

**ONTARIO SCHOOL DISTRICT
MALHEUR COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



12700 SW 72nd Ave.
Tigard, OR 97223

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
June 30, 2020

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INTRODUCTORY SECTION

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
BOARD OF DIRECTORS AND OFFICIALS
June 30, 2020

BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Renae Corn Ontario, OR	Vice-Chairperson	June 30, 2021
Eric Evans Ontario, OR	Director	June 30, 2023
Mike Blackaby Ontario, OR	Chairperson	June 30, 2023
Derrick Draper Ontario, OR	Vice-Chairperson	June 30, 2021
Blanca Rodriguez Ontario, OR	Director	June 30, 2021

OFFICIALS

Nicole Albisu	Superintendent
Mary Jo Evers	Director of Finance

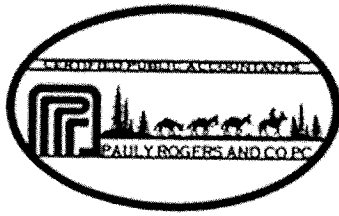
DISTRICT ADDRESS

195 SW Third Avenue
Ontario, OR 97914

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FINANCIAL SECTION

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www.paulyrogersandcocpas.com

December 14, 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ontario School District No. 8C
Malheur County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ontario School District No. 8C (the District), as of and for the year ended June 30, 2020, and the related notes to the 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.

Auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of Ontario School District No. 8C, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and 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 changes in total pension liability and related ratios for post-employment health benefits and stipends, or the Schedules of net pension liability or contributions for PERS, or the Schedules of net OPEB asset or 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, 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 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, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory section and other financial schedules 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 December 14, 2020 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 December 14, 2020, 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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ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2020

This section of Ontario School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2020. Please read it in conjunction with the District's financial reports, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's government-wide financial statements reflect assets of \$51.9MM, deferred outflows of \$8.6MM, liabilities of \$53.9MM and deferred inflows of \$2.3MM. \$7.2MM is invested in capital assets, \$11.08MM is restricted for debt service, (\$16.04MM) is unrestricted and available to meet the District's ongoing obligations.
- The District's Net Position decreased by \$90K during the fiscal year mostly due to the change in the net position of the governmental funds.
- The District had \$41.9MM in expenses; \$10MM of these expenses were offset by program specific charges for services, grants or contributions. The remaining resources of \$36.1MM is made up of beginning balances, and General revenues which consist primarily of taxes, state school support and earnings on investments.
- The District's governmental funds report combined ending fund balance of \$21.5MM. This is a \$2.5MM increase compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements to provide more detailed data. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements also look at the District's most significant funds with all other non-major funds presented in total in a single column. The table below summarizes the main features of the District's financial statements.

Features of Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements-Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position (page 14) Statement of Activities (page 15)	Balance Sheet (page 16) Statement of Revenues, Expenditures, and Changes in Fund Balances (page 18)
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due at year end, or soon thereafter, no capital assets included
Type of Inflow/Outflow Information	All revenues and expense during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon after

Information is included to support and explain the data in the basic financial statements. Schedules include: Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund and

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2020

Major Fund – Federal Programs (pages 53-54), Combining Balance Sheet – Nonmajor Governmental Funds, and Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance-Non Major Funds.

Modified Accrual Accounting vs. Full Accrual Accounting

The following table shows the difference in modified accrual accounting, as done on past financial statements and full accrual accounting, as required by GASB 34.

	Modified Accrual	Full Accrual
Revenue	<ul style="list-style-type: none"> • Available and measurable • Available within 60 days of year end • Record revenue if payment is received during year or soon after (within 60 days) and is used to pay current year liabilities 	<ul style="list-style-type: none"> • Earned and measurable • Earned is 'reasonably certain to be collected'
Expense	<ul style="list-style-type: none"> • Recognize in the accounting period in which the fund liability is incurred and measurable. • Record expenditures: <ul style="list-style-type: none"> ○ Outflow of cash, or promise to pay for goods and services that have been received. 	<ul style="list-style-type: none"> • Recognize in the accounting period in which the liability is incurred and measurable. • Records expenses: <ul style="list-style-type: none"> ○ Decreases in net position resulting from the using up of outflow of assets in the course of operating a district and providing goods and services

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The statement of net position and the statement of activities are designed to give the readers a broad overview of the District's finances. These statements include all assets and liabilities using the full accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These statements report the District's net position and changes in assets. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, such as the District's property tax base, reduction in state school funds, facility conditions, and maintenance of effort requirements, school district enrollment, and other factors.

