities served by schools, programs and district facilities periodically desire to recognize individuals for long and honorable service. Schools, programs and facilities may be named for former school district employees, students or community members who have made specific contributions to education within the district. In general, schools, programs and facilities will be named only for individuals who have been deceased for at least three years. In no case will a school, program or facility be named for a current staff member or student or an elected official currently in office.

Gifts

In exceptional circumstances, consideration may be given to naming a new school or non-school-facility or a portion of an existing school or non-school-facility for a significant gift as determined by the Board. Naming schools and nonschool facilities in this instance shall be consistent with all Board policies and shall appropriately reflect the donor’s financial support as well as the donor commitment to the district’s mission and the objectives of the school system.

Renaming or Amending of Current Names

The Board recognizes that renaming existing schools, programs or facilities or amending existing names by adding or deleting words or phrases is a serious, considered decision and should not be made arbitrarily, frivolously or in haste. Because the impact of renaming or amending the name of an existing school, program or facility is substantial in terms of potential public confusion and administrative and fiscal costs, the burden is upon the party or parties proposing the name change to present credible evidence that the benefits of renaming or amending the name outweigh community and district impacts.

The name change must be supported by the school community and the community and must be accompanied by a fiscal impact statement and a proposed method of covering the expense of the name change. The Board has the ultimate authority to determine if a credible showing for changing a name is made.

Relocated Schools and Programs

School and program names are independent from existing facility names. When a school or program is relocated to occupy an existing facility, the school or program and the facility that houses it will both retain their existing names unless a renaming process is completed.

Implementation

The Board authorizes the superintendent to develop procedures that provide for implementation of this policy.

END OF POLICY

Legal Reference(s):

ORS 332.107

Eugene School District 4J
200 North Monroe Street
Eugene, OR 97402-4295
541-790-7700
www.4j.lane.edu

ITEM FOR ACTION AT A FUTURE MEETING

Date of Meeting
May 1, 2024

Title
High School (HS) (Grades 9-10) English Language Arts (ELA) Instructional Materials Adoption

Presenters
Adrienne Pierce, Secondary Curriculum Administrator
Tammy Steeves, Secondary ELA Specialist/Teacher on Special Assignment (TOSA)

Background
Currently, 4j secondary ELA education does not have a viable, aligned, comprehensive curriculum. Compliance with the OARs Chapter 581, Division 22 standards requires a curriculum to be in place so teachers can provide up-to-date instruction that aligns with the current Oregon ELA Education Standards. Reintroducing an ELA curriculum at the high school level will result in students' growth in reading, writing, speaking, and listening skills, as well as enhancement their overall English language literacy skills.

Best practices in ELA education demand we provide high-quality instructional materials emphasizing the three shifts in secondary ELA standards, which emphasize text complexity, knowledge building, and grounding work in evidence from the text, in addition to being culturally inclusive. Equitable access to comprehensive ELA courses across our K-12 schools aligns with our district value of prioritizing equity.

A HS ELA adoption pilot team was organized, composed of 2 administrators, 15 HS ELA teachers, 1 ELA TOSA and 2 Student Services department specialists. The pilot team followed the process in the current Administrative Rules for Instructional Materials Adoption for Core Curriculum. After rigorous review, 100% of the adoption pilot team came to a unanimous recommendation for the district's purchase of Houghton Mifflin Harcourt (HMH) *Into Literature* for grades 9-10 to be used in all 4J high schools, including Fox Hollow and HMH Writable for grades 9-12.

The estimated total purchase price of this contract is $1,100,832.21.
The HMH *Into Literature* purchase includes teacher's editions for each 9-10 ELA teacher; an Implementation Guide; student materials for each student that are updated yearly; a 7-year digital student (and teacher) license with access to all curriculum components, including some audio-versions of the student texts; Writable for grades 9-

12; and on-going, flexible, annual professional development for the life of the contract at $1,100,832.21.

We will purchase the program as soon as possible, in order to have materials barcoded and in classrooms before staff return in the fall of 2024 and to ensure materials are made available for community viewing.

Options and Alternatives
Without the purchase of an aligned, comprehensive ELA curriculum, 4J will be out of compliance with Division 22 standards. Without a viable, updated ELA curriculum teachers may feel the need to resort to using materials from TeachersPayTeachers or other unverified sites. If purchased, the district will successfully provide aligned, high-quality materials for use throughout the district.

Which students, and how many, are served by this project?
For the 7-year contract with HMH, a total of 5 in-person high schools + Fox Hollow will be served, with an approximate total of 2,521 9th and 10th grade students.

Budget/Resource Implications:

Materials Purchase		
Product	**Product Description**	**Unit Price**
HMH Into Literature Student & Teacher Editions (7 Years)	Grades 9-10 Teacher Edition, Digital Platform, Student Editions, HMH Ed Student & Teacher Digital Platform, Novel Long Reads	*$673,427.08*
HMH Writable	Writable Platform (Grades 9-12)	*$409,222.80*
HMH Professional Development	1 year Professional Development	*$18,560.00*
	Shipping & Handling	*~$18,182.53*
	Total -	~$1,119,392.41

Recommendation

The Superintendent recommends the approval of $1,119,392.41 for the purchase or HMH Into Literature, to provide access to an approved ELA curriculum for 9th and 10th grade.

Secondary (Grades 6-12) English Language Arts (ELA)
Instructional Materials Selection Process Utilized to Achieve the Recommendation for Adoption

Launch Date August 4, 2021
MS Recommendation Date March 6, 2024
HS Recommendation Date May 1, 2024

Title
Initiate Process for a Secondary Language Arts Curriculum Adoption

Presenter
Adrienne Pierce, Tammy Steeves

Background
In 2020, Oregon Department of Education adopted new English Language Arts standards. While similar in scope to Common Core State Standards (CCSS), there are key areas that have been refined and added after multiple years of CCSS standards implementation in Oregon.

