MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

CERTIFIED PUBLIC ACCOUNTANTS
PAULY ROGERS AND CO PC

12700 SW 72nd Ave.
Tigard, OR 97223

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2022

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

2021-22
FINANCIAL REPORT

BOARD OF EDUCATION	TERM EXPIRES
Riley Holman, Chair	June 30, 2023
Sarah Fay, Vice-Chair	June 30, 2025
Sherrie Deaton	June 30, 2023
Sarah Wadsack	June 30, 2025
Chris Irwin	June 30, 2023

ADMINISTRATION

Bill Crowson, Superintendent
Christine Manley, Administrative Assistant/Deputy Clerk
Hilary Irwin, Business Manager

MAILING ADDRESS

365 North 5th Street
Monroe, OR 97456
Phone (541) 847-6292 * Fax (541) 847-6290

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

TABLE OF CONTENTS

PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 14, 2022

To the Board of Directors
Monroe School District No. 1J
Benton County, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Monroe School District as of and for the year ended June 30, 2022, 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 Monroe School District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. 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 Monroe School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Monroe School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, 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 Monroe School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monroe School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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, is presented for purposes of additional analysis and is 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, is 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 the 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 Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 14, 2022, 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.

Kenny Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

Monroe School District 1J
MONROE, OREGON

MANAGEMENT DISCUSSION & ANALYSIS

As management of Monroe School District 1J, Benton County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the district for the fiscal year ended June 30, 2022. It should be read in conjunction with the district's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

On June 30, 2022, the total net position of Monroe School District 1J was $5,858,022.

Of this amount, $8,699,157 was invested in capital assets, net of related debt. The remaining balance included $26,274 restricted for various purposes and ($2,867,409) in unrestricted net position.

On June 30, 2022, the District's governmental funds reported combined ending fund balances of $2,412,257.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Monroe School District 1J's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets and liabilities with the difference between the two reported as net position. 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.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements can be found on pages 4 through 5 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Monroe School District 1J can be classified as governmental funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Food Service Fund, Debt Service Fund, and Capital Project Fund, all of which are considered to be major governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Monroe School District 1J adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10 through 36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may, over time, serve as a useful indicator of the district's financial position. At June 30, 2022, Monroe School District 1J had assets of $17,026,707 and deferred outflows of resources of $1,212,569, liabilities of $9,797,962 and deferred inflows of $2,583,292 resulting in a net position of $5,858,022.

A large portion of the district's net position reflects its investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The district uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth-grade education; consequently, these assets are not available for future spending. Although the district's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position increased by $658,506 during the current fiscal year, mainly due to the District's strict adherence to its budget, as well as the impact of the reduction in the District's proportion of the State-wide liability for PERS.

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth-grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 92% of the funding required for governmental programs. Property taxes and state school funding combined for 97% of general revenues and 81% of total revenues.

Operating grants and contributions represent 16% of total revenues.

Expenses

Expenses related to governmental activities are presented in four functional categories: instruction, support services, enterprise and community services, and interest on long-term debt. Costs of direct classroom instruction account for 50% of the total expenses of $6,250,699.

Statement of Net Position

ASSETS:	2022	2021	Change
Current Assets:			
Cash and Investments	$ 2,653,742	$ 2,153,986	$ 499,756
Accounts Receivable	185,961	242,190	(56,229)
Noncurrent Assets			
OPEB Asset	45,955	73,940	(27,985)
Capital Assets, Net of Depreciation	14,141,049	14,509,590	(368,541)
TOTAL ASSETS	17,026,707	16,979,706	47,001
DEFERRED OUTFLOWS:			
Pension Items	1,126,149	1,480,717	(354,568)
OPEB Deferrals	86,420	61,062	25,358
	1,212,569	1,541,779	(329,210)
LIABILITIES:			
Current Liabilities:			
Accounts Payable	118,866	121,488	(2,622)
Payroll Liabilities	253,455	233,681	19,774
Unearned Revenue	27,433	-	27,433
Long-Term Debt due in one year	363,555	328,555	35,000
Direct Borrowings due in one year	25,387	24,515	872
Long-Term Liabilities:			
Bonds and Notes, due in more than one year	6,344,772	6,708,327	(363,555)
Direct Borrowings, due in more than one year	101,505	126,892	(25,387)
OPEBs	344,120	348,844	(4,724)
Proportionate Share of Net Pension Liability	2,218,869	4,697,746	(2,478,877)
TOTAL LIABILITIES	9,797,962	12,590,048	(2,792,086)
DEFERRED INFLOWS:			
Pension Items	2,511,357	664,366	1,846,991
OPEB Deferrals	71,935	67,555	4,380
	2,583,292	731,921	1,851,371
NET POSITION:			
Net Investment in Capital Assets	8,699,157	8,878,541	(179,384)
Restricted	26,274	15,625	10,649
Unrestricted	(2,867,409)	(3,694,650)	827,241
TOTAL NET POSITION	$ 5,858,022	$ 5,199,516	$ 658,506