In the statement of net position and the statement of activities, all District activities are classified as "Governmental Activities" or "Business-type Activities."

ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

MAJOR FUND REPORTING

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds for fiscal year 2019-20 were the General Fund, Federal Programs Fund, and the Debt Service Fund. All other funds are combined into a single, aggregated presentation.

Governmental Funds

All of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal yearend for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the governmental funds balance sheet and statement of activities is reconciled in the financial statements.

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The district's net position decreased \$90K for the period ending June 30, 2020 to \$4.3MM. This decrease was attributed to the change in the net fund balances within the governmental funds used for operations, required debt reserve deposits and changes in the net pension liability.

The District's assets and deferred outflows totaled \$60.4MM. Deferred outflows of \$8.6MM related to pensions and other post-employment benefits represent 14% of total assets and deferred outflows. Capital assets net of accumulated depreciation, which consist of the District's land, buildings, building improvements, vehicles, and equipment, total \$25.7MM and comprise 43% of total assets. The remaining assets consist mainly of investments, cash, and receivables.

The District's total liabilities and deferred inflows totaled \$56.1MM. The largest liability besides the net pension liability of \$22.3MM, is for the repayment of the Qualified School Construction bond. Current liabilities of \$4.3MM represent 7.7% of the district total liabilities. Current liabilities consist of payables on account, salaries and benefits, and the current portion of long-term debt and early retirement obligations.

A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Current Assets	\$ 25,801,967	\$ 22,999,349	\$ 352	\$ 13,759	\$ 25,802,319	\$ 23,013,108
Long-Term Assets	355,238	81,402	-	-	355,238	81,402
Capital Assets, net of accumulated depreciation	25,713,519	26,087,651	-	-	25,713,519	26,087,651
Total Assets	51,870,724	49,168,402	352	13,759	51,871,076	49,182,161
Deferred Outflows						
Deferred outflows related to pensions	8,169,250	8,476,662	-	-	8,169,250	8,476,662
Deferred outflows related to RHIA	15,831	-	-	-	15,831	-
Deferred outflows related to OPEB	292,035	127,096	-	-	292,035	127,096
Deferred outflows related to Stipends	88,504	81,114	-	-	88,504	-
Total Deferred Outflows	8,565,620	8,684,872	-	-	8,565,620	8,684,872
Current Liabilities	4,305,117	3,368,107	-	3,813	4,305,117	3,371,920
Long-Term Debt	49,558,362	47,742,180	-	-	49,558,362	47,742,180
Total Liabilities	53,863,479	51,110,287	-	3,813	53,863,479	51,114,100
Deferred Inflows						
Deferred unearned grant funds	7,982	-	-	-	7,982	-
Deferred inflows related to pensions	2,079,392	2,273,544	-	-	2,079,392	2,273,544
Deferred inflows related to RHIA	50,086	-	-	-	50,086	-
Deferred inflows related to OPEB	87,028	88,349	-	-	87,028	88,349
Deferred inflows related to stipends	49,289	57,670	-	-	49,289	-
Total Deferred Inflows	2,273,777	2,419,563	-	-	2,273,777	2,419,563
Net Position:						
Net investment in capital assets	7,213,519	7,587,651	-	-	7,213,519	7,587,651
Restricted for debt service	9,886,145	9,056,670	-	-	9,886,145	9,056,670
Restricted for special programs	1,868,664	2,658,476	-	-	1,868,664	2,658,476
Unrestricted	(14,669,240)	(14,979,373)	351	9,946	(14,668,889)	(14,969,427)
Total Net Position	\$ 4,299,088	\$ 4,323,424	\$ 351	\$ 9,946	\$ 4,299,439	\$ 4,333,370

