

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.
Tigard, OR 97223

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2021

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SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2021

<u>NAME</u>	<u>TERM EXPIRES</u>
Jason Redick, Chair	June 30, 2021
Mike Reynolds, Vice-Chair	June 30, 2023
Jim Gourley, Director	June 30, 2021
Jason Van Eck, Director	June 30, 2021
Jenny Daniels, Director	June 30, 2021
Chanz Keeney, Director	June 30, 2021
Joe Kennedy, Director	June 30, 2021
Debra Brown, Secretary	June 30, 2023

All Directors receive their mail at the District office address below.

ADMINISTRATION

Tom Yahraes, Superintendent/Clerk
Kevin Strong, Business Manager/Deputy Clerk

1920 Long Street
Sweet Home, Oregon 97386

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

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LINN COUNTY, OREGON

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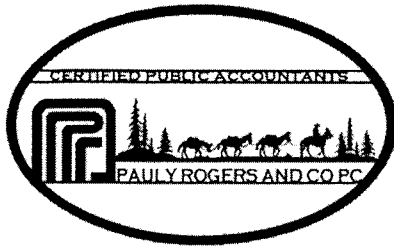
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November 17, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sweet Home School District No. 55
Linn County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, and each major fund of Sweet Home School District (the District), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

The District adopted the provisions of GASB No. 84 – Fiduciary Activities for the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 17, 2021, on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 17, 2021, 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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive, flowing style.

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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Sweet Home School District No. 55

1920 Long Street, Sweet Home, OR 97386-2395

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Sweet Home School District No. 55 (The District), we offer readers this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider this information presented here in conjunction with additional information in the annual report following this MD&A.

The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements tell how these services were financed in the short-term and also show what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements.

FINANCIAL HIGHLIGHTS

- The District's net position in the government-wide financial statements increased by \$2,764,460 from \$10,971,920 on June 30, 2020 to \$13,736,380 on June 30, 2021.
- The District implemented GASB Statement No. 84, *Fiduciary Activities*, that clarifies what constitutes a fiduciary activity for accounting and financial reporting purposes and how fiduciary activities should be reported. As a result of GASB 84, the District reclassified its Student Body Activity Fund, Early Retirement Liability Fund, and JOSAI Exchange Program Fund from Trust and Agency Funds to Special Revenue Funds.
- The General Fund ending fund balance increased by \$1,848,409 from \$1,206,472 on June 30, 2020 to \$3,054,881 on June 30, 2021. The June 30, 2021 fund balance was 12.2 percent of the General Fund's fiscal year revenues.
- The Special Revenue Fund ending fund balance increased by \$1,373,197 from \$3,884,629 on June 30, 2020 to \$5,257,826 on June 30, 2021. As previously mentioned, the District reclassified its Student Body Activity Fund, Early Retirement Fund and JOSAI Exchange program Fund to the Special Revenue Fund to comply with GASB 84. In addition, the Special Revenue Fund increased due to revenues exceeding expenditures in the Long Term Maintenance Fund and the Bus Replacement Fund.
- The District's total outstanding bonded debt decreased by \$1,429,472 (5.9 percent) during the 2020-2021 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position: 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: The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event given rise to the change occurs, regardless of the timing of related cash flows.

In the government-wide financial statements, the District's activities are shown in one category as governmental activities. Most of the District's basic functions are shown here, including regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, the Oregon State School Fund and other intergovernmental revenues.

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

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

Fund financial statements: The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds instead of the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sweet Home School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position			
	<u>Governmental Activities</u>		Increase
	6/30/2020	6/30/2021	<Decrease>
Current or other assets	9,722,987	14,342,442	4,619,455
Net capital assets	35,258,356	35,326,550	68,194
Total assets	44,981,343	49,668,992	4,687,649
Deferred Outflows of Resources	6,213,930	10,434,784	4,220,854
Total assets and deferred outflows of resources	51,195,273	60,103,776	8,908,503
Current liabilities	2,728,494	4,229,069	1,500,575
Proportionate share of net pension liability	10,007,433	17,227,124	7,219,691
Other post-employment benefit liabilities	1,187,435	1,046,909	<140,526>
Long-term debt	23,697,431	21,416,098	<2,281,333>
Total liabilities	37,620,793	43,919,200	6,298,407
Deferred Inflows of Resources	3,177,043	2,448,196	<728,847>
Total liabilities and deferred inflows of resources	40,797,836	46,367,396	5,569,560
<u>Net position</u>			
Net investment in capital assets, net			
of related debt	20,829,231	22,621,137	1,791,906
Restricted	7,259,585	9,281,092	2,021,507
Unrestricted	<18,420,451>	<18,165,850>	254,601
Total net position	9,668,365	13,736,380	4,068,015

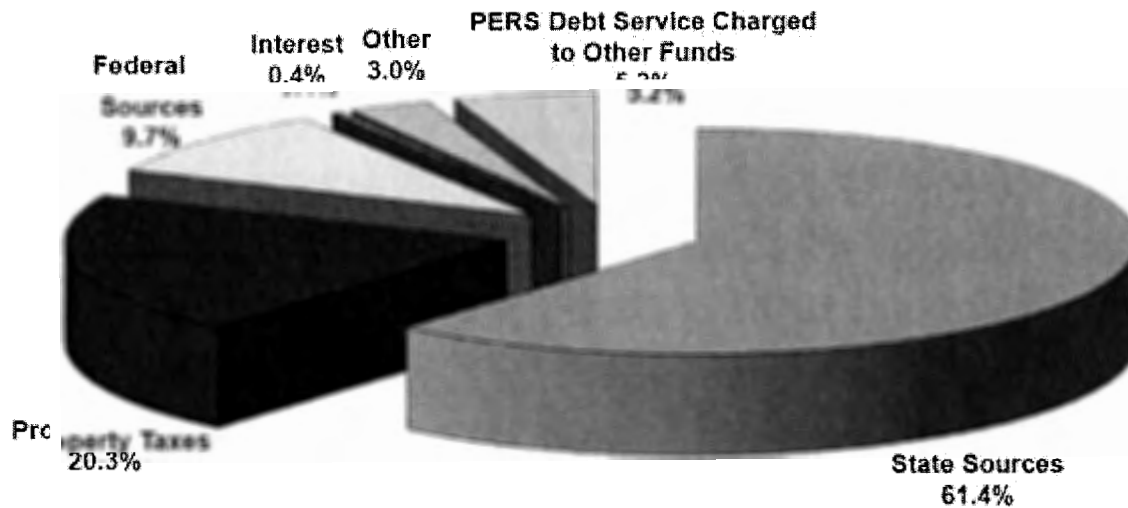
Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. During the 2020-2021 fiscal year, the District's net position improved by \$4,068,015.

The District's current asset balance increased by \$4,619,455 largely due to revenues exceeding expenditures for the district's General Fund and Special Revenue Fund during the fiscal year.

Unrestricted net position is the balancing amount to bring Total Net Position to equal the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources.

Revenues: Governmental Funds revenues decreased by \$4,193,575 from \$38,853,108 during the 2019-2020 fiscal year to \$34,659,533 during the 2020-2021 fiscal year. State revenue decreased by \$3,960,843 primarily due to one-time receipts in 2019-2020 for a \$4 million state facility grant for the Sweet Home Junior High School renovation project along with seismic grants for the Foster Elementary and Holley Elementary renovation projects. Interest income also declined while federal revenue and local property tax revenue increased.

2020-2021 Revenues by Source – Governmental Activities

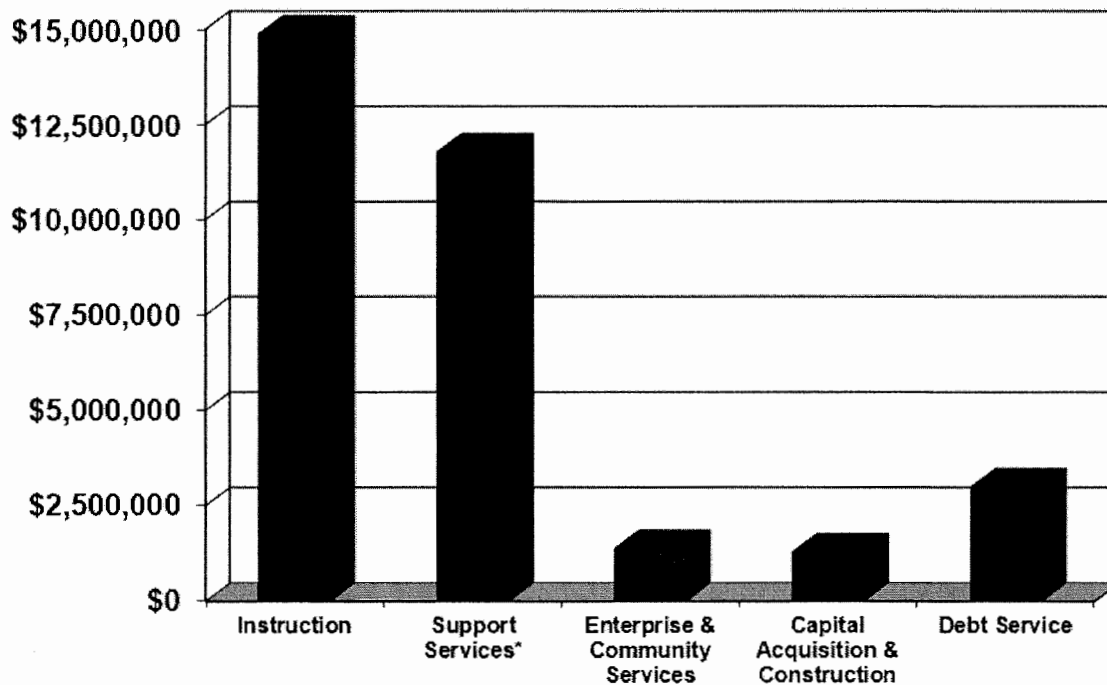


Expenditures: Governmental funds expenditures decreased by \$13,271,316 from \$45,528,853 during the 2019-2020 fiscal year to \$32,257,537 during the 2020-2021 fiscal year. Capital Outlay/Facilities Acquisition spending decreased by a total of \$13,944,628. During the 2019-2020 fiscal year, the District was completing the Sweet Home Junior High School renovation project and the Foster Elementary and Holley Elementary seismic retrofit projects.