Statement of Activities

	Governmental Activities 2022	2021	Change
Program Revenues			
Charges for services	$ 38,895	$ 8,470	$ 30,425
Operating grants and contributions	1,124,754	880,158	244,596
Capital grants and contributions	-	238,408	(238,408)
Total program revenues	1,163,649	1,127,036	36,613
General Revenues			
Property taxes levied for general purposes	1,451,926	1,382,497	69,429
Property taxes levied for debt service	379,867	402,997	(23,130)
State school fund	3,744,974	3,434,245	310,729
Local sources	89,438	91,369	(1,931)
Intermediate sources	27,913	23,667	4,246
Other state sources	52,618	-	52,618
Earnings on investments	(1,180)	12,094	(13,274)
Total general revenues	5,745,556	5,346,869	398,687
Total Revenues	6,909,205	6,473,905	435,300
Program Expenses			
Instruction	3,131,927	3,255,316	(123,389)
Support Services	2,622,089	2,802,488	(180,399)
Enterprise and community services	239,122	231,357	7,765
Interest on long-term debt	257,561	269,526	(11,965)
Total program expenses	6,250,699	6,558,687	(307,988)
Change in net position	658,506	(84,782)	743,288
Net position, beginning of year	5,199,516	5,284,298	(84,782)
Net position, end of year	$ 5,858,022	$ 5,199,516	$ 658,506

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the district's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the district's net resources available for spending at the end of the fiscal year.

On June 30, 2022, the district's governmental funds reported combined ending fund balances of $2,412,257. Of this amount, $1,617,652 constitutes unassigned fund balance, which is available for spending at the District's discretion. This unassigned fund balance was 34% of total General Fund expenditures.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022, amounted to $14,141,049 net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery, and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year was $2,626,616.

Additional information on the District's capital assets can be found on page 20 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of $7,188,289. This amount is comprised of general obligation bonds, limited pension bonds, and a note payable. The District's total debt outstanding decreased by $322,228 during the current fiscal year.

Additional information on the District's long-term debt can be found on page 28 of this report.

ECONOMIC FACTORS AND THE 2022-23 BUDGET

At the time these financial statements were prepared and audited, the District anticipated total appropriations of $10,374,557 in the 2022-23 budget. The District's funding resources are significantly impacted by economic conditions in the State of Oregon and the State's General Fund Budget. At the time of this discussion and analysis, the State's General Fund Budget is in the second year of the current biennium. Due to the uncertainty related to the State of Oregon's overall level of education funding, the District must remain diligent in strategic spending of our resources.

REQUESTS FOR INFORMATION

Our financial report is designed to provide our stakeholders a general overview of Monroe School District 1J's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Business Manager, Monroe School District 1J, 365 N 5th St, Monroe, Oregon 97456.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
ASSETS:	
Current Assets:	
Cash and Investments	$ 2,653,742
Receivables	185,961
Noncurrent Assets:	
Net OPEB Asset (RHIA)	45,955
Capital Assets:	
Non-Depreciable	50
Depreciable, Net of Accumulated Depreciation	14,140,999
Total Noncurrent Assets	14,187,004
TOTAL ASSETS	17,026,707
DEFERRED OUTFLOWS:	
Pension Related Deferrals	1,126,149
OPEB Deferrals - RHIA	28,992
OPEB Deferrals - Healthcare Subsidy	57,428
TOTAL DEFERRED OUTFLOWS	1,212,569
LIABILITIES:	
Current Liabilities:	
Accounts Payable	118,866
Payroll Liabilities	246,021
Accrued Compensated Absences	7,434
Unearned Revenue	27,433
Long-Term Debt due in one year	363,555
Direct Borrowings due in one year	25,387
Long Term Liabilities:	
Long-Term Debt due in more than one year	6,344,772
Direct Borrowings due in more than one year	101,505
Other Post-Employment Benefits	344,120
Proportionate Share of Net Pension Liability	2,218,869
TOTAL LIABILITIES	9,797,962
DEFERRED INFLOWS:	
Pension Related Deferrals	2,511,357
OPEB Deferrals - RHIA	20,258
OPEB Deferrals - Healthcare Subsidy	51,677
TOTAL DEFERRED INFLOWS	2,583,292
NET POSITION:	
Net Investment in Capital Assets	8,699,157
Restricted	26,274
Unrestricted	(2,867,409)
TOTAL NET POSITION	$ 5,858,022

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	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: Governmental Activities
Governmental activities:					
Instruction	$ 3,131,927	$ 36,548	$ 559,071	$ -	$ (2,536,308)
Support services	2,622,089	-	361,927	-	(2,260,162)
Enterprise and community services:	239,122	2,347	203,756	-	(33,019)
Interest on long-term debt	257,561	-	-	-	(257,561)
Total governmental activities	$ 6,250,699	$ 38,895	$ 1,124,754	$ -	(5,087,050)
General revenues:					
Property taxes levied for general purposes					1,451,926
Property taxes levied for debt service					379,867
State school fund - general support					3,744,974
Local sources					89,438
County School Funds					27,913
Other unrestricted state sources					52,618
Earnings on investments					(1,180)
Total general revenues					5,745,556
CHANGE IN NET POSITION					658,506
Beginning net position					5,199,516
Ending net position					$ 5,858,022