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2020

REVENUES AND EXPENSES

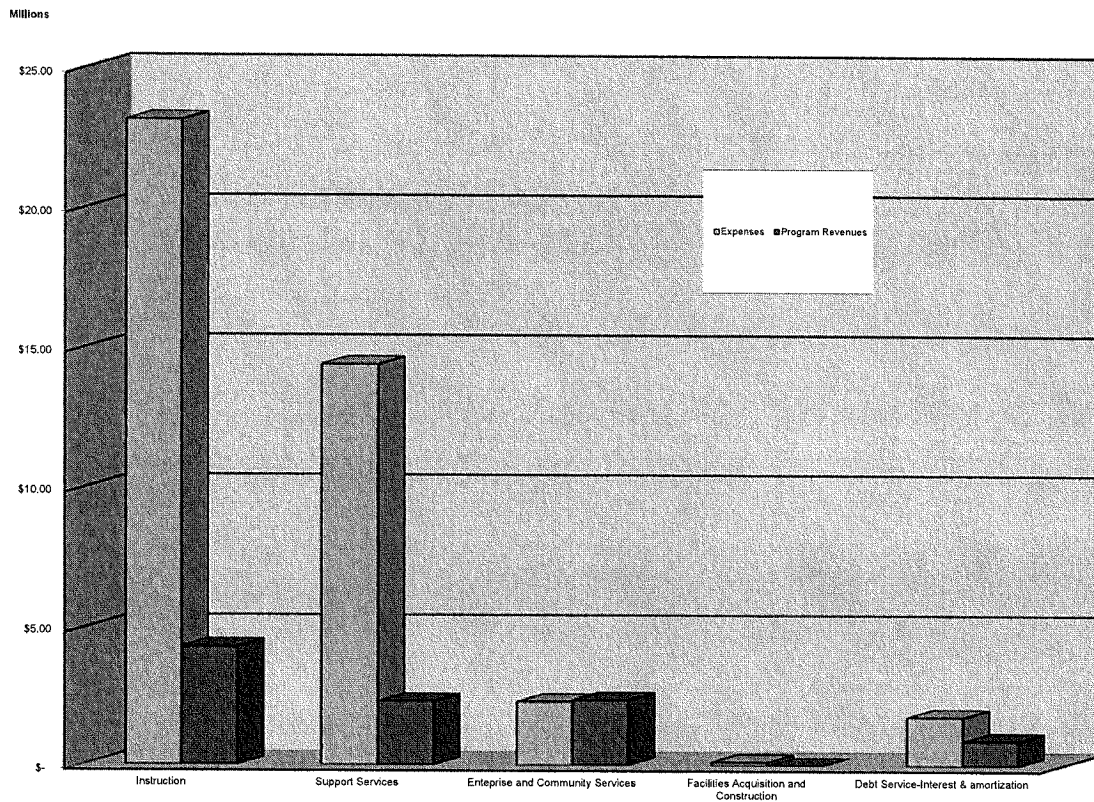
Key components of governmental revenues and expenses for the year ending June 30, 2020 are as follows:

- Revenue from the State School Fund comprises the largest portion of the District's revenue. Unrestricted revenue from the State School Fund was \$25.0MM in 2019-20 compared to \$23.0MM in fiscal year 2018-19.
- Operating grants increased by \$670K as a result of some increased grant allocations and new grant opportunities.
- Expenses for government activities increased by \$3.6MM or 9.5% over the prior year, due in mostly to the change in net pension liability and negotiated salary increases.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 1,407,996	\$ 1,380,083	\$ 18,995	\$ 15,913	\$ 1,426,991	\$ 1,395,996
Operating grants and contributions	8,615,094	7,945,426	-	14,086	8,615,094	7,959,512
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	5,557,264	5,367,220	-	-	5,557,264	5,367,220
State School Fund - General Support	25,060,622	22,959,173	-	-	25,060,622	22,959,173
State School Fund - Restricted	17,654	16,899	-	-	17,654	16,899
Other state and local sources	218,586	121,644	-	-	218,586	121,644
Earnings on Investments	509,082	534,148	-	-	509,082	534,148
Other	416,763	484,589	-	-	416,763	484,589
Total Revenues	41,803,061	38,809,182	18,995	29,999	41,822,056	38,839,181
Expenses:						
Instruction (Regular, Special, Adult, Summer)	23,158,118	21,046,816	-	-	23,158,118	21,046,816
Support services	14,420,311	13,363,885	-	-	14,420,311	13,363,885
Enterprise and community services	2,353,501	2,006,238	-	-	2,353,501	2,006,238
Facilities acquisition and construction	131,838	49,437	-	-	131,838	49,437
Interest on long-term debt	1,799,662	1,756,167	-	-	1,799,662	1,756,167
Teen parent	-	-	23,688	29,071	23,688	29,071
OHS Concessions	-	-	-	7,769	-	7,769
Tiger Shoppe & O+ Store	-	-	6,814	7,016	6,814	7,016
Total Expenses	41,863,430	38,222,543	30,502	43,856	41,893,932	38,266,399
Gain (loss on sale of capital assets)	(18,364)	3,465	-	-	(18,364)	3,465
Transfers	(1,912)	-	1,912	-	-	-
Change in net position	(80,645)	590,104	(9,595)	(13,857)	(90,240)	576,247
Net Position - July 1, before restatement	4,323,424	3,733,320	9,946	23,803	4,333,370	3,757,123
Restatements for see Notes for details	56,309	-	-	-	56,309	-
Net Position - July 1, after restatement	4,379,733	3,733,320	9,946	23,803	4,389,679	3,757,123
Net Position - June 30	\$ 4,299,088	\$ 4,323,424	\$ 351	\$ 9,946	\$ 4,299,439	\$ 4,333,370

ONTARIO SCHOOL DISTRICT 8C **MANAGEMENT'S DISCUSSION AND ANALYSIS** **For the Fiscal Year Ended June 30, 2020**

Expenses and Program Revenues - Governmental Activities



Revenue by Source - Governmental Activities

Charges for services	\$ 1,407,996	3.4%
Earnings on Investments	509,082	1.2%
Operating grants and contributions	8,615,094	20.6%
Other	416,763	1.0%
Other state and local sources	218,586	0.5%
Property Taxes	5,557,264	13.3%
State School Fund	25,078,276	60.0%
	\$ 41,803,061	

ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2020, the District's governmental funds reported combined ending fund balance of \$21.5MM, an increase of \$2.5MM in comparison with the prior year. The increase is due to the required reserve in the Debt Service fund and increase state school fund support.

General Fund. The General Fund is the chief operating fund of the district. As of June 30, 2020, unassigned fund balance was \$6.7MM. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 22.6% of total General Fund expenditures, including transfers out and debt service. This fund balance percentage changed from 20.7% in 2018-19, 18% in 2017-18, and 18% in 2016-17.

The fund balance increased by \$1.15MM during the current fiscal year. This was due to an increase in the State School funds received during the fiscal year and budgetary variances in payroll.

Federal Programs. The Federal Programs Fund is operated on a reimbursing basis. Revenues are considered earned when allowable expenditures are made. Any ending cash balance in this fund is considered deferred revenue. Any negative cash balances are considered an account receivable. For this reason, the Federal Programs Fund should never have ending fund balance. At June 30, 2020, the fund had accounts receivable of \$1.14MM and \$7,982 deferred revenues.

Other Governmental Funds. Food Services, State and Local Grants, Equipment Replacement, Technology, and Chromebook Reserve are all funds that are contained in the Other Governmental Funds category. The ending fund balance in Other Governmental Funds decreased by \$118K.