Condensed Statement of Expenditures

	Governmental Activities		Increase
	2019-2020	2020-2021	<Decrease>
Instruction	\$14,494,755	\$14,868,005	\$373,250
Support Services	\$11,040,745	\$11,770,307	\$729,562
Enterprise & Community Services	\$1,400,959	\$1,364,910	<\$36,049>
Facilities Acquisition/Capital Outlay	\$15,213,625	\$1,268,997	<\$13,944,628>
Debt Service	\$3,378,769	\$2,985,318	<\$393,451>
Total	\$45,528,853	\$32,257,537	<\$13,271,316>

2020-21 Governmental Funds Expenditures

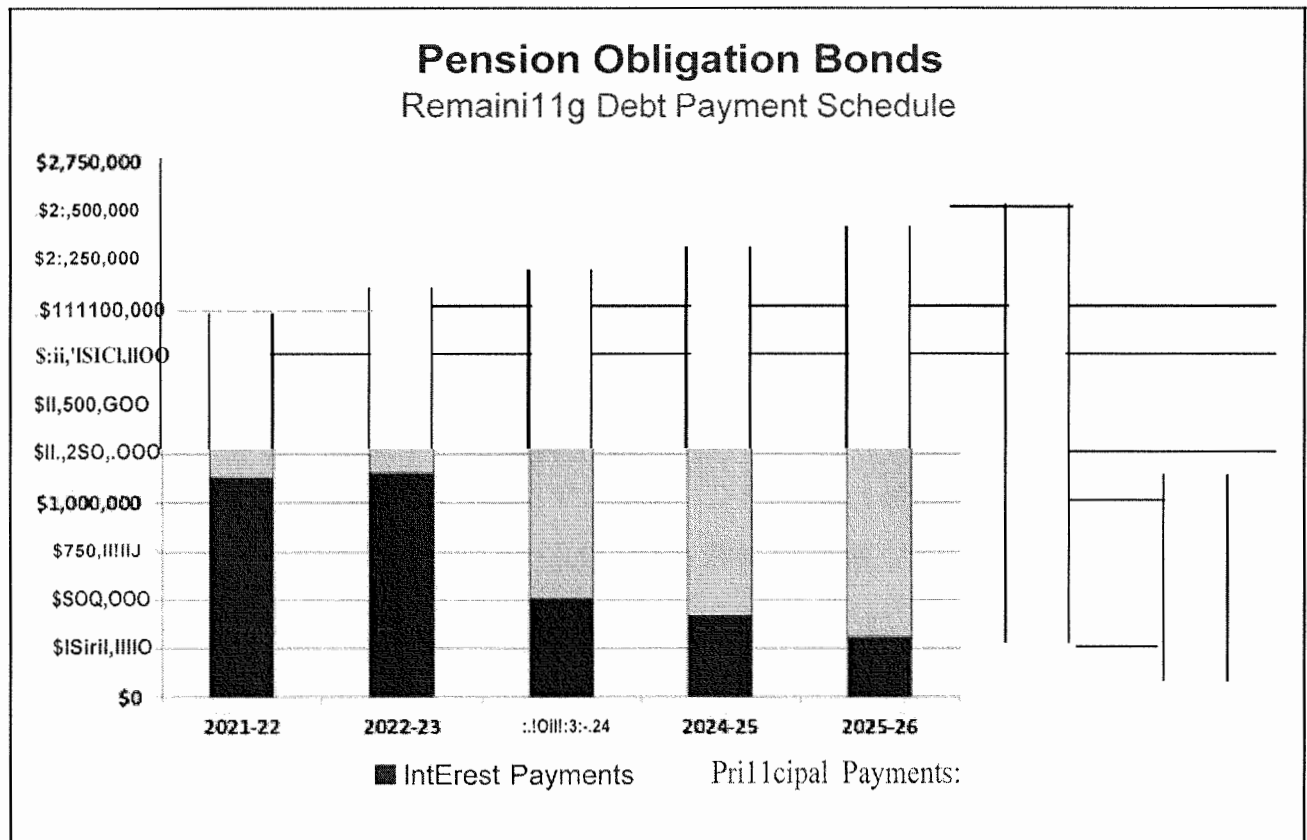
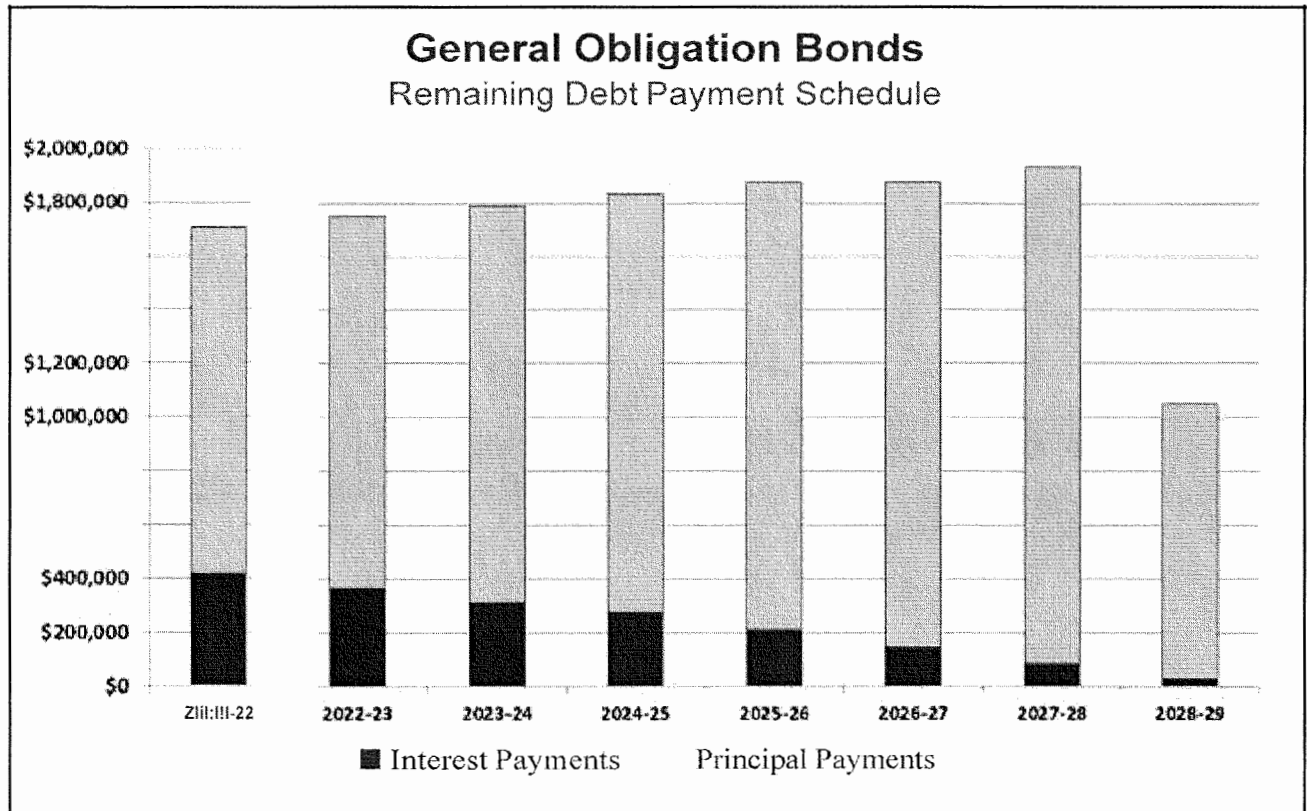


*Support Services includes Guidance and Counseling, Health, Library, Custodial, Building Maintenance, Utilities, Speech, Administrative, Transportation, Technology, Printing, etc.

Debt Administration

As of June 30, 2021, the District has a total of \$22,827,913 in bonds outstanding. The bond balance includes:

- \$11,985,000 in general obligation bonds. The District originally issued general obligation bonds during the 2000-2001 fiscal year. A portion of these bonds was refinanced at a lower interest rate in 2005 and the remaining portion of the bonds was refinanced at a lower interest rate in 2006. The 2005 and 2006 series bonds were then refinanced at a lower interest rate during the 2014-2015 fiscal year. The District's 2014-2015 refinancing accelerated the repayment schedule. Debt service payments due in the 2027-2028 and 2028-2029 fiscal years were eliminated and a debt service payment due in the 2026-2027 fiscal year was reduced by more than half. In May 2017, voters approved a bond for safety, security and facility improvements. In September 2017, the District issued \$3,820,000 in general obligation bonds at a premium. The net proceeds after all issuance costs totaled \$4,003,406. The final payment on the 2017 series bonds is scheduled for February 2029.
- \$10,842,913 in pension obligation bonds issued during the 2002-03 fiscal year. Maturities continue through 2028. The pension obligation bond balance reflects the District's decision to participate in the Oregon School Boards Association's Pooled PERS Bond Program. Bond proceeds were invested with the Oregon Public Employees Retirement System to reduce the District's unfunded pension liability. Savings are achieved when investment returns exceed the debt service on the bonds.



Including interest plus principal payments, the remaining general obligation bond debt service payments total \$13,833,700 and the remaining pension obligation bond debt service payments total \$14,611,296.