Current curriculum used in the secondary level classrooms (grades 6-12) is based off of CCSS standards. While some materials have been purchased as a supplement to existing curriculum used by some of the secondary schools, a full adoption process, encompassing educator and community voice, has not taken place since 2007. The current curriculum does not align with current research on emphasis outlined in the new Oregon standards.

Dual Language Immersion programs (secondary) have not participated in a Language Arts adoption in tandem with our English language programs. As a result, DLI programs have had to implement curricula that are not aligned and make lesson planning, instruction, and connected learning difficult. Adopting an aligned language arts curriculum 6-12 would allow for coordination of professional learning and cross-language connections.

Outline of Process

Objective: To adopt complete 6-12 core and supplement materials by 2023-2024 school year. This suite of tools will be aligned to ODE ELA standards, as well as be aligned to research.

We will take a suite approach, as the likelihood of finding a single curriculum that effectively teaches content learning and comprehension, supports writing development, and is aligned to language arts standards is highly unlikely across all six grade levels. Many districts nationally have looked at pairing tools or curriculu to meet the demands of language arts standards.

Team:

Leads (English): Secondary LA TOSA
Lead (DLI): DLI TOSA
Lead Administrator: Adrienne Pierce

Adoption & Pilot Team: The team will be composed of two teachers per building (representing different grade levels). In addition to classroom teachers, SPED, Title, ELD, Equity Director, TOSAs (SDS, Instructional Technology, District Librarian) and building principal representatives will also be asked to participate. The anticipated team size is 28 secondary teachers in addition to district staff.

Buildings will be encouraged to work as a staff to select the members for the adoption team, focused on having multi grade-level representation for the Adoption Committee. Ideally, staff committing to the adoption process will have a strong knowledge base of language arts instruction and standards. Staff members interested will need to agree to being a part of the adoption committee as well as piloting curriculum. Additional staffing for piloting, especially for immersion, will be necessary.

Phase	Month	Description or Task
Launch ***School board launches the adoption process. A team is formed that receives training, elicits input and establishes a vision with aligned criteria.***	***August 2021*** ***August 4 August 18***	***(a) The board will approve the initiation of the process and articulate the desired outcome. The superintendent will name a process facilitator.*** ● **Proposed adoption process for Secondary Language Arts and Social Studies will be presented to ILT** ● **Assistant Superintendent and/or Curriculum director will formally requisition adoption process to begin, with the desired outcome of a secondary literacy suite that can address ODE language arts standards (Board Meeting: 8/4; 8/18; 9/1/2021)** **The Instructional TOSA team will begin to pull a collection of resources for consideration for rubrics, professional learning resources, 4J and ODE criterias and guidance.** ○ August 4, 2021 Board Meeting Minutes XIV.1 Information Item - ELA Adoption Proposal ○ August 18, 2021 Board Meeting Minutes XII.1 Action Item - Board discussion ○ September 1, 2021 Board Meeting Minutes XII.3 Action Item - ELA Adoption Proposal Board Approval
	August 2021	***(b) The process facilitator will direct the adoption process and will form an adoption team. Professional development will be provided for the adoption team in standards, best practices based on current research and the equity decision tool.*** ● **Curriculum director and lead TOSAs will communicate with building principals and all certified staff (email) about the upcoming adoption team and call for participation. Buildings will be encouraged to select two members from their staff to participate, ideally one lower level and one upper level representative.** - **All-Call Email** - **Original Sign Up List of Teachers** - **End of 2021-2022 School Year Review Team Teacher List** - **End of 2021-2022 School Year Teacher Demographics List** - **2022-2023 School Year Review Team Teacher List**

		● **In addition to building representation, stakeholders from SSD, Title, ELD, District Librarian, Equity Director, technology, and elementary building administration.**
	August 2021	● **Solidify adoption team and commitment for piloting in Fall 2023. Communication with dates and time requirements will be shared with participants.** - **Secondary ELA Summer Work Kick Off (presentation video)** - **Secondary ELA Summer Work Kick Off (slide deck)** - **Adoption Timeline** - **Nov 2021 Notification Pre-work Flier** - **Dec 2021 Notification Pre-work Flier** - **Feb 10, 2022 Notification Flier** - **Feb 17, 2022 Notification Flier** - **Feb 28, 2022 Notification Pre-work Flier** - **March 3, 2022 Notification Pre-work Flier** - **Spring Meetings 2022 Notification Flier** - **April 2022 Publisher Presentations Email**

	August - ongoing 2021	*(b) The process facilitator will direct the adoption process and will form an adoption team. <u>Professional development will be provided for the adoption team in standards, best practices based on current research and the equity decision tool.</u>* • **Build background learning for adoption team members via e-modules, common read, and facilitated meetings. A flipped classroom module may be utilized, to build common knowledge and background for examining curricula. Members will participate in professional learning in August 2021.** ○ **Professional Learning Resources:** ■ **The Opportunity Myth (TNTP)** ■ **Accelerate, Don't Remediate** ■ **Building Critical Consciousness for Educational Equity** ■ **Privilege Power and the Difference** ■ **Literacy Unpacked** ■ **Scarborough's Rope** ■ **Knowledge is Power (but whose knowledge?)** ■ **Building Knowledge (Baseball Study)** **Pre-Adoption Scope and Sequence** **4J Vertically Aligned Scscarboroughsrope.png Scope & Sequence** **Secondary Language Arts Adoption Kick-off *** **Shifts in ODE requirements: PD - Knowledge / Science of Reading *** **<u>Reset Launch 2022</u>** **New Timeline 2022-2023** **Literacy Professional Learning Kick-off: Slide Deck Handout** **New Curriculum Team Review Meeting - Slide Deck Handout** **Strengthening Literacy Outcomes for all Students Slide Deck Handout** **Revised 2022-2023 Timeline (version 2) (due to cuts in PD opportunities)** **TOSA responsibilities halted Nov 2022 - New timeline development will occur after a return from temporary reassignment.** **Revised 2022-2023 Timeline (Version 3)**