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL	SPECIAL REVENUE	FOOD SERVICE	DEBT SERVICE
ASSETS				
Cash and Investments	$ 1,920,681	$ 76,850	$ 239	$ 198,972
Receivables:				
Taxes	27,187	-	-	7,939
Accounts	38,277	101,780	8,658	2,120
Total Assets	$ 1,986,145	$ 178,630	$ 8,897	$ 209,031
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 20,217	$ 98,307	$ 342	$ -
Payroll Liabilities	246,021	-	-	-
Total Liabilities	266,238	98,307	342	-
Deferred Inflows:				
Unavailable Revenue				
Property Taxes	27,187	-	-	7,939
Grants	-	27,433	-	-
Total Deferred Inflows	27,187	27,433	-	7,939
Fund Balance				
Restricted for:				
Grants	-	17,719	8,555	-
Capital Projects	-	-	-	-
Committed for:				
Debt Service	-	-	-	201,092
Student Activities	-	35,171	-	-
Facilities and Improvements	-	-	-	
District Initiatives	75,068	-	-	-
Unassigned	1,617,652	-	-	-
Total Fund Balance	1,692,720	52,890	8,555	201,092
Total Liabilities, Deferred Inflows and Fund Balance	$ 1,986,145	$ 178,630	$ 8,897	$ 209,031

See accompanying notes to basic financial statements.

CAPITAL PROJECTS	TOTAL
$ 457,000	$ 2,653,742
-	35,126
-	150,835
$ 457,000	$ 2,839,703
$ -	$ 118,866
-	246,021
-	364,887
-	35,126
-	27,433
-	62,559
-	26,274
150,864	150,864
-	201,092
-	35,171
306,136	306,136
-	75,068
-	1,617,652
457,000	2,412,257
$ 457,000	$ 2,839,703

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2022

TOTAL FUND BALANCES		$ 2,412,257
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 17,169,003	
Accumulated depreciation	(3,027,954)	14,141,049
The Statement of Net Position reports an actuarially determined asset or liability which represents the funding status of the Distict's defined benefit pension plan		(2,218,869)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. These assets consist of:		
Property Taxes Deferred Inflow		35,126
Deferred Outflows/(Inflows) related to pensions arise from current year contributions that the District made to the pension system, as well as changes in the return on pension system investments that were not included in the original actuarial calculations		
Deferred Outflows - Pensions	$ 1,126,149	
Deferred Outflows - OPEB RHIA	28,992	
Deferred Outflows - OPEB Healthcare Subsidy	57,428	
Deferred Inflows - Pensions	(2,511,357)	
Deferred Inflows - OPEB RHIA	(20,258)	
Deferred Inflows - OPEB Healthcare Subsidy	(51,677)	(1,370,723)
The Other Post-Employment Benefit Asset is not recognized in the fund financial statements, but is an asset on the Statement of Net Position.		45,955
The Other Post-Employment Benefit Liability is not recognized in the fund financial statements, but is a liability on the Statement of Net Position.		(344,120)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Compensated Absences	$ (7,434)	
Direct Borrowings	(126,892)	
Bonds Payable	(6,708,327)	(6,842,653)
TOTAL NET POSITION		$ 5,858,022

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	GENERAL	SPECIAL REVENUE	FOOD SERVICE
REVENUES:			
1000 Local Sources			
Earnings on Investments	$ (3,313)	$ -	$ -
Property Taxes	1,454,548	-	-
Other Local Sources	60,116	53,710	2,347
2000 Intermediate Sources			
County School Funds	13,503	14,410	-
3000 State Sources			
State School Fund	3,744,974	-	-
Common School Fund	61,063	-	-
Other State Sources	2,773	460,104	-
4000 Federal Sources	18,392	415,103	203,756
Total Revenues	5,352,056	943,327	206,103
EXPENDITURES:			
Current :			
1000 Instruction	2,349,234	804,834	-
2000 Support Services	2,394,310	191,770	-
3000 Enterprise and Community Services	-	18,294	214,284
4000 Facilities Acquisition and Construction	-	20,605	-
5000 Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	-	-	85
Total Expenditures	4,743,544	1,035,503	214,369
Excess of Revenues Over, -Under Expenditures	608,512	(92,176)	(8,266)
Other Financing Sources, -Uses:			
Transfers In	75,068	109,488	16,821
Transfers Out	(209,398)	(21,026)	-
Total Other Financing Sources, -Uses	(134,330)	88,462	16,821
Net Change in Fund Balance	474,182	(3,714)	8,555
Beginning Fund Balance	1,218,538	56,604	-
Ending Fund Balance	$ 1,692,720	$ 52,890	$ 8,555

See accompanying notes to basic financial statements.