PERS Pension Side Account Balance and Unfunded Actuarial Valuation

According to the most recent actuarial valuation report completed by Milliman, Inc. the value of the District's PERS pension side account as of December 31, 2020 was \$17,854,180. The side account balance is used to offset current and future employer PERS contribution rates. The following table reconciles the side account balance during the 2020 calendar year:

Side account as of December 31, 2019	\$17,907,666
Deposits during 2020	\$1,500,000
Administrative expense	-\$2,500
Amount transferred to employer reserves during 2020	-\$2,801,672
Side account earnings during 2020	\$1,250,687
Side account as of December 31, 2020	<u>\$17,854,180</u>

Source: Milliman, Inc. Actuarial Valuation Report December 31, 2020 Oregon Public Employees Retirement System School District Pool Sweet Home School District #55 -- #3618 Published Dec. 2021

The Sweet Home School District's actuarial valuation as of December 31, 2020 is as follows:

Allocated pooled Tier 1/Tier 2 Unfunded Actuarial Liability	\$28,766,893
Allocated pooled OPSRP Unfunded Actuarial Liability	2,613,167
Less Side Account Balance	<u>-\$17,854,180</u>
Net unfunded pension actuarial accrued liability	<u>\$13,525,880</u>

Source: Milliman, Inc. Actuarial Valuation Report December 31, 2020 Oregon Public Employees Retirement System School District Pool Sweet Home School District #55 -- #3618 Published Dec. 2021

This valuation in the MD&A is provided for informational purposes only.

Economic Factors and the 2021-2022 Budget

Resources supporting General Fund operations primarily reflect local and state revenues, with additional income representing federal, county, and other sources. The largest portion is determined by the State School Fund formula. Most of the funding provided by the State to the District is based on the District's average daily membership (ADM) of students, based on the higher of the current year or the prior year. Total student enrollment in 2020-2021 declined due to the effects of the COVID-19 pandemic. However, funding was based on 2019-2020 ADM. Enrollment has increased during the fall of 2021 but has not yet returned to pre-pandemic levels. Prior to the pandemic, District enrollment in December 2019 was 2,300 students. District enrollment in December 2020 was 2,101 students. District enrollment in December 2021 was 2,283 students.

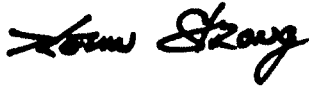
The 2021-2022 budget was based on a K-12 statewide funding level of \$9.3 billion for the 2021-2023 biennium. The District budget includes a five-year local option levy that was renewed in November 2018 with 4,428 yes votes to 1,636 no votes. The levy funds operations for the aquatic center.

The budget for the 2021-2022 fiscal year has total appropriations of \$55,024,931 as compared to the 2020-2021 budget of \$45,960,301. The 19.7 percent year-to-year increase is primarily due to additional Special Revenue Funds including Elementary and Secondary School Relief funds. In addition, the budget reflects higher balances for Student Investment Account funds, bus replacement funds and long term maintenance funds.

This budget was adopted with estimates assuming continuing financial impacts as a result of the COVID-19 pandemic under an in-person learning model for the entire school year.

Requests for Information

The financial report is designed to provide taxpayers, parents, employees, students, investors and creditors with an overview of the District's finances. If you have questions about this report, please contact the Sweet Home School District Business Office.



Kevin Strong, Business Manager

December 20, 2021

Date

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities
ASSETS:	
Current:	
Cash and investments	\$ 12,241,784
Property taxes receivable	289,276
Accounts Receivable	1,424,946
OPEB Asset - RHIA	386,436
Noncurrent:	
Capital assets, non-depreciable	463,022
Capital assets, depreciable (net of depreciation)	34,863,528
Total Assets	49,668,992
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows on Refunding	149,106
Pension Related Deferrals - PERS	10,242,703
OPEB Related Deferrals - RHIA	42,975
Total Deferred Outflows	10,434,784
TOTAL ASSETS AND DEFERRED OUTFLOWS:	60,103,776
LIABILITIES:	
Accounts payable	666,708
Accrued payroll, taxes, and employee withholdings	1,050,485
Accrued vacation	170,938
Interest payable	59,605
Noncurrent liabilities:	
Net Pension Liability - PERS	17,227,124
OPEB Liability - Health Insurance	474,167
OPEB Liability - Stipend	572,742
Long-Term Obligations Due within one year	2,281,333
Long-Term Obligations Due in more than one year	21,416,098
Total Liabilities	43,919,200
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferrals - PERS	2,048,599
OPEB Related Deferrals - Health Insurance	261,480
OPEB Related Deferrals - RHIA	138,117
Total Deferred Inflows	2,448,196
TOTAL LIABILITIES AND DEFERRED INFLOWS:	46,367,396
NET POSITION:	
Net Investment in Capital Assets	22,621,137
Restricted:	
Debt Service	2,953,771
Grants and Other	5,257,826
Capital Projects	683,059
Net OPEB Asset - RHIA	386,436
Unrestricted	(18,165,849)
Total Net Position	\$ 13,736,380

See accompanying notes to basic financial statements.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 15,197,702	\$ 25,344	\$ 1,826,070	\$ (13,346,288)
Support Services	11,958,245	-	1,347,483	(10,610,762)
Community Services	1,395,177	24,744	244,579	(1,125,854)
Interest on Long-Term Debt	<u>1,453,622</u>	<u>-</u>	<u>-</u>	<u>(1,453,622)</u>
Total Governmental Activities	<u>\$ 30,004,746</u>	<u>\$ 50,088</u>	<u>\$ 3,418,132</u>	<u>(26,536,526)</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purposes 5,399,196

Property Taxes, Levied for Debt Service 1,618,197

State Revenue Sharing 21,271,777

Grants and Contributions Not Restricted to Specific Programs

Intermediate Sources 104,342

Interest and Investment Earnings -

Unrestricted local sources 907,474

Total General Revenues 29,300,986

Changes in Net Position 2,764,460

Net Position - Beginning (Restated for GASB 84) 10,971,920

Net Position - Ending \$ 13,736,380

See accompanying notes to basic financial statements.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and cash equivalents	\$ 4,750,188	\$ 3,854,766	\$ 2,953,771	\$ 683,059	\$ 12,241,784
Property taxes receivable	221,853	-	67,423	-	289,276
Accounts receivable	10,831	1,414,115	-	-	1,424,946
Total Assets	<u>\$ 4,982,872</u>	<u>\$ 5,268,881</u>	<u>\$ 3,021,194</u>	<u>\$ 683,059</u>	<u>\$ 13,956,006</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 655,653	\$ 11,055	\$ -	\$ -	\$ 666,708
Payroll liabilities	1,050,485	-	-	-	1,050,485
Total Liabilities	<u>1,706,138</u>	<u>11,055</u>	<u>-</u>	<u>-</u>	<u>1,717,193</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	<u>221,853</u>	<u>-</u>	<u>67,423</u>	<u>-</u>	<u>289,276</u>
Fund Balances:					
Restricted for:					
Debt Service	-	-	2,953,771	-	2,953,771
Grants and Other	-	5,257,826	-	-	5,257,826
Capital Projects	-	-	-	683,059	683,059
Unassigned	<u>3,054,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,054,881</u>
Total Fund Balances	<u>3,054,881</u>	<u>5,257,826</u>	<u>2,953,771</u>	<u>683,059</u>	<u>11,949,537</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,982,872</u>	<u>\$ 5,268,881</u>	<u>\$ 3,021,194</u>	<u>\$ 683,059</u>	<u>\$ 13,956,006</u>

See accompanying notes to basic financial statements.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balances - Governmental Funds	\$	11,949,537
OPEB Asset - RHIA		386,436
The cost of capital assets (land, buildings & improvements, equipment and vehicles) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.		
Net Capital Assets		35,326,550
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		
		289,276
The PERS Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(17,227,124)
Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred Outflows - PERS		10,242,703
OPEB Deferred Outflows - RHIA		42,975
Deferred Inflows - PERS		(2,048,599)
OPEB Deferred Inflows - Health Insurance		(261,480)
OPEB Deferred Inflows - RHIA		(138,117)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.		
Long-term Liabilities		
Interest Payable	\$	(59,605)
Accrued Vacation		(170,938)
OPEB Liability - Health Insurance		(474,167)
OPEB Liability - Stipends		(572,742)
Bonds payable		(23,697,431)
		(24,974,883)
Current or advanced refundings resulting in the defeasance of debt are recorded as a deferred outflow (loss) or deferred inflow (gain).		
		149,106
Net Position	\$	13,736,380

See accompanying notes to basic financial statements.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
From Local Sources	\$ 5,665,322	\$ 814,779	\$ 3,430,685	\$ 7,219	\$ 9,918,005
From Intermediate Sources	103,798	544	-	-	104,342
From State Sources	19,248,144	2,023,633	-	-	21,271,777
From Federal Sources	71,233	3,294,175	-	-	3,365,408
Total Revenues	25,088,497	6,133,131	3,430,685	7,219	34,659,532
EXPENDITURES:					
Current:					
Instruction	12,638,654	2,229,351	-	-	14,868,005
Support Services	10,120,440	1,646,667	3,200	-	11,770,307
Enterprise and Community Services	233,494	1,131,416	-	-	1,364,910
Facilities Acquisition	-	-	-	1,268,997	1,268,997
Debt Service	-	-	2,985,318	-	2,985,318
Total Expenditures	22,992,588	5,007,434	2,988,518	1,268,997	32,257,537
Revenues over (under) expenditures	2,095,909	1,125,697	442,167	(1,261,778)	2,401,995
Other Financing Sources, (Uses):					
Transfers In	-	247,500	-	-	247,500
Transfers Out	(247,500)	-	-	-	(247,500)
Total other financing sources (uses)	(247,500)	247,500	-	-	-
Net Change in Fund Balance	1,848,409	1,373,197	442,167	(1,261,778)	2,401,995
Beginning Fund Balance (Restated)	1,206,472	3,884,629	2,511,604	1,944,837	9,547,542
Ending Fund Balance	\$ 3,054,881	\$ 5,257,826	\$ 2,953,771	\$ 683,059	\$ 11,949,537

See accompanying notes to basic financial statements.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2021

Total Net Changes in Fund Balances - Governmental Funds	\$	2,401,995
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount of debt principal repaid (net)</p>		
Reductions in Early Retirement Liability - Stipends	\$	80,923
Reductions in Long-Term Debt	<u>1,567,250</u>	1,648,173
Amortization of loss on refunding of debt		(37,276)
Change in OPEB Liability - Health Insurance		88,984
Change in OPEB Asset - RHIA		116,343
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		1,722
<p>Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.</p>		
Expenditures for capital assets (net)	\$	1,982,744
Depreciation Expense	<u>(1,476,339)</u>	506,405
<p>Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned.</p>		
		(22,471)
<p>The PERS Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		(1,923,211)
<p>Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received, however in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.</p>		
		<u>(16,204)</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>2,764,460</u>

See accompanying notes to basic financial statements.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements 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 accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Sweet Home School District No. 55 (the District) is a municipal corporation governed by an elected Board of Directors. The District was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. As required by accounting principles generally accepted in the United States of America, these Basic Financial Statements present Sweet Home School District No. 55 (the primary government) and any component units. The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. Accounting principles generally accepted in the United States of America require that these financial statements present the District and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61 are separate organizations that are included in the District's reporting District because of the significance of their operational or financial relationships with the District. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The government-wide financial statements are reported 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 GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues 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 and include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Fund Financial Statements

The accounts 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 numbers of funds are maintained consistent with legal and managerial requirements.