	September 2021 - 2024 (ongoing)	***(c) The adoption team will solicit input from applicable staff and then produce a common vision with aligned criteria, evaluation rubric and a timeline for curriculum adoption. <u>Outline of process will be made available for public comment.</u>*** ● **The public comment prior to piloting will be planned, especially inlight of COVID 19 safety precautions.** **Secondary ELA - Review/Preview Adoption (All 4J ELA Staff)** **ACT Jigsaw (beginning development of vision - All 4J ELA Staff)** **Emerging Vision Statement Development** **Community Presentation #1 (April 27, 2023)**

	Monthly	***d) The adoption team will report progress to the instructional leadership team and receive feedback.*** ● **Curriculum Director and TOSA(s) will provide frequent updates on progress to ILT, at least 1-time per month.** ○ **Information shared at Principal's Meeting.** ○ **Updates will be provided either in-person or via written report** ○ **Eric will add ILT meeting dates** ○
Pilot ***Materials are piloted and examined using established criteria and data collected.***	***January 2022 - April 2022***	***(a) The adoption team will review available curricula and develop a list of materials to consider. Selected materials will be evaluated using the evaluation rubric including the district's equity tool.*** ● **Curriculum Publisher presentations will take place.** ○ **Review Materials & Score using agreed upon rubric** ■ **Rubric** ○ **Come to consensus on which programs to pilot.** **2021-2022** **Core Team Meeting - Overview 1st narrowing down of curricula** **Curricula Evaluation Preparation / Three Shifts at ODE** **Curricula Evaluation Preparation** **MS OR IMET Curricula Evaluations** **MHS OR IMET Curricula Evaluations** **HS Publisher Presentations** **MS Publisher Presentations** **Due to unforeseen circumstances, the ELA Adoption was placed on hold (limited PD option, limited subs, TOSA unavailable due to subbing) and will continue August 2022.** **Reset Launch 2022-23 School Year** **10/13/23 Review Tool** **1/24/23 Examining 4J's Review Criteria** **2/3/23 Review Kick Off** **2/8/23 Review Curricula** **2/16/23 Review Findings** **2/28/23 Curriculum Presentations Part 2**

		3/1/23 [Review Curricula C & D] 3/9/23 [Review Findings] 4/3/23 [Final Pilot Recommendations]
	June 2023	***(b) Pilot teachers will receive professional development prior to piloting.** The pilot team will evaluate units from the recommended curricula. All members of the pilot team will pilot more than one curriculum. The adoption team may observe pilot classrooms.* ● **Adoption team members and pilot teachers will be trained in curriculum, and team will determine units to teach (using guidance from (TOSA team).** **Deadline to apply for Pilot: April 30, 2023** **Letter to principals to request teacher representation**
	Aug 2023 - Dec 2023	***(b) Pilot teachers will receive professional development prior to piloting. The pilot team will evaluate units from the recommended curricula. All members of the pilot team will pilot more than one curriculum. The adoption team may observe pilot classrooms.*** ● **PIlot Overview - Timeline** ● **Pilot teacher will evaluate curricula, using standardized rubric. Teachers will each teach at least two curricula and be provided at least 12-hours of extended contract for the additional time accrued by piloting (additional time to plan and evaluate).** ○ Pilot #1 Data ● **Due to Data from HS PIlot #1, a 3rd pilot was voted on to bring in per district admin and pilot team.** ○ 12/14/23 - Team Meeting ○ Processing ○ Follow up Email

- Decision
- Updated Pilot Calendar

September 2023 - Dec 2023

(b) Pilot teachers will receive professional development prior to piloting. The pilot team will evaluate units from the recommended curricula. All members of the pilot team will pilot more than one curriculum. <u>The adoption team may observe pilot classrooms.</u>

- **Curriculum Director, TOSA team, and adoption team members will be provided time to observe pilot material in action.**
  - **The Curriculum Director and TOSA team will see all piloted curriculum taught at every grade level.**
    - **HS Observation Schedules**
      - 10/10/23
      - 12/7/24
      - 3/4/24 & 3/5/24
    - **MS Observation Schedules**
      - 10/10/23
      - 1/7/24
    - Thank you Note to each team member after observation
  - **Adoption Team Members will have the option to observe, but will not be required.** (HS Team members joined observations on 3/4 & 3/5)
- **May/June 2023 - Pilot #1 Training and Prep**
  - 5/31- HS Pilot Teachers- Imagine Learning: Odell Training
  - 6/1- MS Pilot Teachers- Wit and Wisdom Training
- **October 24 & 26 - Pilot #2 Training and Prep**
  - 10/24/23 - MS Pilot Teachers - Amplify ELA Training / Flyer Email
  - 10/26/23 - HS Pilot Teachers - ARC Core Training / Flyer Email

		● **February 7, 2024 - Pilot #3 Training and Prep (HS Only)** ○ 2/22/24 - HS PIlot Teachers - HMH Into Lit Training / Flyer Email
		(c) The adoption team will collect data from the pilot team and will inform and receive input from parents, teachers and administrators. ● **Pilot team teachers will gather data throughout the course of the pilot. This data will be analyzed by the adoption team.** ● **Curriculum Open House will be scheduled for parents and community stakeholders to provide feedback as well as learn about the pilot process.** ○ **Open House: May 4, 2023** ○ **Pilot #1 (MS: Wit & Wisdom, HS: Odell) Data Collection** ○ **Pilot #1, 2 (3 for HS) (MS: Wit & Wisdom/Amplify, HS: Odell, ARC, HMH)**
Evaluate & Report ***Data are evaluated, materials are ranked and a***	***Feb - April 2024***	***(a) Using all data gathered, the adoption team ranks curricula, applying the equity decision tool and will report its findings to the instructional advisory council.*** ● **Adoption team will compile data from all sources and rank curricula** ● **A consensus protocol will be utilized to determine the team's final recommendations for adoption** ○ MS Consensus / Literacy Newsletter Update 2/28/24 ○ HS Consensus / Literacy Newsletter Update 4/19/24 ● **The Curriculum Director and TOSA team will develop a presentation and accompanying documentation to present to IC.**