ONTARIO SCHOOL DISTRICT 8C MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

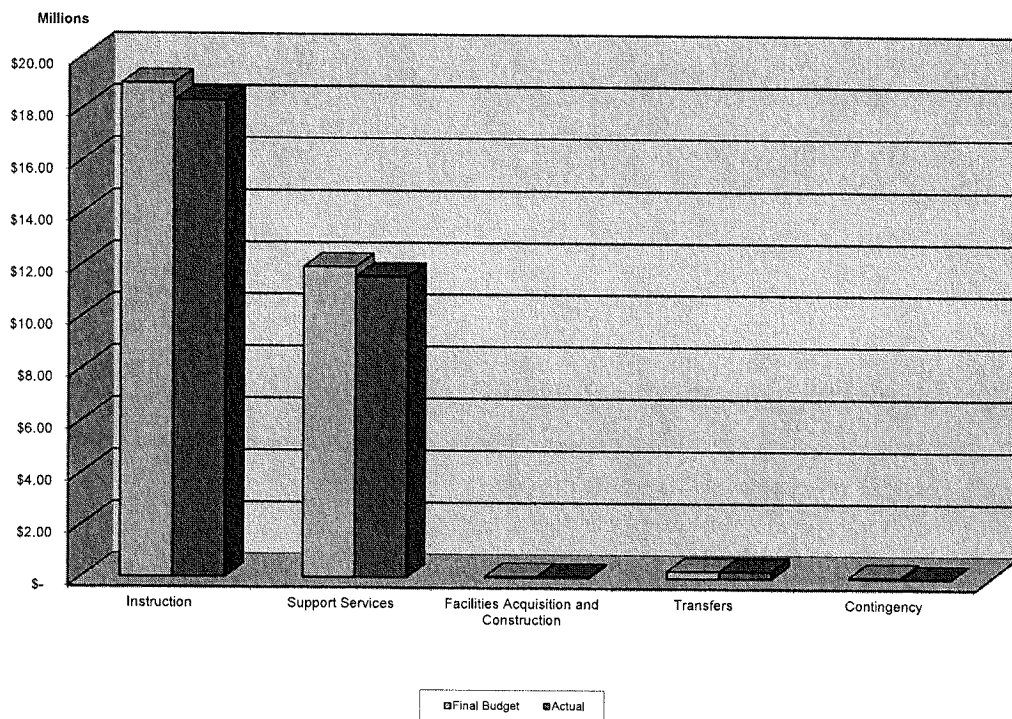
The District's budget is prepared according to Oregon law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the 2019-20 fiscal year, the Board adopted resolutions that affected the general fund budget.

For the General Fund, the final budgeted revenue was \$29,619,915. The actual amount of revenue received was \$31,400,760.

During the year, as shown in the chart below, General Fund expenditures were within budget.

Actual Expenditures vs. Final Budget - General Fund



ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvement, and vehicles and equipment. As of June 30, 2020 the District had invested approximately \$25.7MM in capital assets, net of depreciation, as shown in the following table.

ONTARIO SCHOOL DISTRICT NO. 8C			
Capital Assets			
(net of depreciation)			
	Governmental Activities		Increase
	2020	2019	(Decrease) from
			Fiscal 2019
Land	\$ 563,110	\$ 563,110	\$ -
Construction in progress	382,226	-	382,226
Buildings & building improvements	35,547,192	35,637,215	(90,023)
Vehicles and equipment	6,211,644	6,005,615	206,029
Accumulated depreciation	(16,990,653)	(16,118,289)	(872,364)
TOTAL	\$ 25,713,519	\$ 26,087,651	\$ (374,132)

Debt administration. At the end of the current fiscal year, the District had total bonded debt outstanding of \$25.6MM, consisting of pension obligation bonds issued in October of 2002 to pay the unfunded actuarial liability to the Oregon Public Employees Retirement System, a partial redemption of the 2002 PERS Series B obligation bond referred to as the 2011 PERS Series B and Qualified School Construction Bonds issued in July 2010 to pay for school construction and renovations.

During the current fiscal year, the bonded debt decreased by \$202K. The decrease was due to the payment made on the 2002 PERS Series B Obligation.