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both 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, which is 60 days, except for property taxes which are not accrued after fiscal year end. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and OPEB expenses 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.

There are the following major governmental funds:

General Fund

This fund accounts for all financial resources and expenditures, 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 Fund

This fund accounts for revenues and expenditures of grants restricted for specific educational projects. The principal revenue source is restricted federal, state and local grants.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds, and for the one time receipt and disbursements to escrow of the proceeds of the 2002 and 2003 limited tax pension obligation bonds.

Capital Projects Fund

This fund accounts for the proceeds of bonds and capital improvements that are funded by the bonds.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the management to make estimates and assumptions that affect 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

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)

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the balance sheet as receivables. Uncollected taxes are deemed by management 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.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

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. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and Statement of Net Position.

Supply Inventories

All supply inventories are valued at cost (first-in, first-out method). Inventories of governmental funds are recorded as expenditures when purchased. Management has determined that supply inventories are immaterial, and accordingly there are no inventories reported in the financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government wide financial statements. Capital assets are assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	20 to 50 years
Vehicles and Equipment	5 to 15 years

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of items which qualify for reporting in this category. Loss on refunding is deferred and recognized as an outflow of resources in the period that the amount becomes available. At June 30, 2021, there were also deferred outflows representing PERS and RHIA pension related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements 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 District has two types of items which qualify for reporting in this category. The first, unavailable revenue, is in the governmental funds balance sheet for property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At June 30, 2021 there also were deferred inflows representing PERS pension related deferrals, OPEB-Health Insurance related deferrals, and OPEB-RHIA related deferrals reported in the Statement of Net Position.

Long Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

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

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.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vested Compensated Absences

It is the policy to permit employees to accumulate earned unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued in the government wide statements. A liability is accrued in the governmental funds because vacation pay is expected to be liquidated with expendable available resources.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

Net Position

Net position is comprised the various net earnings from operations, nonoperating 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 – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for debt service, grants and capital projects.

Unrestricted net position – consists of all other net position that is not included in the other categories previously mentioned.

Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. 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 are nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items.
- 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).

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 or officers to whom that authority has been given by the governing body.
- 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.

There were no committed or assigned fund balances at June 30, 2021.

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end are not considered budgetary resources in the funds, capital assets are expensed when purchased, inventory is expensed when purchased, long term debt is expensed when paid, depreciation and amortization expense is not reported, and pension costs and OPEB liabilities are expensed when paid.

The budgeting process is begun by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency, and transfers) for each fund. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

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 the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the 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). Such transfers require approval by the Board.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation transfers approved by the Board. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations, except for the Special Revenue fund – Instruction, which was over-expended by \$675,228.

3. CASH AND INVESTMENTS

The cash management policies are governed by state statutes. Statutes authorize investing in bankers acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities and Local Government Investment Pools.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments, except for the Fiduciary Fund, which is reported on a separate statement.

Cash and Investments at June 30, 2021 (recorded at fair value) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	\$ 962,325
Investments	<u>11,279,459</u>
Total	<u><u>\$ 12,241,784</u></u>
Reported In:	
Governmental Funds	<u>\$ 12,241,784</u>
Total	<u><u>\$ 12,241,784</u></u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2021 was \$1,213,298, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Investments

Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

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's compliance with all portfolio guidelines can be found in their annual report when issued. 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 approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurers Investment Pool	\$ 11,279,459	\$ 11,279,459	\$ -	\$ -
Total	\$ 11,279,459	\$ 11,279,459	\$ -	\$ -

Interest Rate Risk - Investments

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.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk.

Credit Risk – Investments

Oregon Revised Statutes do 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 Risk

At June 30, 2021, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. GRANTS RECEIVABLE

Special revenue fund grants receivable includes claims for reimbursement of costs under various federal grant programs. There is no allowance for doubtful accounts as all amounts are considered collectable by management.

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2021, were as follows:

	Capital Assets 7/1/2020	Additions	Deletions/Transfers	Capital Assets 6/30/2021
Non Depreciable:				
Land & Land Improvements	\$ 463,022	\$ -	\$ -	\$ 463,022
Construction in Progress	12,373,113	-	12,373,113	-
Depreciable:				
Buildings & Improvements	33,863,205	14,316,877	-	48,180,082
Equipment and Vehicles	4,680,258	38,980	15,040	4,704,198
	<u>51,379,598</u>	<u>14,355,857</u>	<u>12,388,153</u>	<u>53,347,302</u>
Accumulated Depreciation:				
Buildings and Improvements	13,080,762	1,219,432	-	14,300,194
Vehicles and Equipment	3,478,691	256,907	15,040	3,720,558
				-
Total Accumulated Depreciation	<u>16,559,453</u>	<u>1,476,339</u>	<u>15,040</u>	<u>18,020,752</u>
Capital Assets, Net	<u>\$ 34,820,145</u>			<u>\$ 35,326,550</u>

During the year ended June 30, 2021, the District disposed of assets with a total cost of \$15,040 and associated accumulated depreciation of \$15,040 for no gain or loss. Additionally, \$12,373,113 of construction in progress was completed and moved to Buildings & Improvements during 2020-21.

Depreciation was allocated to the functions as follows:

Instruction	\$ 783,846
Support	620,534
Community Services	<u>71,959</u>
Total Depreciation Expense	<u>\$ 1,476,339</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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 Comprehensive Annual Financial Report which can be found at:

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

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$3,231,292, excluding amounts to fund employer specific liabilities.

Pension Asset or Liability – At June 30, 2021, the District reported a net pension liability of \$17,227,124 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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, 2020 and 2019, the District's proportion was .079 percent and .058 percent, respectively. Pension expense for the year ended June 30, 2021 was \$1,923,211.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 8.33%
- (2) OPSRP general services – 2.88%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 758,202	\$ -
Changes in assumptions	924,525	32,393
Net difference between projected and actual earnings on pension plan investments	2,025,686	-
Net changes in proportionate share	3,130,277	1,024,719
Differences between City contributions and proportionate share of contributions	172,721	991,487
Subtotal - Amortized Deferrals (below)	7,011,411	2,048,599
City contributions subsequent to measuring date	3,231,292	-
Deferred outflow (inflow) of resources	<u>\$ 10,242,703</u>	<u>\$ 2,048,599</u>

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, 2022.

Subtotal amounts related to pension as deferred outflows of resources, \$7,011,411, and deferred inflows of resources, (\$2,048,599), net to \$4,962,812 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 1,114,604
2023	1,240,200
2024	1,167,940
2025	1,239,209
2026	200,859
Thereafter	-
Total	<u>\$ 4,962,812</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 5, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

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

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the 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.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
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	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> 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, 2018.

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%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS CAFR; p. 102)

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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 May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS CAFR; p. 74)

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 25,580,857	\$ 17,227,124	\$ 10,222,132

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, 2020 Measurement Date that meet this requirement.

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.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSERP members earning \$2,500 or more per month 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 OPSERP 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 did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

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. 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.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

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 Employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. 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's contributions to RHIA are included in PERS contributions (see note 6) for all reporting years and equaled the required contributions each year.

At June 30, 2021, the District reported a net OPEB liability/(asset) of (\$386,436) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB 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 dates of June 30, 2020 and 2019, the District's proportion was .11 percent and .19 percent, respectively. OPEB income for the year ended June 30, 2021 was \$116,343.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (62,155)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(42,128)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	<u>-</u>
Employer's Total OPEB Expense/(Income)	<u>\$ (104,283)</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN - (CONTINUED)

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 39,505
Changes in assumptions	-	20,541
Net difference between projected and actual earnings on pension plan investments	42,975	-
Net changes in proportionate share	-	78,071
Differences between City contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>42,975</u>	<u>138,117</u>
City contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 42,975</u>	<u>\$ 138,117</u>

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, 2022.

Subtotal amounts related to OPEB as deferred outflows of resources, \$42,975, and deferred inflows of resources, (\$138,117), net to (\$95,142) and will be recognized in OPEB income as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ (80,344)
2023	(44,240)
2024	15,886
2025	13,556
2026	-
Thereafter	-
Total	<u>\$ (95,142)</u>

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, 2020. That independently audited report was dated March 15, 2021 and can be found at:

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

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN - (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	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, 2018.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. 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.

SWEET HOME SCHOOL DISTRICT NO. 55
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NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT 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 May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

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

	Decrease (6.20%)	Rate (7.20%)	Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (311,982)	\$ (386,436)	\$ (450,098)

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFIT PLAN - (CONTINUED)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

8. OTHER POST EMPLOYMENT BENEFITS – (EARLY RETIREMENT STIPEND)

Plan Description – A single employer early retirement supplement program is maintained for some employees. The plan is, in substance, a defined benefit plan established under collective bargaining agreements.