<table>
<tr><td rowspan="2">report is submitted.</td><td>March 2024</td><td>(b) The instructional advisory council will review the findings and ensure the adoption process has been followed. The instructional advisory council will provide feedback to the instructional leadership team.
● Materials and all findings will be prepared for the IAC and IC to review.
○ MS Presentation & Materials
■ 3.8.24 IAC Invitation / One Pager / Presentation

○ HS Presentation & Materials
■ 4.22.24 IAC One Pager / Presentation</td></tr>
<tr><td>March 2024</td><td>(c) The instructional leadership team will review the rankings and instructional advisory council feedback and make a recommendation to the superintendent.
MS Presentation & Materials
● 3.12.24 IC One Pager / Presentation / Consensus Data
HS Presentation & Materials
● 4.23.24 IC IC One Pager / Presentation / Consensus Data</td></tr>
<tr><td>Adopt
Superintendent makes an adoption recommendation to the school board.</td><td>Feb - April 2024</td><td>(a) The superintendent will make a formal recommendation to the school board to adopt a Curriculum.
Middle School
○ Approval of formal recommendation was approved by designee - Larry Williams on 3.22.24 due to transition of superintendency.
■ Approval of Recommendation .pdf
○ 4.3.24 MS Curr Rec Board Presentation - Item for Information
■ Board Memo: Item for Future Action/Presentation / Board Agenda
High School School
○ 5.1.24 HS Curr Rec Board Presentation - Item for Information
■ Superintendent Approval / Item for Future Action / Presentation / Board Agenda

(b) The decision of the school board is final.
● If possible, the hope is to have the decision made in late April for MS and late May for HS, so that PD can be provided prior to the end of the school year, and materials can be delivered before teacher leave for summer.
○ 4.17.24 MS Board Approval / Consent Item / Item for Action / Board Agenda</td></tr>
</table>

		○ **5.15.24 HS Board Approval /** Consent Item / Item for Action / Board Agenda
Implement ***Schools implement with professional development and evaluation opportunities.***	***Mar - May 2024***	***(a) Once the school board makes a decision, the adoption team will develop an implementation plan including professional development for affected teachers and evaluation of materials.*** ● **Implementation plan will be drafted early, as a tentative scope regardless of curriculum decided upon. This plan will be finalized once the board makes a final decision.** ○ **The goal will be to start professional learning and implementation in Spring 2024** 177
	September 2024	***(b) Schools will begin using the new curriculum according to the implementation plan.***
		(b) After a designated implementation period, the instructional leadership team will assess strengths and areas for improvement, including equity impacts, to inform any needed supplementation to the current adoption as well as future adoption cycles. This process will include input from affected teachers, parents and administrators. ●
		(c) The instructional leadership team will report findings to the superintendent to share with the board.

Options and Alternatives
Although data and research does not support this, an alternative to curriculum adoption includes continuing to use our current materials in addition to supplementing with new materials.

Budget/Resource Implications
Instruction Department resources have been allocated to fund the time needed for an adoption and pilot team to follow the curriculum adoption policy. Bond funds have been earmarked for the purchase of a new language arts curriculum.

Board and Superintendent Goals
Goal 1: Educational Excellence with Equitable Access and Outcomes for Every Student

Provide all students with a high-quality, well-rounded educational experience that is rigorous, culturally responsive, healthful and engaging.

Objective 1:

Support student learning with rigorous, relevant, consistent curriculum and clear expectations for teaching and learning

Goal 2: Multiple pathways to student success

Provide multiple pathways to student success, including instructional and career pathways to engage all students for post-graduate readiness.

Objective 1:

Provide rigorous academic programs in both neighborhood and alternative (magnet) schools.

Objective 2:
Provide equitable educational opportunities at all comprehensive secondary schools.

Adopting stronger curricular tools is an essential component to improving literacy instruction and outcomes for the district.

Recommendation

The Superintendent recommends the school board initiate the process for a Secondary Language Arts adoption.