DEBT SERVICE	CAPITAL PROJECTS	TOTAL
$ 2,133	$ -	$ (1,180)
379,867	-	1,834,415
182,815	36,447	335,435
-	-	27,913
-	-	3,744,974
-	-	61,063
-	-	462,877
-	-	637,251
564,815	36,447	7,102,748
-	-	3,154,068
-	-	2,586,080
-	-	232,578
-	57,479	78,084
329,770	-	329,770
280,861	-	280,861
-	32,224	32,309
610,631	89,703	6,693,750
(45,816)	(53,256)	408,998
29,047	-	230,424
-	-	(230,424)
29,047	-	-
(16,769)	(53,256)	408,998
217,861	510,256	2,003,259
201,092	$ 457,000	$ 2,412,257

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

NET CHANGE IN FUND BALANCE		$ 408,998
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	$ 32,797	
Current year depreciation	(401,338)	(368,541)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position:		
Debt principal repaid		329,515
Compensated absences are only expensed as paid in the governmental funds. On the Statement of Activities they are expensed as earned		(7,434)
Amortization bond issue premiums is recorded in the government-wide statements as a reduction of of interest expense		23,555
The current year net change in pension related assets, deferred outflows, liabilities and deferred inflows affects total income on the statement of activities		277,318
Revenues that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		
Property Taxes		(2,622)
The change in OPEB - Healthcare obligations is not reflected in the fund financial statements, but is a component of expenditures on the Statement of Activities		(1,460)
The change in OPEB - RHIA obligations is not reflected in the fund financial statements, but is a component of expenditures on the Statement of Activities		(823)
CHANGE IN NET POSITION		$ 658,506

See accompanying notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The District was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. The Monroe School District is a municipal corporation governed by an elected five member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The District does not have any component units.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions".

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Financial Statements

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental Fund Types

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The District reports the following major governmental funds:

General Fund – The General Fund accounts for all financial resources and expenditures of the District, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Special Revenue Funds – These funds account for the revenues and expenditures for specific purposes. Principal revenues are federal, state, and local grants.

Food Service Fund – The Food Service Fund accounts for all financial resources and expenditures required to provide student meals. Principal revenue sources are grants from the federal school lunch program and receipts from meal sales.

Debt Service Fund – This fund accounts for the servicing of all long-term obligations. Revenue is from local property taxes and proceeds of loans received. Expenditures are for principal and interest.

Capital Projects Fund – This fund, financed by grant revenue and debt proceeds, accounts for expenditures resulting from capital construction projects.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Measurement Focus and Basis of Accounting

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

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents
The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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 up on 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)
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)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash, Cash Equivalents and Investments (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.

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Interfund Receivables and Payables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in inter-fund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

Grants

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

Supply Inventories

The District elects to not report supply inventories based on their lack of significant value.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Capital Assets

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

Buildings and Improvements	20-50 years
Office, athletic, maintenance, tools, machinery and other equipment	10 years
Kitchen Service Equipment	15 years
Playground Equipment	20 years
Vehicles	20 years

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Compensated Absences

The District has a policy which permits employees to accumulate unused sick leave at the rate of one day per month of service over their working careers. The District does not compensate employees for unused accumulations upon termination of employment. Only the Superintendent accrues unused vacation time. Compensated absences are liquidated by the general fund.

Debt

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The board has granted the Superintendent authority to assign fund balances.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

Net Position

Net Position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – consists of external constraints placed on the net position used by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – consists of all other items that are not included in the above categories.

When both restricted and unrestricted net position is available for use, restricted net position is utilized first.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures are expensed when purchased, debt is recorded as an expense when paid, tax revenue is recorded when received, inventories are budgeted as expenditures when purchased, and depreciation is not recorded. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

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

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022, except for Transfers Out in the Special Revenue Fund, which were overspent by $526.

Use of Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Statement of Net Position reports deferred outflows related to pensions and other post-employment benefits.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report deferred inflows for unavailable property tax revenues. The Statement of Net Position reports deferred inflows related to pensions and other post-employment benefits.

2. CASH AND INVESTMENTS

Investments

The policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially 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. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The District booked a fair market value loss of $22,967, for the difference between the pool fair market value and the book value.

The audited financial statements can be found at:

https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Documents/oregon-short-term-fund-osft/OSTF-Annual-Financial-Statement-June-30-2022.pdf

2. CASH AND INVESTMENTS (CONT.)

Cash and Investments at June 30, 2022 (recorded at fair value) consisted of:

Demand Deposits:		
Checking	$	424,243
Petty Cash		800
Investments		2,228,699
Total	$	2,653,742

There are the following investments and maturities:

		Investment Maturities (in months)	
Investment Type	Fair Value	Less than 3	More than 3
Local Government Investment Pool	$ 2,228,699	$ 2,228,699	$ -
Total	$ 2,228,699	$ 2,228,699	$ -

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit/Deposit Risk

At June 30, 2022, 100% was invested in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution.

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements was $467,541. Of this amount, $250,000 was insured by the FDIC and the remainder was collateralized by the State of Oregon.

3. RECEIVABLES

Receivables at June 30, 2022 consist of the following:

Property Taxes Receivable - represent delinquent amounts due to the District for property taxes levied by the District in current and prior years.

Grants Receivable - represent amounts due for claims for reimbursement of costs under various State and Federal grant programs.

State and Local Revenue Receivable – represents earned but not yet received revenue from State and Local sources.

District management believes that all receivables are collectible, and thus, no allowance for doubtful accounts is considered necessary.

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund activity during the year ended June 30, 2022 is as follows:

Fund	Transfer In	Transfer Out
General	$ 75,068	$ 209,398
Special Revenue	109,488	21,026
Food Services	16,821	-
Debt Service	29,047	-
Total	$ 230,424	$ 230,424

Transfers are used to subsidize operations between funds.