Eligible certificated employees must have been hired on or before June 30, 1999, be eligible for retirement under PERS rules, and have either ten years of full-time employment with the District at the time of retirement or be at least age 55 with ten years in the District at the time of retirement. The early retirement program provides certificated employees hired on or before June 30, 1998 with a monthly stipend of \$445 per month for seven consecutive years or to age 65, whichever occurs first. For certificated employees hired from July 1, 1998 through June 30, 1999, a monthly stipend not to exceed \$445 per month is based on the following calculation: (Years of service with the District/30 years x \$445 per month) for seven years or to age 65, whichever occurs first.

Eligible administrative and confidential employees must have been hired on or before September 1, 1999, be eligible for retirement under PERS rules, and have seven years of employment with the District at the time of retirement. The early retirement program provides eligible administrative and confidential employees a monthly stipend equal to one percent of their final annual gross salary.

In accordance with GASB Statement 73, a liability has been determined by the District without need of an outside actuary due to the plan being closed to new entrants and the District reporting the maximum potential liability for all remaining participants. As of June 30, 2021, the District's maximum potential non-discounted liability for this early retirement plan is \$629,988 assuming employees eligible for the early retirement retire following 30 years of employment unless retiring sooner will result in a larger early retirement benefit. If so, the higher benefit amount is used in the calculation. The net present value of the District's June 30, 2021 potential early retirement liability is \$572,742 based on a calculation using the June 30, 2021 ten year treasury yield of 1.45 percent. There are no deferred outflows or deferred inflows associated with this plan, and no data available on the sensitivity of the liability to discount or trend rates.

Total plan expenditures for the 2020-21, 2019-20, and 2018-19 and fiscal years were \$41,347, \$54,073 and \$80,305.

An Early Retirement Fund was established during the 2005-06 fiscal year and includes 20 employees. As of June 30, 2021, \$604,479 remains in the fund, which is included with the Special Revenue Funds for accounting purposes.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFITS – (HEALTH INSURANCE)

Plan Description - The District operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. 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 employees, 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 District has not established an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund. The District does not issue a stand-alone report for this plan.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Program membership consisted of the following as of the Actuarial Measurement date of June 30, 2020:

Retirees currently receiving benefits	15
Active program members	<u>254</u>
Total	<u>269</u>

Total Other Post Employment Benefit Liability

The District's total health insurance liability and total other post-employment benefits were measured as of June 30, 2021 and determined by an actuarial valuation as of June 30, 2021.

Actuarial Methods and Assumptions - The District engaged an actuary to perform a valuation as of June 30, 2021 using the Entry age normal, level percent of salary Actuarial Cost Method.

The total other post-employment benefit liability in the June 30, 2020 actuarial valuation was calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFITS – (HEALTH INSURANCE) (CONTINUED)

Discount Rate	2.21%
Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Reporting Date	June 30, 2020
Inflation	2.50%
Salary Increases	3.50%
Healthy Mortality	Based on Oregon PERS valuation assumptions as of December 31, 2018
Actuarial Cost Method	Entry Age Normal Level Percent of Pay

Retirement rates were calculated based on age, tier/OPSRP and years of service. 25% of future retirees eligible for District-paid health care are assumed to elect medical coverage and 35% of those retirees are assumed to cover a spouse, as well.

The discount rate used to measure the total other post-employment benefit liability was 2.21%, based on the Bond Buyer Index: 20-year Bond Government Obligations at the measurement date.

Changes in the Net Other Post-employment Benefit Liability

Changes of assumptions: Interest Discount, the investment return assumption was decreased from 3.87% to 2.21%. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

	Total OPEB Liability
Total OPEB Liability Balance 7/1/2020	\$ 533,770
Changes for the Year:	
Benefit payments	(92,746)
Service Cost	22,372
Interest	10,771
Changes of benefit terms	-
Changes of Assumptions	-
Experience (Gain)/Loss	-
Net Change in total OPEB Liability	(59,603)
Total OPEB Liability Balance 6/30/2021	\$ 474,167

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFITS – (HEALTH INSURANCE) (CONTINUED)

Sensitivity of the Total Post-employment Benefit Liability to changes in the discount and trend rates

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 2.21 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 502,709	\$ 474,167	\$ 447,204

	1% Decrease	Current Health Care Trend Rate	1% Increase
Total OPEB Liability	\$ 431,353	\$ 474,167	\$ 524,755

Other Post-employment benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-employment Benefits

For the year ended June 30, 2021, the District recognized Other Post-employment Benefit income of \$88,984. At June 30, 2021, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits from the following sources:

Deferral Source	Deferred outflow of resources	Deferred inflows of resources
Differences between expected & actual experience	\$ -	\$ 22,828
Changes of assumptions or other inputs	-	238,652
Totals	\$ -	\$ 261,480

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFITS – (HEALTH INSURANCE) (CONTINUED)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Subtotal amounts reported as deferred outflows \$0, and deferred inflows of resources (\$261,480), related to Other Post-employment benefits net to (\$261,480), and will be recognized in Other Post-employment benefit income as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ (29,381)
2023	(29,381)
2024	(29,381)
2025	(29,381)
2026	(29,381)
Thereafter	(114,575)
Total	<u>\$ (261,480)</u>

For more information on the changes in OPEB health insurance liability, see page 39 of the financial report.

10. LONG-TERM OBLIGATIONS

BONDS PAYABLE:

General Obligation Bonds

On June 13, 2001, the District issued \$18,720,250 in voter approved general obligation bonds. Proceeds were used to renovate Sweet Home High School, add classroom space at Hawthorne Elementary School, upgrade heating systems throughout the district and complete a variety of other capital improvements at District facilities. In 2005, the District issued General Obligation Refunding Bonds to advance refund the 2001 series bonds at lower interest rates.

On February 17, 2015 and March 3, 2015, the District issued a total of \$14,375,000 in General Obligation Refunding Bonds to refund the remaining 2005 series bonds at lower interest rates. This refunding was structured to shorten the final maturity. Debt service payments due in 2028 and 2029 were eliminated and a debt service payment due in 2027 was reduced.

On September 12, 2017, the District issued a total of \$3,820,000 in General Obligation bonds at a premium, realizing total proceeds of \$4,077,069. The proceeds of the bond issue were used primarily to renovate Sweet Home Junior High School.

Pension Obligation Bonds

On April 3, 2003 and October 9, 2002, \$9,199,658 and \$8,089,414 respectively, of limited tax pension obligation bonds were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the District's future required contribution rate.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM OBLIGATIONS (CONTINUED)

Debt service payments for the pension obligation bonds will continue through the 2027-28 fiscal year. Future increases of the annual debt service payment will range from 4.4 percent to 4.9 percent annually. The bonds include deferred interest obligations where interest is payable at maturity and current interest obligations where interest is due semi-annually.

As of June 30, 2021, there were no additions to Long Term Obligations.

The District has no significant default or termination clauses on any bonds payable and are not subject to any acceleration clauses under GASB 88.

Changes in bonds outstanding are as follows:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2020</u>	<u>Issued</u>	<u>Matured And Redeemed</u>	<u>Outstanding June 30, 2021</u>
October 9, 2002	2.06% - 6.10%	8,089,414	\$ 5,480,000	\$ -	\$ -	\$ 5,480,000
April 3, 2003	1.50% - 6.27%	9,199,658	5,607,385	-	244,472	5,362,913
February 17, 2015	2.50%-4.0%	8,800,000	8,800,000	-	635,000	8,165,000
March 3, 2015	2.0%-3.0%	5,575,000	550,000	-	550,000	-
September 12, 2017	3%	3,820,000	3,820,000	-	-	3,820,000
			<u>\$ 24,257,385</u>	<u>\$ -</u>	<u>\$ 1,429,472</u>	<u>\$ 22,827,913</u>

Future maturities of bonds are payable as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	2,143,555	1,550,013
2023	2,319,358	1,519,183
2024	3,155,000	820,260
2025	3,435,000	689,758
2026	3,755,000	521,982
2027-29	8,020,000	515,887
Total	<u>\$22,827,913</u>	<u>\$5,617,083</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM OBLIGATIONS (CONTINUED)

Total long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additons</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due In More Than One Year</u>
Bonds Payable	\$24,257,385	\$ -	\$ 1,429,472	\$22,827,913	\$2,143,555	\$ 20,684,358
Bond Premium	<u>1,007,296</u>	-	<u>137,778</u>	<u>869,518</u>	<u>137,778</u>	<u>731,740</u>
Total Long-term Liabilities	<u>\$25,264,681</u>	<u>\$ -</u>	<u>\$ 1,567,250</u>	<u>\$23,697,431</u>	<u>\$2,281,333</u>	<u>\$ 21,416,098</u>
Loss on Bond Refunding	(186,381)	-	(37,276)	(149,105)	(37,276)	(111,829)

11. 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 exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

12. INTERFUND TRANSFERS

Operating transfers between funds were made to fund various programs and activities as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 247,500	\$ -
Special Revenue Fund	-	247,500
Debt Service	-	-
Total	<u>\$ 247,500</u>	<u>\$ 247,500</u>

The internal transfers are budgeted and recorded to show legal and operational commitments between funds such as cost sharing.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. PROPERTY TAX LIMITATION

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and nonschool 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 \$5.00 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 voters 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.

14. TAX ABATEMENTS

As of June 30, 2021, the District potentially had tax abatements through various state allowed programs that impacted levied taxes and would require disclosure under GASB 77. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2021 were deemed immaterial by management.

15. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2021 are as follows:

Fund Balances:	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Nonspendable:</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Restricted:</u>					
Debt Service	-	-	2,953,771	-	2,953,771
Grants and Other	-	5,257,826	-	-	5,257,826
Capital Projects	-	-	-	683,059	683,059
	-	5,257,826	2,953,771	683,059	8,894,656
<u>Unassigned:</u>	3,054,881	-	-	-	3,054,881
Total Fund Balances	<u>\$ 3,054,881</u>	<u>\$ 5,257,826</u>	<u>\$ 2,953,771</u>	<u>\$ 683,059</u>	<u>\$ 11,949,537</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

16. 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 either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the ultimate impact in the District's finances is not determinable.