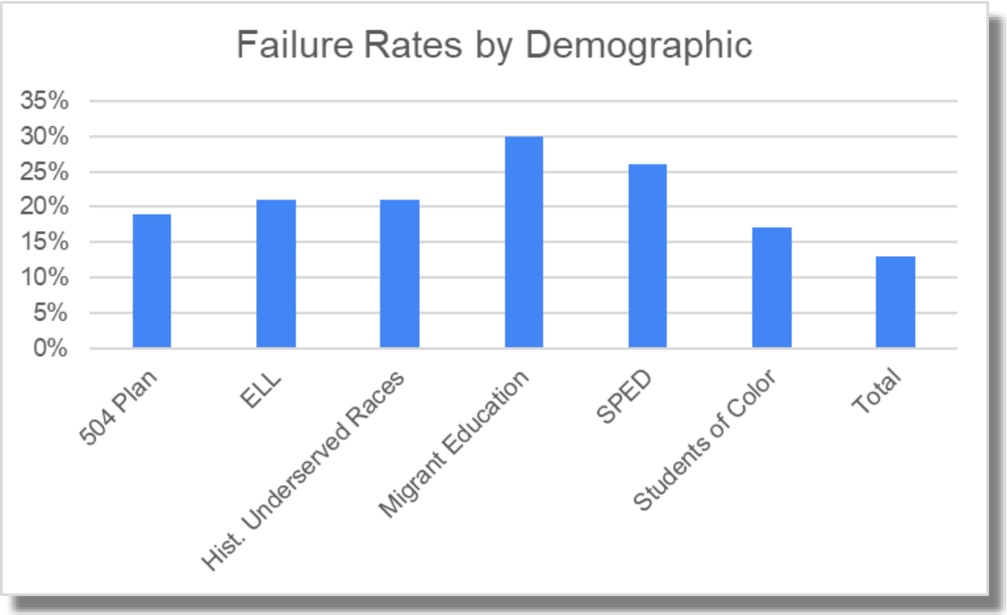
HS Language Arts Materials Adoption

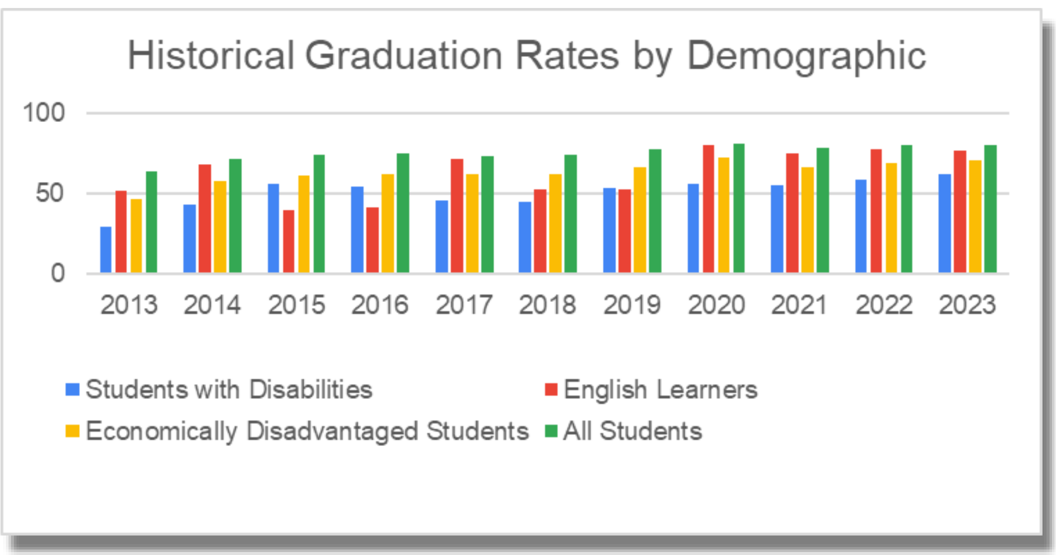
Presentation to School Board

4J School District

May 1, 2024

The Why Behind the New Language Arts Curriculum





"[Curriculum] **can be a doorway to big, bold change.** It's an opportunity to ease our way into rewiring how school systems operate, enabling them to **learn, adapt, evolve, and dismantle systemic inequities in a rapidly transforming world."**

–from "Curriculum: Not Your Average Silver Bullet" by Chu & Gurny (2023) shared by Columbia University

Materials Adoption Timeline

Launch & Initial Review 2021-2022	Review Curriculums 2022-2023	Pilot 2023-2024	Adopt June 2024	Implement 2024-2025
Superintendent launched adoption and and a team was formed. Team used EdReports, the Instructional Materials Evaluation Tool (IMET) and the NYU Culturally Responsive scorecard to rate all 17 ODE reviewed materials and identified four curriculums for 6-8 Language Arts and four curriculums for 9-12 Language Arts.	A review team was formed to review all eight curriculums with the goal of narrowing down to two pilot curriculums for 6-8 and 2 for 9-12. Review Team engaged in knowledge building and used the acquired knowledge, along with nationally-vetted review tools to develop a 4J Review criteria that was used to evaluate all eight curriculums.	Each review team member piloted one unit from each of the pilot curriculum. Each pilot begins with publisher training, followed by a 6-week unit. Data was collected via observations, pilot journals, observation notes, student surveys, and family surveys. Team members reviewed gathered data and feedback foreach program, evaluate their experiences, ranked pilot programs, and submit a final recommendation adoption.	Instructional Leadership Team review process and data, and make recommendation to the superintendent. Superintendent makes a final decision. Materials are ordered and implementation plans developed. PD planned for fall.	Professional development on understanding and use of new curriculum and supplemental materials. All MS & HS begin implementing new curriculum with support from the adoption team and Secondary ELA TOSA.

The Equity Lens

The National Equity Project's recommendations for promoting educational equity highlights the following standards: "Eliminate inequitable practices and cultivate the unique gifts, talents, and interests of every child . . . so that success and failure are no longer predictable by student identity –racial, cultural, economic, or any other social factor."