CURRENT FINANCIAL ISSUES AND CONCERNS

The most significant economic factor for the District remains the State of Oregon's State School fund and the effects of the COVID-19 pandemic on the State of Oregon's revenue streams. For the year ended June 30, 2020, the State School Fund – General Support, provided 60% of the District's program resources. In addition, PERS contribution rates continue to be a concern for the district. The rate beginning July 1, 2021 the rate of contribution that the district pays did decrease somewhat, but that may be temporary relief if the rate of return for the PERS investments falter. Further, the rate will remain at this higher rate or even higher until the new OPSRP members replace retiring Tier 1/Tier 2 members. The state of Oregon has allowed districts to make deposits into PERS side accounts in an attempt to get the unfunded actuarial liability reduced. The district will explore this option and the benefits that may be gained by participation.

A reduction in federal funding levels due to the COVID pandemic is a concern for the District. The IRS interest subsidy on the QSCB bond has been reduced because of federal budgets, which is passed on to the taxpayers of the district because the interest is still due whether or not the IRS pays it. The district may find reductions in federal grants as the federal budget excluded many programs. Facility needs of the district will need to be addressed within the next few years as the district has reached capacity at our elementary schools. The district will need to explore options to gain funds for facilities as the bond initiative pursued in the last few years have both fallen short of passing.

**ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020**

The District has received federal CARES act fund to help with the conversion to Comprehensive Distance Learning as a result of the COVID pandemic. These funds were used to equip all of our students with devices for distance learning, internet access, and learning platforms conducive to this manner of instruction. The District also will use these funds to insure that our staff and students have access to safe, secure, and sanitized learning environments.

In conclusion, the Ontario School District has committed itself to financial excellence, not only in past, but future years. The District's system of financial planning, budgeting and internal financial controls are firmly in place and the District plans to continue its sound fiscal management to meet the challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Director of Finance at 195 SW 3rd Ave, Ontario, OR.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE
FINANCIAL STATEMENTS

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF NET POSITION
June 30, 2020

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets			
Cash and investments	\$ 12,892,310	\$ 351	\$12,892,661
Receivables			
Taxes	302,922	-	302,922
Accounts	2,501,151	-	2,501,151
Prepaid expenses	219,439	-	219,439
Restricted cash	9,886,145	-	9,886,145
Long-term assets			
Inventory	102,162	-	102,162
Net OPEB Asset - RHIA	253,076	-	253,076
Capital assets			
Non-depreciable assets			
Land	563,110	-	563,110
Construction in progress	382,226	-	382,226
Depreciable assets			
Buildings and building improvements	35,547,192	-	35,547,192
Equipment and vehicles	6,211,644	-	6,211,644
Accumulated depreciation	(16,990,653)	-	(16,990,653)
Total assets	51,870,724	351	51,871,075
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals - PERS	8,169,250	-	8,169,250
OPEB related deferrals - RHIA	15,831	-	15,831
OPEB related deferrals - Health insurance	292,035	-	292,035
Pension related deferrals - Stipends	88,504	-	88,504
Total deferred outflows	8,565,620	-	8,565,620
LIABILITIES			
Current liabilities			
Accounts payable	351,914	-	351,914
Accrued liabilities			
Payroll, payroll taxes, insurance	3,288,203	-	3,288,203
Bonds payable - due within one year	665,000	-	665,000
Long-term liabilities			
Pension liability - Stipends	527,337	-	527,337
OPEB Liability - Health insurance	1,748,052	-	1,748,052
Due in more than one year	24,945,000	-	24,945,000
Net pension liability-PERS	22,337,973	-	22,337,973
Total liabilities	53,863,479	-	53,863,479
DEFERRED INFLOWS OF RESOURCES			
Deferred unearned grant income	7,982	-	7,982
Pension related deferrals - PERS	2,079,392	-	2,079,392
OPEB related deferrals - RHIA	50,086	-	50,086
OPEB related deferrals - Health insurance	87,028	-	87,028
Pension related deferrals - Stipends	49,289	-	49,289
Total deferred inflows	2,273,777	-	2,273,777
NET POSITION			
Invested in capital assets, net of related debt	7,213,519	-	7,213,519
Restricted for debt service (expendable)	11,088,399	-	11,088,399
Restricted for special programs (expendable)	1,785,667	-	1,785,667
Restricted for OPEB asset - RHIA	253,076	-	253,076
Unrestricted	(16,041,573)	351	(16,041,222)
Total net position	\$ 4,299,088	\$ 351	\$ 4,299,439