17. RESTATEMENT OF FIDUCIARY NET POSITION

During the year ended June 30, 2021, Sweet Home School District adopted a new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement requires a change in the presentation of the financial statements by including ending net position in custodial funds not previously required. Beginning net position has been restated to reflect this change.

Net Position - Beginning as previously reported	\$ 9,668,365
GASB 84 implementation, restating net position	<u>1,303,555</u>
Net Position - Beginning as restated	<u><u>\$ 10,971,920</u></u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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SWEET HOME SCHOOL DISTRICT NO.55
LINN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2021

PERS

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
2021	0.06 %	\$ 17,227,124	\$ 13,142,590	131.1 %	75.8 %
2020	0.06	10,007,433	13,184,305	75.9	80.2
2019	0.07	10,904,804	12,835,114	85.0	82.1
2018	0.07	8,958,934	12,775,838	70.1	83.1
2017	0.05	7,463,185	10,263,068	72.7	80.5
2016	0.03	1,784,534	9,576,201	18.6	91.9
2015	0.03	(626,540)	9,366,579	(6.7)	103.6
2014	0.03	1,410,555	9,213,667	15.3	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

	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
2021	\$ 3,231,292	\$ 3,231,292	\$ -	\$ 14,020,559	23.0 %
2020	2,844,952	2,844,952	-	13,142,590	21.6
2019	2,540,156	2,540,156	-	13,184,305	19.3
2018	2,776,406	2,776,406	-	12,835,114	21.6
2017	2,466,869	2,466,869	-	12,775,838	19.3
2016	2,481,747	2,481,747	-	10,263,068	24.2
2015	2,487,394	2,487,394	-	9,576,201	26.0
2014	2,496,672	2,496,672	-	9,366,579	26.7

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

**SWEET HOME SCHOOL DISTRICT
LINN COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

OPEB - RHIA

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

Year Ended June 30,	(a) District's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) District's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) District's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.18965 %	\$ 386,436	\$ 13,142,590	2.94 %	150.1 %
2020	0.11492	222,070	13,184,305	1.68	144.4
2019	0.10856	121,180	12,835,114	0.94	124.0
2018	0.10617	44,310	12,775,838	0.35	108.9
2017	0.11011	(29,902)	10,263,068	(0.29)	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

Amounts for covered payroll (c) use the prior year's data to match the measurement data used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS FOR 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
2021	\$ N/A	\$ N/A	\$ N/A	\$ 14,020,559	N/A %
2020	N/A	N/A	N/A	13,142,590	N/A
2019	N/A	N/A	N/A	13,184,305	N/A
2018	N/A	N/A	N/A	12,835,114	N/A
2017	N/A	N/A	N/A	12,775,838	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

All statutorily required contributions were made and are included within PERS contributions (see p. 36).

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2021

HEALTH INSURANCE SUBSIDY

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Experience (Gain)/Loss	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 533,770	\$ 22,372	\$ 10,771	\$ -	\$ -	\$ (92,746)	\$ 474,167	\$ 11,128,370	4.3%
2020	886,234	21,615	18,783	(27,958)	(292,284)	(72,620)	533,770	10,752,048	5.0%
2019	936,870	42,787	33,795	-	-	(127,218)	886,234	11,940,703	7.4%
2018	992,855	41,340	35,847	-	-	(133,172)	936,870	11,536,911	8.1%
2017	-	-	-	-	-	-	992,855	11,146,774	8.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2021	N/A	N/A	N/A	\$ 11,128,370	N/A
2020	N/A	N/A	N/A	10,752,048	N/A
2019	N/A	N/A	N/A	11,940,703	N/A
2018	N/A	N/A	N/A	11,536,911	N/A
2017	N/A	N/A	N/A	11,146,774	N/A

The above table presents the most recent actuarial valuations for the District's OPEB Health Insurance and it provides information that approximates the funding progress of the plan.

The amounts presented for each fiscal year are actuarially determined and rolled forward.

This schedule is 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.

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SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2021

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>BUDGET</u>		<u>ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 5,538,000	\$ 5,538,000	\$ 5,665,322	\$ 127,322
Intermediate Sources	180,000	180,000	103,798	(76,202)
State Sources	19,780,000	19,780,000	19,248,144	(531,856)
Federal Sources	80,000	80,000	71,233	(8,767)
Total Revenues	25,578,000	25,578,000	25,088,497	(489,503)
EXPENDITURES				
Instruction	14,134,723	14,134,723 (1)	12,638,654	1,496,069
Support Services	11,215,337	11,215,337 (1)	10,120,440	1,094,897
Enterprise and Community Services	250,738	250,738 (1)	233,494	17,244
Contingency	904,702	904,702 (1)	-	904,702
Total Expenditures	26,505,500	26,505,500	22,992,588	3,512,912
Excess of Revenue Over, (Under) Expenditures	(927,500)	(927,500)	2,095,909	3,023,409
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(247,500)	(247,500) (1)	(247,500)	-
Net Change in Fund Balance	(1,175,000)	(1,175,000)	1,848,409	3,023,409
Beginning Fund Balance	1,175,000	1,175,000	1,206,472	31,472
Ending Fund Balance	\$ -	\$ -	\$ 3,054,881	\$ 3,054,881

(1) Appropriation Level

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET -BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2021

<u>SPECIAL REVENUE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 285,000	\$ 285,000	\$ 814,779	\$ 529,779
Intermediate Source	-	-	544	544
State Sources	2,166,405	2,166,405	2,023,633	(142,772)
Federal Sources	2,882,491	2,882,491	3,294,175	411,684
Total Revenues	5,333,896	5,333,896	6,133,131	799,235
EXPENDITURES:				
Instruction	1,554,123	1,554,123 (1)	2,229,351	(675,228)
Support Services	3,149,773	3,149,773 (1)	1,646,667	1,503,106
Enterprise & Community Services	1,625,900	1,625,900 (1)	1,131,416	494,484
Facilities Acquisition & Construction	250,000	250,000 (1)	-	250,000
Contingency	825,000	825,000 (1)	-	825,000
Total Expenditures	7,404,796	7,404,796	5,007,434	2,397,362
Excess of Revenues Over, -Under Expenditures	(2,070,900)	(2,070,900)	1,125,697	3,196,597
Other Financing Sources (Uses):				
Transfers - In	240,000	240,000	247,500 (2)	7,500
Net Change in Fund Balance	(1,830,900)	(1,830,900)	1,373,197	3,204,097
Beginning Fund Balance	1,830,900	1,830,900	3,884,629	2,053,729
Ending Fund Balance	\$ -	\$ -	\$ 5,257,826	\$ 5,257,826

(1) Appropriation Level

(2) Included in this amount is the required match of \$10,155 for National School Lunch Support.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2021

DEBT SERVICE FUND				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
Local Sources:				
Property Taxes	\$ 1,690,000	\$ 1,690,000	\$ 3,430,685	\$ 1,740,685
Earnings on Investments	-	-	-	-
Services Provided Other Funds	1,700,000	1,700,000	-	(1,700,000)
Total Revenues	3,390,000	3,390,000	3,430,685	40,685
EXPENDITURES:				
Support Services:	5,000	5,000 (1)	3,200	1,800
Debt Service:	2,985,319	2,985,319 (1)	2,985,318	1
Total Expenditures	2,990,319	2,990,319	2,988,518	1,801
Excess of Revenues Over, -Under Expenditures	399,681	399,681	442,167	42,486
OTHER FINANCING SOURCES (USES):				
PERS UAL Payment	(1,200,000)	(1,200,000) (1)	-	1,200,000
Net Change in Fund Balance	(800,319)	(800,319)	442,167	42,486
Beginning Fund Balance	3,740,000	3,740,000	2,511,604	(1,228,396)
Ending Fund Balance	\$ 2,939,681	\$ 2,939,681	\$ 2,953,771	\$ 14,090

(1) Appropriation Level

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGETARY (NON-GAAP) BASIS
 For the Year Ended June 30, 2021

<u>CAPITAL PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ -	\$ -	\$ 7,219	\$ 7,219
State Sources	-	-	-	-
Total Revenues	-	-	7,219	7,219
EXPENDITURES:				
Facilities Acquisition & Construction	2,500,000	2,500,000 (1)	1,268,997	1,231,003
Total Expenditures	2,500,000	2,500,000	1,268,997	1,231,003
Net Change in Fund Balance	(2,500,000)	(2,500,000)	(1,261,778)	1,238,222
Beginning Fund Balance	2,500,000	2,500,000	1,944,837	(555,163)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 683,059</u>	<u>\$ 683,059</u>

(1) Appropriation level

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For the Year Ended June 30, 2021

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING 7/1/20	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING 6/30/21
10/9/2002	\$ 7,048,420	\$ (318,149)	\$ (318,149)	\$ 6,730,271
4/3/2003	8,902,295	(1,021,270)	(1,021,270)	7,881,025
2/17/2015	10,174,200	(964,800)	(964,800)	9,209,400
3/6/2015	566,500	(566,500)	(566,500)	-
9/12/2017	4,738,900	(114,600)	(114,600)	4,624,300
	<u>\$ 31,430,315</u>	<u>\$ (2,985,319)</u>	<u>\$ (2,985,319)</u>	<u>\$ 28,444,996</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2021

YEAR	ISSUE OF 10/09/02		ISSUE OF 4/03/03		ISSUE OF 2/17/15	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	Due 6/30	Due 6/30	Due 6/30	Due 6/30	Due 2/1	Due 8/1 & 2/1
2021-22	610,000	303,299	243,555	827,714	1,290,000	304,400
2022-23	690,000	269,871	244,358	881,912	1,385,000	252,800
2023-24	775,000	231,990	900,000	276,270	1,480,000	197,400
2024-25	865,000	188,978	1,010,000	225,780	1,560,000	160,400
2025-26	965,000	140,970	1,125,000	168,412	1,665,000	98,000
2026-27	1,075,000	87,413	1,250,000	104,512	785,000	31,400
2027-28	500,000	27,750	590,000	33,512	-	-
2028-29	-	-	-	-	-	-
TOTALS	<u>\$ 5,480,000</u>	<u>\$ 1,250,271</u>	<u>\$ 5,362,913</u>	<u>\$ 2,518,112</u>	<u>\$ 8,165,000</u>	<u>\$ 1,044,400</u>