The Equity Lens: Teacher Comments

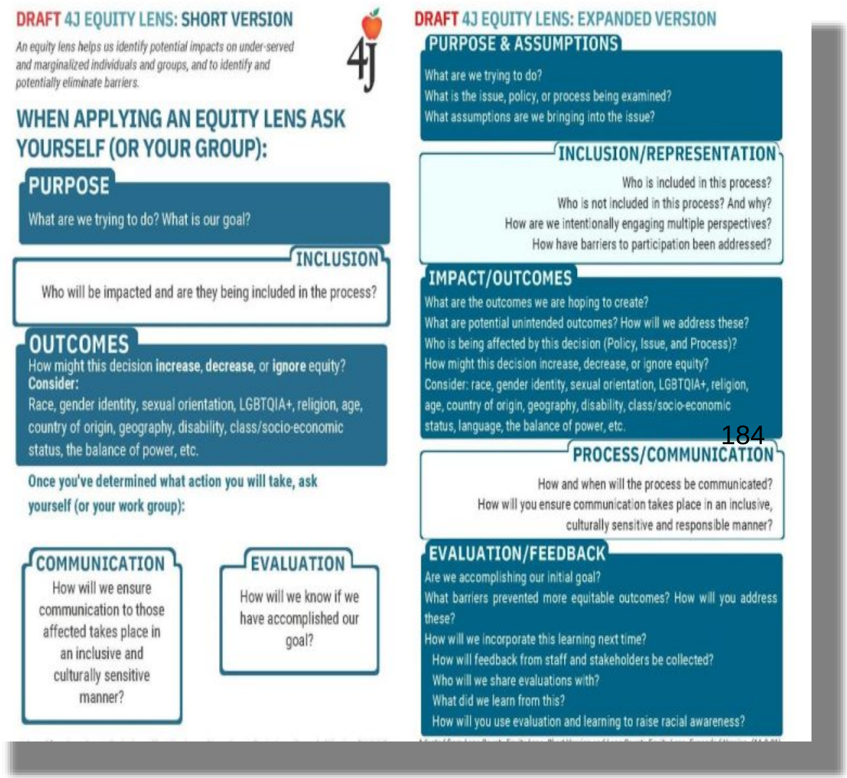
“The authors presented in in out unit came from many different backgrounds and offered ample opportunity to ask hard questions about racial inequalities. Furthermore the long reads offered included culturally responsive texts.”

“The online platform offers many ways to translate materials, Writable provides scaffolded prompts, there are simply more options with this curriculum which lends itself well to UDL”

"The texts that my classes engaged with covered a variety of Lexile ranges. They also covered a wide range of genres and topics/issues.”

“There are UDL and scaffolding resources built into the curriculum that supports students with the rigor of the text. This saves teachers from having to develop them on their own.

"The short reads provided choice for students with a range of difficulty levels to engage with the culturally relevant topics ranging from the bombing of Black Wallstreet to the experience of diverse students in white-dominate schools.”



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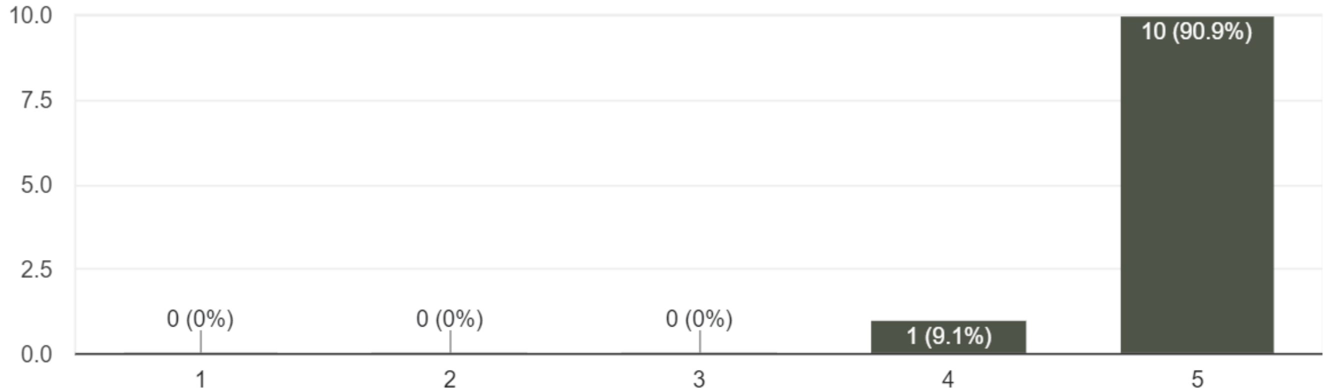
Adoption Team Teacher Feedback

Throughout this entire process I had sufficient OPPORTUNITIES to share input and feedback.