See notes to the basic financial statements.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses)	Business-Type Activities	Total
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Revenues and Changes in Net Position		
GOVERNMENTAL ACTIVITIES							
Regular programs	\$ 12,312,959	\$ 44,501	\$ -	\$ 325,592	\$ (11,942,866)	\$ -	\$ (11,942,866)
Special programs	10,289,126	196,296	-	3,244,278	(6,848,551)	-	(6,848,551)
Summer school programs	556,033	-	-	521,619	(34,413)	-	(34,413)
Students	2,022,871	-	-	563,485	(1,459,386)	-	(1,459,386)
Instructional staff	1,194,445	-	-	391,051	(803,395)	-	(803,395)
General administration	479,048	-	-	-	(479,048)	-	(479,048)
School administration	2,966,032	-	-	405	(2,965,626)	-	(2,965,626)
Business services	5,787,069	36,345	-	143,510	(5,607,214)	-	(5,607,214)
Central activities	1,905,460	1,118,978	-	107,256	(679,226)	-	(679,226)
Supplemental retirement program	65,386	-	-	-	(65,386)	-	(65,386)
Enterprise & community services	2,353,501	11,876	-	2,400,470	58,845	-	58,845
Facilities acquisition & construction	131,838	-	-	-	(131,838)	-	(131,838)
Debt service-interest & amortization	1,799,662	-	-	917,428	(882,234)	-	(882,234)
Total governmental activities	<u>41,863,430</u>	<u>1,407,996</u>	<u>-</u>	<u>8,615,094</u>	<u>(31,840,340)</u>	<u>-</u>	<u>(31,840,340)</u>
BUSINESS-TYPE ACTIVITIES							
Teen parent program	23,688	13,686	-	-	-	(10,002)	(10,002)
OHS Concessions	-	-	-	-	-	-	-
Tiger Shoppe & O+ Store	6,814	5,309	-	-	-	(1,505)	(1,505)
Total business-type activities	<u>30,502</u>	<u>18,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,507)</u>	<u>(11,507)</u>
	<u>\$ 41,893,931</u>	<u>\$ 1,426,991</u>	<u>\$ -</u>	<u>\$ 8,615,094</u>	<u>(31,840,340)</u>	<u>(11,507)</u>	<u>(31,851,847)</u>
GENERAL REVENUES							
Property taxes for general purposes					4,375,847	-	4,375,847
Property taxes for debt service					1,181,417	-	1,181,417
State school fund-general support					25,060,622	-	25,060,622
State school fund-restricted					17,654	-	17,654
County school fund					786	-	786
Common school fund					217,800	-	217,800
Earnings on investments					509,082	-	509,082
Miscellaneous					416,763	-	416,763
Total general revenues					<u>31,779,971</u>	<u>-</u>	<u>31,779,971</u>
Gain (loss) on sale of capital assets					(18,364)	-	(18,364)
Transfers in (out)					(1,912)	1,912	-
Change in net position					(80,645)	(9,595)	(90,240)
Net position - June 30, 2019					4,323,424	9,946	4,333,370
Restatement - see Note 16					56,309	-	56,309
Net position - June 30, 2019, after restatement					<u>4,379,733</u>	<u>9,946</u>	<u>4,389,679</u>
Total net position - June 30, 2020					<u>\$ 4,299,088</u>	<u>\$ 351</u>	<u>\$ 4,299,439</u>