YEAR	ISSUE OF 2017		TOTAL PRINCIPAL	TOTAL INTEREST
	PRINCIPAL	INTEREST		
	Due 2/1	Due 6/30		
2021-22	-	114,600	2,143,555	1,550,013
2022-23	-	114,600	2,319,358	1,519,183
2023-24	-	114,600	3,155,000	820,260
2024-25	-	114,600	3,435,000	689,758
2025-26	-	114,600	3,755,000	521,982
2026-27	950,000	114,600	4,060,000	337,925
2027-28	1,850,000	86,100	2,940,000	147,362
2028-29	1,020,000	30,600	1,020,000	30,600
TOTALS	<u>\$ 3,820,000</u>	<u>\$ 804,300</u>	<u>\$ 22,827,913</u>	<u>\$ 5,617,083</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON
 SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
 For the Year Ended June 30, 2021

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED JULY 1, 2020</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2021</u>
<u>GENERAL FUND</u>						
CURRENT						
2020-21	\$ 5,598,986	\$ 150,328	\$ (10,068)	\$ 3,244	\$ 5,326,284	\$ 115,550
PRIOR YEARS						
2019-20	132,060	2	(8,017)	5,834	72,981	56,894
2018-19	59,740	(2)	(7,199)	5,506	26,688	31,361
2017-18	25,387	1	(5,687)	4,504	13,792	10,411
2016-17	9,263	-	(2,320)	2,211	6,436	2,718
Prior Years	7,189	-	(1,758)	1,371	1,883	4,919
Total Prior	233,639	1	(24,981)	19,426	121,780	106,303
Total	<u>\$ 5,832,625</u>	<u>\$ 150,329</u>	<u>\$ (35,049)</u>	<u>\$ 22,670</u>	<u>\$ 5,448,064</u>	<u>\$ 221,853</u>

RECONCILIATION OF REVENUE:

Cash Collections by County Treasurer, Above	\$ 5,448,064
Change from Prior Years Unavailable Revenue, see page 6.	(16,204)
Payments in Lieu of Taxes	<u>(32,664)</u>
Total Revenue	<u>\$ 5,399,196</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON
 SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
 For the Year Ended June 30, 2021

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED JULY 1, 2020</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2021</u>
<u>DEBT SERVICE</u>						
CURRENT						
2020-21	\$ 1,682,454	\$ 45,172	\$ (3,025)	\$ 975	\$ 1,600,509	\$ 34,723
PRIOR YEARS						
2019-20	40,216	1	(2,441)	1,777	22,225	17,326
2018-19	18,380	(1)	(2,215)	1,694	8,211	9,649
2017-18	7,874	-	(1,765)	1,397	4,277	3,229
2016-17	2,964	-	(743)	707	2,059	869
Prior Years	2,407	-	(609)	454	624	1,628
Total Prior	71,841	-	(7,773)	6,029	37,396	32,701
Total	<u>\$ 1,754,295</u>	<u>\$ 45,172</u>	<u>\$ (10,798)</u>	<u>\$ 7,004</u>	<u>\$ 1,637,905</u>	<u>\$ 67,423</u>

RECONCILIATION OF REVENUE:

Cash Collections by County Treasurer, Above	\$ 1,637,905
Payments in Lieu of Taxes	<u>(19,708)</u>
Total Revenue	<u>\$ 1,618,197</u>

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

OTHER INFORMATION

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**2020 - 2021 DISTRICT AUDIT REVENUE SUMMARY
SWEET HOME SCHOOL DIST #55**

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$5,145,883	\$0	\$1,618,197	\$0	\$0	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied by District	\$269,517	\$0	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1190 Penalties and Interest on Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1311 Regular Day School Tuition - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1312 Regular Day School Tuition - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1313 Regular Day School Tuition - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1411 Transportation Fees - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1412 Transportation Fees - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1413 Transportation Fees - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420 Summer School Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$112,542	\$12,848	\$11,432	\$7,219	\$0	\$0	\$0
1600 Food Service	\$0	\$8,637	\$0	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$16,106	\$0	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$25,344	\$0	\$0	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$0	\$52,724	\$0	\$0	\$0	\$0	\$0
1930 Rental or Lease Payments From Private Contractors	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$1,801,055	\$0	\$0	\$0	\$0
1980 Fees Charged to Grants	\$73,067	\$0	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$22,863	\$740,570	\$1	\$0	\$0	\$0	\$0
Total Revenue from Local Sources	\$5,665,322	\$814,779	\$3,430,685	\$7,219	\$0	\$0	\$0

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2102 General ESD Revenue	\$103,798	\$0	\$0	\$0	\$0	\$0	\$0
2103 Excess ESD Local Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2110 Intermediate "I" Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$544	\$0	\$0	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Intermediate Sources	\$103,798	\$544	\$0	\$0	\$0	\$0	\$0

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$18,932,246	\$0	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$10,155	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$222,437	\$0	\$0	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$93,041	\$0	\$0	\$0	\$0	\$0	\$0
3106 State School Fund - Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$420	\$241,027	\$0	\$0	\$0	\$0	\$0
3204 Driver Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$266,993	\$0	\$0	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$0	\$1,505,458	\$0	\$0	\$0	\$0	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from State Sources	\$19,248,144	\$2,023,633	\$0	\$0	\$0	\$0	\$0

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$0	\$3,205,853	\$0	\$0	\$0	\$0	\$0
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4801 Federal Forest Fees	\$71,233	\$0	\$0	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$0	\$88,322	\$0	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$71,233	\$3,294,175	\$0	\$0	\$0	\$0	\$0

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Interfund Transfers	\$0	\$247,500	\$0	\$0	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$1,206,472	\$3,884,629	\$2,511,604	\$1,944,837	\$0	\$0	\$0
Total Revenue from Other Sources	\$1,206,472	\$4,132,129	\$2,511,604	\$1,944,837	\$0	\$0	\$0

Grand Totals

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Grand Totals	\$26,294,969	\$10,265,260	\$5,942,289	\$1,952,056	\$0	\$0	\$0

**2020-21 DISTRICT AUDIT EXPENDITURE SUMMARY
SWEET HOME SCHOOL DIST #55**

Fund: 100 General Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$4,335,485	\$2,823,924	\$1,430,904	\$22,058	\$58,503	\$0	\$96	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$1,353,851	\$892,174	\$398,676	\$3,323	\$59,678	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$9,583	\$7,246	\$2,337	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$2,604,278	\$1,682,082	\$886,341	\$5,302	\$29,720	\$0	\$833	\$0
1132 High School Extracurricular	\$473,369	\$319,771	\$113,620	\$32,698	\$4,345	\$0	\$2,935	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$15,874	\$11,042	\$4,418	\$0	\$414	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$1,211,670	\$752,231	\$410,512	\$44,871	\$2,958	\$0	\$1,098	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$1,335,397	\$855,461	\$470,694	\$3,730	\$4,449	\$0	\$1,063	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$150,968	\$86,823	\$54,896	\$8,929	\$223	\$0	\$97	\$0
1288 Charter School Payments	\$1,066,407	\$0	\$0	\$1,066,407	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$62,888	\$37,774	\$23,396	\$426	\$1,192	\$0	\$100	\$0
1292 Teen Parent Program	\$16,408	\$10,391	\$6,017	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$2,476	\$1,865	\$611	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$12,638,654	\$7,480,784	\$3,802,422	\$1,187,744	\$161,482	\$0	\$6,222	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$409,520	\$270,834	\$135,743	\$1,394	\$1,409	\$0	\$140	\$0
2130 Health Services	\$10,940	\$0	\$0	\$787	\$10,153	\$0	\$0	\$0
2140 Psychological Services	\$2,680	\$0	\$0	\$2,680	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$120,964	\$77,180	\$39,236	\$2,573	\$1,975	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$285,726	\$156,044	\$80,569	\$11,758	\$1,025	\$0	\$36,330	\$0
2210 Improvement of Instruction Services	\$264,674	\$176,170	\$71,267	\$3,734	\$12,476	\$0	\$1,027	\$0
2220 Educational Media Services	\$349,304	\$192,052	\$131,993	\$982	\$24,277	\$0	\$0	\$0
2230 Assessment & Testing	\$2,110	\$0	\$0	\$0	\$2,110	\$0	\$0	\$0
2240 Instructional Staff Development	\$18,717	\$11,558	\$7,159	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$87,619	\$0	\$0	\$86,549	\$302	\$0	\$768	\$0
2320 Executive Administration Services	\$305,886	\$196,333	\$93,158	\$5,631	\$3,896	\$0	\$6,868	\$0
2410 Office of the Principal Services	\$1,680,049	\$1,101,035	\$554,319	\$4,919	\$10,621	\$0	\$9,155	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$226,320	\$146,839	\$78,580	\$284	\$369	\$0	\$248	\$0
2520 Fiscal Services	\$312,926	\$109,247	\$197,360	\$3,623	\$2,146	\$0	\$550	\$0
2540 Operation and Maintenance of Plant Services	\$4,016,250	\$1,098,262	\$558,212	\$1,072,811	\$962,224	\$84,486	\$240,255	\$0
2550 Student Transportation Services	\$1,344,126	\$733,424	\$393,619	\$80,462	\$78,620	\$0	\$58,001	\$0
2570 Internal Services	\$39,713	\$15,374	\$6,652	\$32	\$17,655	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$6,814	\$5,160	\$1,654	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$1	\$0	\$0	\$1	\$0	\$0	\$0	\$0
2660 Technology Services	\$429,779	\$198,154	\$103,256	\$18,971	\$97,359	\$0	\$12,039	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$206,322	\$0	\$0	\$205,764	\$558	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$10,120,440	\$4,487,666	\$2,452,777	\$1,502,955	\$1,227,175	\$84,486	\$365,381	\$0