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Additions	(Deletions)	Balance June 30, 2022
Fixed Assets				
Land	50	-	-	50
CIP	-	-	-	-
Buildings & Improvements	16,974,679	27,735	-	17,002,414
Equipment	161,477	5,062	-	166,539
Total	17,136,206	32,797	-	17,169,003
Accumulated Depreciation				
Buildings & Improvements	2,507,287	393,145	-	2,900,432
Equipment	119,329	8,193	-	127,522
Total	2,626,616	401,338	-	3,027,954
Total Net Capital Assets	14,509,590			14,141,049

Depreciation was allocated to the functions as follows:

Instruction	$	211,938
Support Services		173,772
Community Services		15,628
Total	$	401,338

6. 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/2021-ACFR.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.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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/2021-ACFR.pdf
If the link is expired please contact Oregon PERS for this information.

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

   iv. **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.
   v. **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.

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

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2022 were $329,098, excluding amounts to fund employer specific liabilities. In addition approximately $139,945 in employee contributions were paid or picked up by the District in fiscal 2022. At June 30, 2022, the District reported a net pension liability of $2,218,869 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .019 percent and .022 percent, respectively. Pension expense for the year ended June 30, 2022 was ($277,318).

The rates in effect for the year ended June 30, 2022 were:
(1) Tier 1/Tier 2 – 15.83%
(2) OPSRP general services – 12.72%

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 207,701	$ -
Changes in assumptions	555,450	5,840
Net difference between projected and actual earnings on pension plan investments	-	1,642,612
Net changes in proportionate share	9,701	753,220
Differences between contributions and proportionate share of contributions	24,199	109,685
Subtotal - Amortized Deferrals (below)	797,051	2,511,357
Contributions subsequent to measuring date	329,098	-
Deferred outflow (inflow) of resources	$ 1,126,149	$ 2,511,357

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, 2023.

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
2023	$ (414,113)
2024	(420,000)
2025	(393,586)
2026	(500,897)
2027	14,290
Thereafter	-
Total	$ (1,714,306)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.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.

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.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Assumed Asset Allocation:

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

(Source: June 30, 2021 PERS ACFR; p. 104)

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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, 2021 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. 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 District's proportionate share of the net pension liability to changes in the discount rate – the following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	$ 4,357,328	$ 2,218,869	$ 429,755

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, 2021 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 District 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 District.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:
Employees of the District 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

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 District 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 $2,535 per month on January 1, 2021) 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 District made approximately $139,945 of optional contributions to member IAP accounts for the year ended June 30, 2022.

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

7. DEBT

Long Term Debt:

Oregon Limited Pension Bond Series 2002 – On October 31, 2002 the District issued $1,738,361 of Limited Tax Pension Bonds, Series 2002. The proceeds were used to pay off the outstanding PERS debt. Interest is payable at various times with interest rates ranging from 2.06% to 6.10%. Principal is due on June 30th of each year. Upon default, the owners of 25% or more of the outstanding principal of the bonds may take any actions available at law or in equity as may appear necessary or desirable to enforce or to protect any of the rights of the owners of the bonds. However, the bonds shall not be subject to acceleration.

General Obligation Bonds, Series 2017 – On April 3, 2017 the District issued $5,970,000 of GO Bonds to finance major capital improvements. Principal payments are due annually and interest payments are due bi-annually. The bonds bear interest at between 2%-4%. In the event of default, owners of 51% or more of the principal amount of the bonds may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the owners of bonds. However, the bonds shall not be subject to acceleration.

7. DEBT (CONT.)

Changes in Long-Term Debt were as follows:

	Outstanding July 1, 2021	Additions	Reductions	Outstanding June 30, 2022	Balance Due Within One Year
Oregon Limited Pension Bond Series 2002	$ 1,170,000	$ -	$ 130,000	$ 1,040,000	$ 145,000
GO Bonds, Series 2017	5,490,000	-	175,000	5,315,000	195,000
Bond Issue Premium (2017)	376,882	-	23,555	353,327	23,555
Total Long-Term Debt	$ 7,036,882	$ -	$ 328,555	$ 6,708,327	$ 363,555

	Oregon Limited Pension Bond Series 2002		Government Obligation Bonds Series 2017		Totals	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2022-23	$ 145,000	$ 57,633	$ 195,000	$ 206,575	$ 340,000	$ 264,208
2023-24	165,000	49,673	210,000	200,725	375,000	250,398
2024-25	185,000	40,515	225,000	194,425	410,000	234,940
2025-26	205,000	30,248	250,000	185,425	455,000	215,673
2026-27	230,000	18,870	270,000	175,425	500,000	194,295
2027-32	110,000	6,105	1,710,000	696,925	1,820,000	703,030
2032-37	-	-	2,455,000	308,200	2,455,000	308,200
Totals	$ 1,040,000	$ 203,044	$ 5,315,000	$ 1,967,700	$ 6,355,000	$ 2,170,744

Direct Borrowings:

Small Scale Local Energy (SELP) Loan – On March 15, 2012 the District acquired a loan from the State of Oregon for the purpose of meeting debt service costs of an HVAC project, which replaced the boiler at Monroe High School. Revenues collected from Pacific Power and Light Company as a result of Senate Bill 1149 legislation are used to meet the debt service cost. Principal and interest is due monthly and the interest rate is 3.5%. All machinery, equipment, improvements and other property acquired as part of the project, any unexpended loan proceeds, any public purpose charge funds received by the District under SB 1149, and all pass-through payments resulting from conservation tax credits are pledged as collateral. In the event of default, lender has the right to accelerate the maturity date for any unpaid principal and accrued interest.