11 responses



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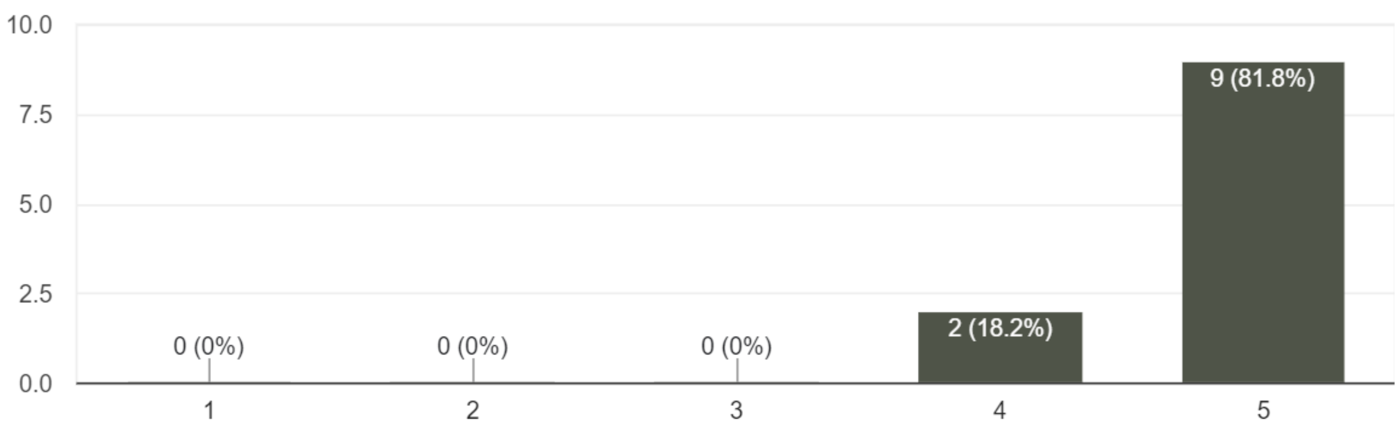
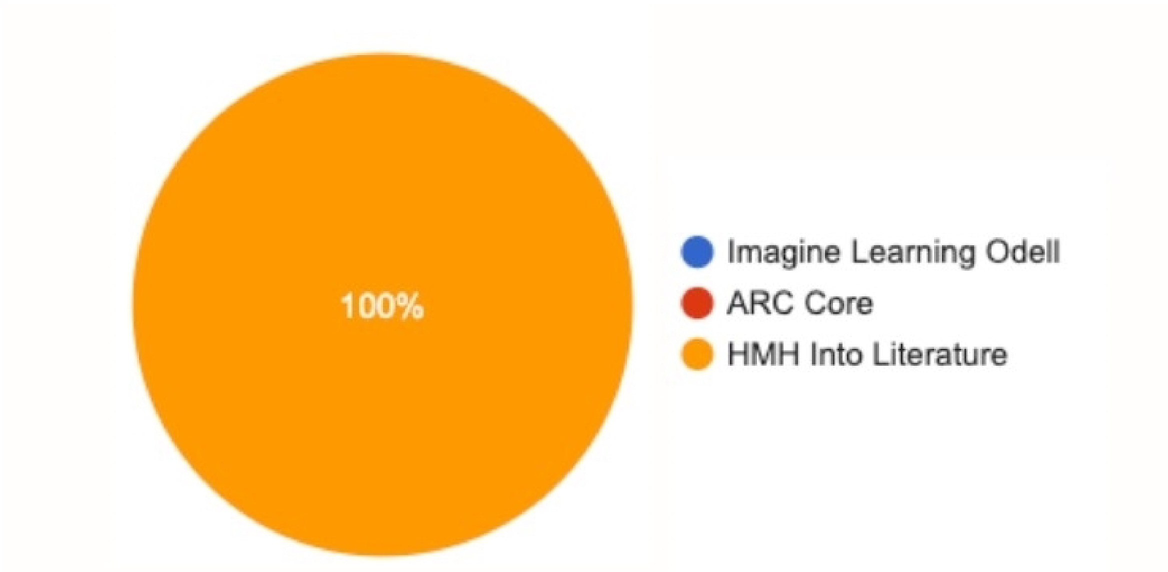
I BELIEVE our insights on the curriculum were normed.

11 responses



The Curriculum Review Team would like to Recommend HMH Into Literature Materials for Adoption to the School Board on May 15th.



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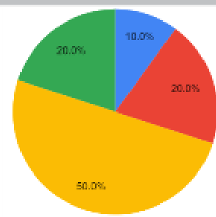
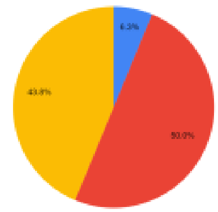
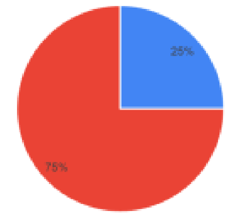
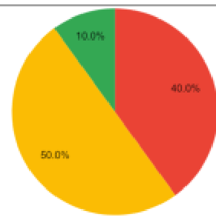
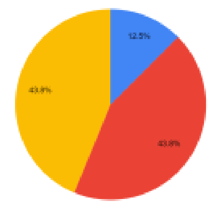
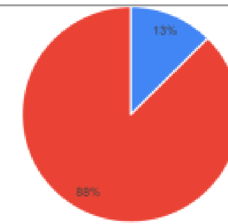
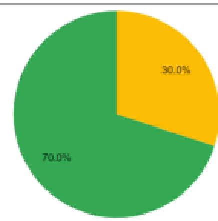
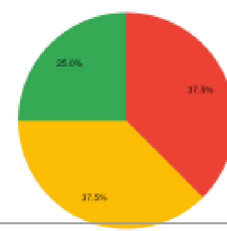
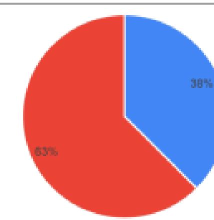
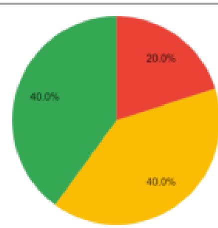
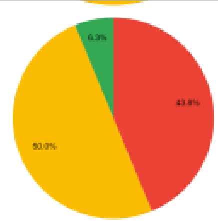
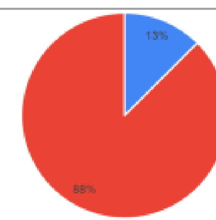
11:05 – 11:10

Teacher Ratings (HS)