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$233,494	\$165,274	\$55,931	\$867	\$11,062	\$0	\$360	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$233,494	\$165,274	\$55,931	\$867	\$11,062	\$0	\$360	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Planning, Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$247,500	\$0	\$0	\$0	\$0	\$0	\$0	\$247,500
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$247,500	\$0	\$0	\$0	\$0	\$0	\$0	\$247,500

Grand Total

\$23,240,088	\$12,133,724	\$6,311,130	\$2,691,566	\$1,399,719	\$84,486	\$371,963	\$247,500
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2020-21 DISTRICT AUDIT EXPENDITURE SUMMARY
Sweet Home School Dist #55

Fund: 200 Special Revenue Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$143,074	\$85,328	\$46,102	\$2,039	\$9,605	\$0	\$0	\$0
1113 Elementary Extracurricular	\$7,493	\$0	\$0	\$0	\$7,493	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$7,015	\$0	\$0	\$0	\$7,015	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$4,225	\$0	\$0	\$0	\$4,225	\$0	\$0	\$0
1131 High School Programs	\$573,065	\$208,448	\$86,834	\$50,412	\$221,071	\$0	\$6,300	\$0
1132 High School Extracurricular	\$287,922	\$0	\$0	\$0	\$287,922	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$6,376	\$0	\$0	\$6,376	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$161,238	\$118,454	\$42,784	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$232,429	\$166,338	\$66,091	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$661,251	\$401,506	\$170,223	\$0	\$89,522	\$0	\$0	\$0
1280 Alternative Education	\$104,761	\$67,710	\$37,051	\$0	\$0	\$0	\$0	\$0
1288 Charter School Programs	\$31,675	\$0	\$0	\$31,675	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$8,830	\$0	\$0	\$1,250	\$7,580	\$0	\$0	\$0
Total Instruction Expenditures	\$2,229,354	\$1,047,784	\$449,085	\$91,752	\$634,433	\$0	\$6,300	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$30,920	\$22,083	\$8,837	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$183,288	\$121,861	\$58,208	\$79	\$3,140	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$149,828	\$102,093	\$47,735	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$67,526	\$45,614	\$21,912	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$25,350	\$16,246	\$6,017	\$1,494	\$1,593	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$631,562	\$173,652	\$68,993	\$58,159	\$327,245	\$0	\$3,513	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$61,751	\$45,929	\$15,822	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$66,260	\$39,401	\$19,159	\$7,700	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$73,067	\$0	\$0	\$0	\$0	\$0	\$73,067	\$0
2540 Operation and Maintenance of Plant Services	\$301,207	\$0	\$0	\$18,397	\$73,170	\$209,640	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$14,562	\$10,542	\$4,020	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$41,347	\$38,409	\$2,938	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$1,646,668	\$615,830	\$253,641	\$85,829	\$405,148	\$209,640	\$76,580	\$0

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$1,128,528	\$343,449	\$198,075	\$6,612	\$578,526	-\$1,024	\$2,890	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$2,890	\$0	\$0	\$0	\$2,890	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$1,131,418	\$343,449	\$198,075	\$6,612	\$581,416	-\$1,024	\$2,890	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Grand Total

\$5,007,440	\$2,007,063	\$900,801	\$184,193	\$1,620,997	\$208,616	\$85,770	\$0
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2020 - 21 DISTRICT AUDIT EXPENDITURE SUMMARY
Sweet Home School Dist #55

Fund: 300 Debt Service Funds

Instruction Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
1111 Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1288 Charter School Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$3,200	\$0	\$0	\$3,200	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$3,200	\$0	\$0	\$3,200	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
5100 Debt Service	\$2,985,318	\$0	\$0	\$0	\$0	\$2,985,318	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$2,985,318	\$0	\$0	\$0	\$0	\$2,985,318	\$0	\$0
Grand Total	\$2,988,518	\$0	\$0	\$3,200	\$0	\$0	\$2,985,318	\$0

2020 - 21 DISTRICT AUDIT EXPENDITURE SUMMARY
Sweet Home School Dist #55

Fund: 400 Capital Projects Funds

Instruction Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
1111 Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$1,268,998	\$0	\$0	\$34,935	\$0	\$1,234,063	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$1,268,998	\$0	\$0	\$34,935	\$0	\$1,234,063	\$0	\$0
Other Uses Expenditures								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$1,268,998	\$0	\$0	\$34,935	\$0	\$1,234,063	\$0	\$0

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SUPPLEMENTAL INFORMATION
As Required by The Oregon Department of Education
For the Year Ended June 30, 2021

A. Energy bills for heating - all funds:

	<u>Objects 325, 326 and 327</u>
Function 2540	\$ 527,713
Function 2550	12,569

B. Replacement of equipment - General Fund:

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

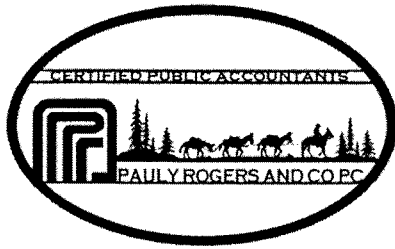
Exclude these functions:

1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$
1140	Pre-kindergarten	2550	Pupil transportation	
1300	Continuing education	3100	Food service	
1400	Summer school	3300	Community services	

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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November 17, 2021

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Sweet Home School District No. 55 (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated November 17, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe Sweet Home School District No. 55 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 as follows:

- 1) Expenditures were within authorized appropriations except as noted on page 14.

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

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.

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Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title		Subgrant#	Federal CFDA Number	Grant Period	Expenditures
US. DEPARTMENT OF EDUCATION					
<i>Passed Through Oregon Department of Education</i>					
ESSER FUND I	204	57926	84.425D	3/2020-9/30/2022	\$ 471,774
ESSER FUND II	207	64697	84.425R	3/13/20-9/23/23	209,640
GEER FUND	205	61054	84.425C	7/2020-5/31/2021	108,283
					789,697
Title I Part A Cluster					
Title I	212	58378	84.01	7/1/20 - 9/30/2021	456,217
Title I	214	53384	84.010	7/1/19 - 9/30/20	297,425
ESSA DISTRICT ENGAGEMENT	230	52104	84.010	7/1/2019-9/30/2021	29,971
					783,613
Special Education Cluster (Some Passed Through LBL ESD)					
IDEA PART B SECTION 611	274	60762	84.027	7/1/20- 9/30/22	396,923
IDEA PART B section 619	271	54096	84.173	7/1/19-9/30/21	643
IDEA PART B section 619	270	60587	84.173	7/1/20-9/30/21	3,399
					400,965
Title IIA - Improving Teacher Quality	224	53646	84.367	7/1/19-9/30/2020	35,226
Title IIA - Improving Teacher Quality	225	58872	84.367	7/1/2020-9/30/2021	57,378
					92,604
Student Support Academic Enrich	228	58681	84.424	7/1/2020-9/30/2021	18,674
					18,674
ESSA PARTNERSHIPS (supplemental)	229	65157	84.377	7/1/2019-9/30/2021	45,947
ESSA PARTNERSHIPS (1920)	229	54364	84.377	7/1/2019-9/30/2021	26,877
ESSA DISTRICT ENGAGEMENT	230	52104	84.010	7/1/2019-9/30/2021	29,971
					56,848
<i>Passed Through Linn Benton Community College</i>					
Carl Perkins	231	LBCC	84.048	7/1/20 - 6/30/21	19,082
					19,082
FOSTER CARE			93.658		420
					420
Total U.S. Department of Education					2,161,904
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Oregon Department of Education:</i>					
Child Nutrition Cluster					
HEALTH INSPECTIONS			10.559		600
SUMMER FOOD SERVICE	299		10.559	SUMMER LUNCH	938,958
NSLP Commodities	299		10.555	7/01/2020-6/30/2021	88,322
			10.559		1,027,880
Fresh Fruit and Veggie					
Fresh Fruit and Veggie-FOSTER	291	61245	10.582	10/1/20- 9/30/21	26,652
Fresh Fruit and Veggie-HOLLEY	291	61374	10.582	10/1/20- 9/30/21	11,458
Fresh Fruit and Veggie-HAWTHORNE	291	61373	10.582	10/1/20- 9/30/21	28,836
Fresh Fruit and Veggie-OH	291	61375	10.582	10/1/20- 9/30/21	22,488
					89,434
Total U.S. Department of Agriculture					1,117,314.14
Total Expenditures:					\$ 3,279,218
Reconciliation to Statement of Revenues, Expenses, and Changes in Fund Balance					
Federal Expenditures Recognized					\$ 3,279,218
Federal Forest Fees					71,233
Accruals/Deferrals					14,957
Federal Revenue of Statement of Revenues, Expenses, and Changes in Fund Balance					\$ 3,365,408

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November 17, 2021

To the Board of Directors
Sweet Home School District No. 55
Linn County, Oregon

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the remaining fund information of Sweet Home School District No. 55 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the basic financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, flowing style.

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.



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November 17, 2021

To the Board of Directors
Sweet Home School District No. 55
Linn County, Oregon

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

Report on Compliance for Each Major Federal Program

We have audited Sweet Home School District No. 55's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Sweet Home School District No. 55, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

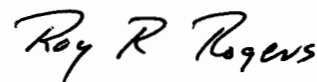
Report on Internal Control Over Compliance

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

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

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

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



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes

☒ none reported

Noncompliance material to financial statements noted?

☐ yes

☒ no

Any GAGAS audit findings disclosed that are required to be reported in
accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes

☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes

☒ none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance
with section 200.516(a) of the Uniform Guidance?

☐ yes

☒ no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

10.555, 10.559

Child Nutrition Cluster

84.425D, 84.425R, 84.425C

Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ yes

☐ no

SWEET HOME SCHOOL DISTRICT NO. 55
LINN COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None Reported

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District has elected not to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus are not allowed to use the de minimis rate.