The loan's balance at the beginning of the year was $151,407. During 2021-2022 the District paid down $24,515 of the principal balance and the total outstanding principal as of June 30, 2022 was $126,892. In the following year, $25,387 in principal is due.

7. DEBT (CONT.)

Future principal and interest payments on direct borrowings are as follows:

Year	Principal	Interest
2022-23	25,387	4,085
2023-24	26,281	3,191
2024-25	27,225	2,247
2025-26	28,193	1,279
2026-27	19,806	8,298
Totals	$ 126,892	$ 19,100

8. OTHER POST EMPLOYMENT BENEFIT PLAN – HEALTH INSURANCE SUBSIDY

Plan Description

The District administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans 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. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2021 and the measurement date was June 30, 2021.

Funding Policy

The District has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you-go basis. There is no obligation on the part of the District to fund these benefits in advance. The District considered the liability to be solely the responsibility of the District as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2021 using the Entry Age Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

8. OTHER POST EMPLOYMENT BENEFIT PLAN – HEALTH INSURANCE SUBSIDY (CONT.)

Health Care Cost Trend: Medical and vision:

Year	Pre-65 Trend
2021	3.25%
2022	5.00%
2023	5.25%
2024-2025	5.00%
2026-2028	4.75%
2029-2061	4.50%
2062-2067	4.25%
2068-2072	4.00%
2073+	3.75%

Dental and Vision: 4% per year

Health care cost trend affects both the projected health care costs as well as the projected health care premiums.

General Inflation: 2.40% per year, used to develop other economic assumptions

Annual Pay Increases: 3.40% per year, based on general inflation and the likelihood of raises throughout participants' careers

Mortality: Pub-2010 tables, sex distinct for members and dependents. Future mortality improvement is not projected as it would be immaterial to the valuation

Disability: Not used

Withdrawal: Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

Retirement: Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.

Changes in Total OPEB Liability June 30, 2021 to June 30, 2022	**Increase (Decrease) Total OPEB Liability**
Balance as of June 30, 2021	$ 348,844
Changes for the year:	
Service cost	32,777
Interest on total OPEB liability	8,033
Effect of changes to benefit terms	0
Effect of economic/demographic gains or losses	(21,413)
Effect of assumptions changes or inputs	12,360
Benefit payments	(36,481)
Balance as of June 30, 2022	$ 344,120

8. OTHER POST EMPLOYMENT BENEFIT PLAN – HEALTH INSURANCE SUBSIDY (CONT.)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates
The following analysis presents the net OPEB liability using a discount rate of 2.16%, as well as what the District's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	$ 365,974	$ 344,120	$ 323,610

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	$ 311,420	$ 344,120	$ 383,534

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits
The District reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (35,676)
Changes in assumptions or other input	24,462	(16,001)
Benefit Payments	32,966	-
Deferred outflow (inflow) of resources	$ 57,428	$ (51,677)

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

Year ending June 30,	Amount
2023	$ (6,384)
2024	(6,384)
2025	(6,196)
2026	(4,461)
2027	(3,783)
Thereafter	7
Total	$ (27,201)

9. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:
As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by 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 districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. 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 District did not make significant contributions to RHIA in any of the previous three years.

At June 30, 2022, the District reported a net OPEB liability/(asset) of ($45,955) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .01 percent and .04 percent, respectively. OPEB expense for the year ended June 30, 2021 was $860.

9. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONT.)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	$	(7,516)
Net amortization of employer-specific deferred amounts from:		
- Changes in proportionate share (per paragraph 64 of GASB 75)		8,376
Employer's Total OPEB Expense/(Income)	$	860

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources		Deferred Inflow of Resources	
Difference between expected and actual experience	$	-	$	1,279
Changes in assumptions		904		684
Net difference between projected and actual earnings on pension plan investments		-		10,921
Net changes in proportionate share		28,088		7,374
Differences between contributions and proportionate share of contributions		-		-
Subtotal - Amortized Deferrals (below)		28,992		20,258
Contributions subsequent to measuring date		-		-
Deferred outflow (inflow) of resources	$	28,992	$	20,258

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, 2023.

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

Year ending June 30,		Amount
2023	$	5,315
2024		9,363
2025		(2,493)
2026		(3,450)
2027		-
Total	$	8,735

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, 2021. That independently audited report was dated February 25, 2022 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2022/Oregon%20PERS%20-%20GASB%2075%20RHIA%20Employer%20Schedules%20-%20FYE%2006-30-2021.pdf

9. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONT.)

That independently audited report was dated March 5, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2021 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.

9. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONT.)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in 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, 2021 PERS ACFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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%)
District's proportionate share of the net OPEB liability (asset)	$ (40,461)	$ (45,955)	$ (50,495)

9. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONT.)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

10. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

11. PROPERTY TAX LIMITATION

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to $4.8880 for each $1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

12. COMMITMENTS AND CONTINGENCIES

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

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

13. RELATED PARTY TRANSACTIONS

The District contracted with Crowson Bus Company for transportation services, an entity owned by parties related to the District's Superintendent. The District was invoiced for $669,288 for transportation services through Crowson Bus Company during 2021-2022.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

MONORE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2022

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)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.02 %	$ 2,218,869	$ 2,328,021	95.3 %	87.6 %
2021	0.02	4,697,746	2,189,754	214.5	75.8
2020	0.02	3,882,494	2,237,432	173.5	80.2
2019	0.03	4,123,326	2,185,173	188.7	82.1
2018	0.03	3,754,506	2,311,881	162.4	83.1
2017	0.03	3,873,160	2,386,242	162.3	80.5
2016	0.03	1,712,224	2,219,419	77.1	91.9
2015	0.03	(770,138)	2,222,446	(34.7)	103.6
2014	0.03	1,733,842	2,206,309	78.6	92.0

SCHEDULE OF CONTRIBUTIONS

	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
2022	$ 329,098	$ 329,098	$ -	$ 2,343,784	14.0 %
2021	426,914	426,914	-	2,328,021	18.3
2020	402,428	402,428	-	2,189,754	18.4
2019	365,760	365,760	-	2,237,432	16.3
2018	349,628	349,628	-	2,185,173	16.0
2017	246,261	246,261	-	2,311,881	10.7
2016	265,790	265,790	-	2,386,242	11.1
2015	331,315	331,315	-	2,219,419	14.9
2014	335,445	335,445	-	2,222,446	15.1

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE PERS - RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension liability (Asset)	(b) Employer's proportionate share of the net pension liability (Asset)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.01 %	$ (45,955)	$ 2,328,021	(2.0) %	183.9 %
2021	0.04	(73,940)	2,189,754	(3.4)	150.1

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

SCHEDULE OF CONTRIBUTIONS - PERS RHIA

	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
2022	$ -	$ -	$ -	$ 2,343,784	- %
2021	358	358	-	2,328,021	0.0

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

MONORE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

For the fiscal year ended June 30, 2022

	2022	2021	2020	2019	2018
Total Other Post Employment Benefits Liability, Beginning	**$ 348,844**	**$ 318,841**	**$ 336,035**	**$ 321,750**	**$ 316,438**
Changes for the year:					
Service Cost	32,777	27,900	29,437	29,289	30,640
Interest	8,033	11,654	13,740	12,191	9,603
Changes in Benefit Terms					
Differences between expected and actual experience	(21,413)	-	(27,070)		
Changes in assumptions or other input	12,360	18,201	(12,244)	(5,970)	(14,572)
Benefit Payments	(36,481)	(27,752)	(21,057)	(21,225)	(20,359)
Net changes for the year	(4,724)	30,003	(17,194)	14,285	5,312
Total Other Post Employment Benefits Liability, Ending	**$ 344,120**	**$ 348,844**	**$ 318,841**	**$ 336,035**	**$ 321,750**
Fiduciary Net Position - Beginning	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Contributions - Employer	36,481	27,752	21,057	21,225	20,359
Contributions - Employee	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	(36,481)	(27,752)	(21,057)	(21,225)	(20,359)
Net changes for the year	-	-	-	-	-
Fiduciary Net Position - Ending	-	-	-	-	-
Net Liability for Other Post Employment Benefits - End of Year	**$ 344,120**	**$ 348,844**	**$ 318,841**	**$ 336,035**	**$ 321,750**
Fiduciary Net Position as a percentage of the total Other Post Employment Benefits Liability	0%	0%	0%	0%	0%
Covered Payroll	$2,343,784	$2,328,021	$2,189,754	$2,237,432	$2,311,881
Net Other Post Employment Benefits Liability as a Percentage of Covered Payroll	15%	15%	15%	15%	14%

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.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:					
1000 Local Sources	$ 1,551,310	$ 1,551,310		$ 1,511,351	$ (39,959)
2000 Intermediate Sources	18,500	18,500		13,503	(4,997)
3000 State Sources	3,619,511	3,619,511		3,808,810	189,299
4000 Federal Sources	20,000	20,000		18,392	(1,608)
Total Revenues	5,209,321	5,209,321		5,352,056	142,735
EXPENDITURES:					
1000 Instruction	2,652,859	2,652,859	(1)	2,349,234	303,625
2000 Support Services	2,855,304	2,855,304	(1)	2,394,310	460,994
3000 Enterprise and Community Services	4,080	4,080	(1)	-	4,080
6000 Contingency	209,592	209,592	(1)	-	209,592
Total Expenditures	5,721,835	5,721,835		4,743,544	978,291
Excess of Revenues Over (Under) Expenditures	(512,514)	(512,514)		608,512	1,121,026
OTHER FINANCING SOURCES (USES)					
5200 Transfers In	793,307	793,307		-	(793,307)
5200 Transfers Out	(280,793)	(280,793)	(1)	(209,398)	71,395
Total Other Financing Sources (Uses)	512,514	512,514		(209,398)	71,395
Net Change in Fund Balance	-	-		399,114	399,114
Beginning Fund Balance	-	-		1,218,538	1,218,538
Ending Fund Balance	$ -	$ -		1,617,652	$ 1,617,652