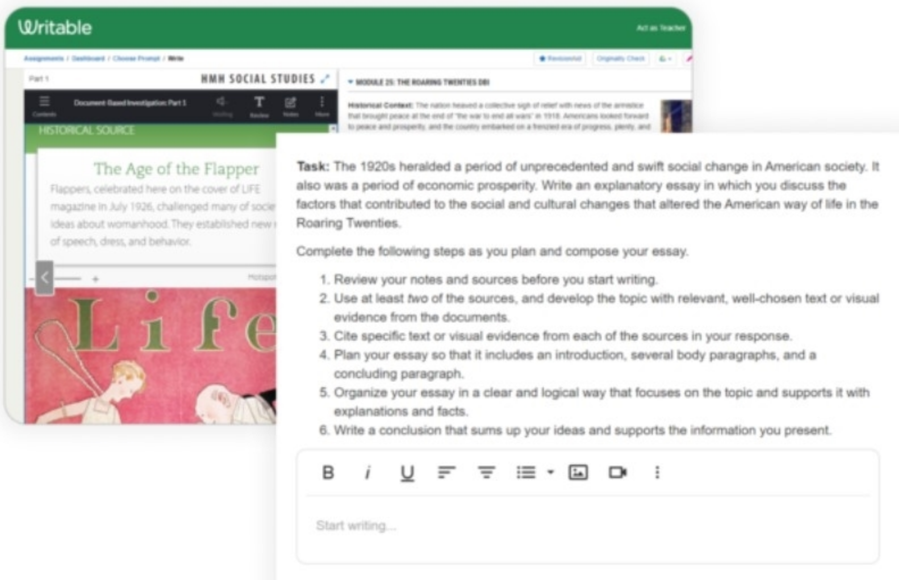
Final Teacher Rating Data

- 4: This curriculum FULLY meets this criterion.
- 3: This curriculum MOSTLY meets this criterion.
- 2: This curriculum SOMEWHAT meets this criterion.
- 1: This curriculum DOES NOT YET meet this criterion.

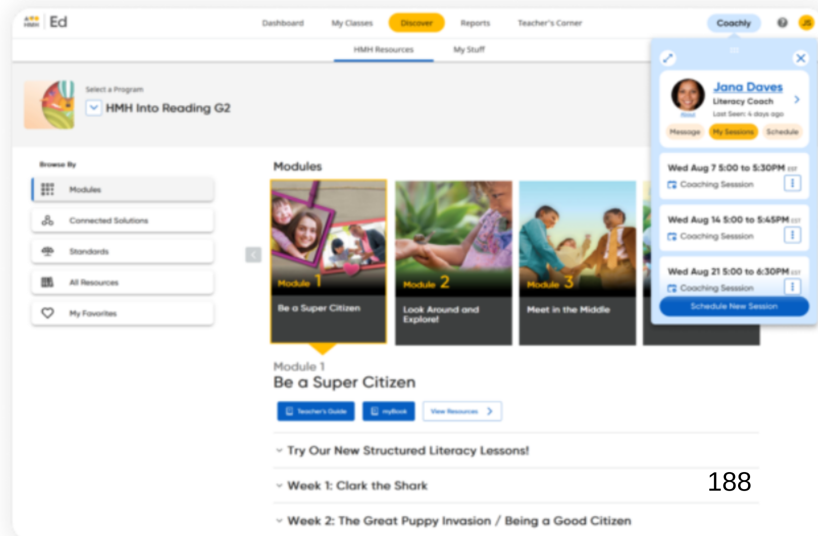
Criterion	Imagine Learning Odell	ARC Core	HMH Into Lit
Rigor			
Culturally Responsive & Relevant			
UDL			
Overall			

Components of HMH Into Literature

Writable



Implementation Supports



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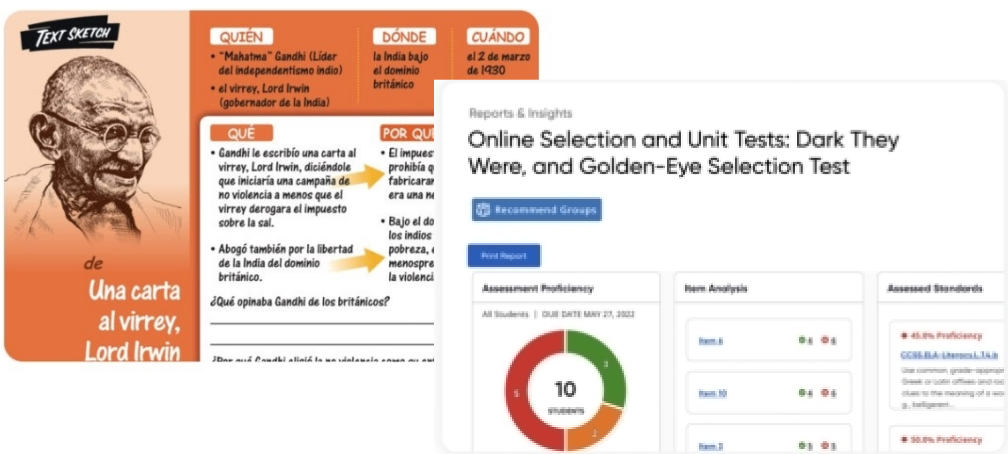
Student & Teacher Online and Print Materials



High School Budget for a 7 Year Contract

Material Description	Amount
9th Grade Student Digital Licenses Student Workbooks Teacher Editions & Digital Licenses	**$252,253.00**
10th Grade Student Digital Licenses Student Workbooks Teacher Editions & Digital Licenses	**$261,388.08**
(4) Unit Novel Sets	**$159,786.00**
Writable (Grades 9-12)	**$409,222.80**
Shipping & Handling	**$18,182.53**
Total	**$1,100,832.41**

This breaks down to $29.54 per student each year.

High School Budget for Year 1 Curriculum Implementation PD

Professional Development Description	Amount
Into Literature Getting Started	$8,400
Coaching - 1 year	$11,000
Total	**$18,560.00**

11:15

Curriculum Alignment

Ensure that curriculum includes pacing guides and implementation is monitored in alignment to pacing in all classrooms. Provide teachers with support and coaching surrounding fidelity of implementation. Professional learning on curriculum alignment should include collaborative time (District-wide PLCs) to internalize units, lessons, and student data.

Monitoring and Accountability

Curriculum-specific professional development should begin in Spring to provide staff with the opportunity to plan throughout the Summer. Along with professional development on curricular materials, prioritize professional development opportunities to enhance teacher instructional strategies for student discourse and engagement strategies, questioning strategies, and UDL practices. Professional development should include collaboration time, coaching, and feedback.

Professional Development

Implement a data-driven approach to monitoring curriculum implementation across classroom and accountability. This should include observations of classrooms and analysis of student assessment data to identify strengths and areas of opportunity for additional professional learning and support.

Thank You!

Any Questions?