Reconciliation to GAAP Basis Fund Balance:	
District Initiatives Fund Balance	75,068
GAAP Fund Balance	$ 1,692,720

(1) Appropriation level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	$ 75,550	$ 75,550	$ 53,710	$ (21,840)
2000 Intermediate Sources	13,553	13,553	14,410	857
3000 State Sources	466,612	466,612	460,104	(6,508)
4000 Federal Sources	1,817,278	1,817,278	415,103	(1,402,175)
Total Revenues	2,372,993	2,372,993	943,327	(1,429,666)
EXPENDITURES:				
1000 Instruction	945,063	945,063 (1)	804,834	140,229
2000 Support Services	425,924	425,924 (1)	191,770	234,154
3000 Enterprise and Community Services	59,506	59,506 (1)	18,294	41,212
4000 Facilities Acquisition and Construction	1,067,288	1,067,288 (1)	20,605	1,046,683
Total Expenditures	2,497,781	2,497,781	1,035,503	1,462,278
Excess of Revenues Over, -Under Expenditures	(124,788)	(124,788)	(92,176)	32,612
Other Financing Sources, - Uses:				
Transfers In	105,202	105,202	109,488	4,286
Transfers Out	(20,500)	(20,500) (1)	(21,026)	(526)
Total Other Financing Sources, -Uses	84,702	84,702	88,462	3,760
Net Change in Fund Balance	(40,086)	(40,086)	(3,714)	36,372
Beginning Fund Balance	40,086	40,086	56,604	16,518
Ending Fund Balance	$ -	$ -	$ 52,890	$ 52,890

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

FOOD SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	$ 37,256	$ 37,256	$ 2,347	$ (34,909)
4000 Federal Sources	138,000	138,000	203,756	65,756
Total Revenues	175,256	175,256	206,103	30,847
EXPENDITURES:				
3000 Community Services	239,027	239,027 (1)	214,369	24,658
Total Expenditures	239,027	239,027	214,369	24,658
Excess of Revenues Over, -Under Expenditures	(63,771)	(63,771)	(8,266)	55,505
Other Financing Sources, -Uses:				
5000 Transfers In	63,771	63,771	16,821	(46,950)
Total Other Sources, -Uses	63,771	63,771	16,821	(46,950)
Net Change in Fund Balance	-	-	8,555	8,555
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	$ -	$ -	$ 8,555	$ 8,555

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	$ 569,537	$ 569,537	$ 564,815	$ (4,722)
Total Revenues	569,537	569,537	564,815	(4,722)
EXPENDITURES:				
5000 Debt Service	610,630	610,630 (1)	610,631	(1)
Total Expenditures	610,630	610,630	610,631	(1)
Excess of Revenues Over (Under) Expenditures	(41,093)	(41,093)	(45,816)	(4,721)
OTHER FINANCING SOURCES (USES)				
5200 Transfer In	265,684	265,684	29,047	(236,637)
Total Other Financing Sources (Uses)	265,684	265,684	29,047	(236,637)
Net Change in Fund Balance	224,591	224,591	(16,769)	(241,360)
Beginning Fund Balance	-	-	217,861	217,861
Ending Fund Balance	$ 224,591	$ 224,591	$ 201,092	$ (23,499)

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	$ 50,000	50,000	$ 36,447	$ (13,553)
Total Revenues	50,000	50,000	36,447	(13,553)
EXPENDITURES:				
4000 Facilities Acquisition and Construction	704,332	704,332 (1)	89,703	614,629
Total Expenditures	704,332	704,332	89,703	614,629
Excess of Revenues Over (Under) Expenditures	(654,332)	(654,332)	(53,256)	601,076
OTHER FINANCING SOURCES (USES)				
5200 Transfers In	654,332	654,332	-	(654,332)
Total Other Financing Sources (Uses)	654,332	654,332	-	(654,332)
Net Change in Fund Balance	-	-	(53,256)	(53,256)
Beginning Fund Balance	-	-	510,256	510,256
Ending Fund Balance	$ -	$ -	$ 457,000	$ 457,000

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2022

DISTRICT INITIATIVES FUNDS

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:					
1000 Instruction	30,027	30,027	(1)	-	30,027
2000 Support Services	45,041	45,041	(1)	-	45,041
Total Expenditures	75,068	75,068		-	75,068
Excess of Revenues Over (Under) Expenditures	(75,068)	(75,068)		-	75,068
OTHER FINANCING SOURCES (USES)					
5200 Transfers In	75,068	75,068		75,068	-
Total Other Financing Sources (Uses)	75,068	75,068		75,068	-
Net Change in Fund Balance	-	-		75,068	75,068
Beginning Fund Balance	-	-		-	-
Ending Fund Balance	$ -	$ -		$ 75,068	$ 75,068

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS

PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 14, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Monroe School District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 14, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Monroe School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs Funded from Outside Sources**
- **State school fund factors and calculation.**

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

1. We noted one instance where actual expenditures exceeded appropriations, as discussed on page 16.

OAR 162-10-0230 Internal Control

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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.

Ken Allen

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.