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Federal Programs	Debt Service	Nonmajor Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS					
Cash and investments	\$ 8,596,821	\$ -	\$ 728,825	\$ 3,155,687	\$ 12,481,333
Receivables					
Property tax	237,753	-	65,169	-	302,922
Grants	-	1,141,198	-	685,936	1,827,134
Other	213,490	-	460,527	-	674,017
Interfund loan receivable	994,644	-	-	-	994,644
Prepaid expenses	101,925	-	-	117,514	219,439
Restricted assets					
Cash	-	-	9,886,145	-	9,886,145
Total assets	10,144,633	1,141,198	11,140,666	3,959,137	26,385,634
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 10,144,633</u>	<u>\$ 1,141,198</u>	<u>\$ 11,140,666</u>	<u>\$ 3,959,137</u>	<u>\$ 26,385,634</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 292,807	\$ 26,969	\$ -	\$ 17,902	\$ 337,678
Accrued liabilities	2,815,087	299,120	-	173,996	3,288,203
Interfund loan payable	-	807,127	-	187,517	994,644
Total liabilities	3,107,894	1,133,216	-	379,415	4,620,525
Deferred inflows					
Deferred revenues	-	7,982	-	-	7,982
Unavailable property taxes	191,460	-	52,267	-	243,727
Total deferred inflows	191,460	7,982	52,267	-	251,709
Fund balances					
Nonspendable	101,925	-	-	117,514	219,439
Spendable					
Restricted	-	-	11,088,399	1,785,667	12,874,066
Committed	-	-	-	-	-
Assigned	-	-	-	1,676,541	1,676,541
Unassigned	6,743,354	-	-	-	6,743,354
Total fund balances	6,845,279	-	11,088,399	3,579,722	21,513,400
Total liabilities and fund balances	<u>\$ 10,144,633</u>	<u>\$ 1,141,198</u>	<u>\$ 11,140,666</u>	<u>\$ 3,959,137</u>	<u>\$ 26,385,634</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances		\$ 21,513,400
Capital assets are not financial resources and therefore, are not reported in the governmental funds.		
Cost	\$ 42,704,172	
Accumulated depreciation	<u>(16,990,653)</u>	25,713,519
Certain delinquent property taxes not collected for several months after year end is not considered available revenue and is deferred in the governmental funds.		243,727
Internal service fund		396,741
Inventory not consumed within sixty days is not included in the fund financial statements.		102,162
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Bonds payable		(25,610,000)
The NET PERS Pension Liability, OPEB Liability and Pension Liability - Stipends is the difference between the total liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
Pension Liability - Stipends	(527,337)	
OPEB Liability - Health Insurance	(1,748,052)	
Net Pension Liability - PERS	<u>(22,337,973)</u>	(24,613,362)
The OPEB - RHIA Asset is not reported as an asset in the governmental funds.		253,076
Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, difference between projected and actual earnings, and contributions subsequent to the measurement date.		
Outflows - Pension Related Deferrals - PERS	8,169,250	
Outflows - OPEB Related Deferrals - RHIA	15,831	
Outflows - OPEB Related Deferrals - Health Insurance	292,035	
Outflows - Pension Related Deferrals - Stipends	88,504	
Inflows - Pension Related Deferrals - PERS	(2,079,392)	
Inflows - OPEB Related Deferrals - RHIA	(50,086)	
Inflows - OPEB Related Deferrals - Health Insurance	(87,028)	
Inflows - Pension Related Deferrals - Stipends	<u>(49,289)</u>	<u>6,299,825</u>
Total net position		<u>\$ 4,299,088</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended
June 30, 2020

	General	Federal Programs	Debt Service	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 4,397,842	\$ -	\$ 1,188,722	\$ -	\$ 5,586,564
Local sources	422,399	-	1,343,542	323,099	2,089,040
Intermediate sources	843,799	-	-	-	843,799
State sources	25,330,084	-	-	570,995	25,901,079
Federal sources	60,268	3,815,171	917,428	2,272,641	7,065,508
Total revenues	31,054,392	3,815,171	3,449,692	3,166,735	41,485,990
Expenditures					
Instruction					
Regular programs	11,090,886	768	-	315,205	11,406,859
Special programs	7,239,018	2,309,354	-	294,815	9,843,187
Summer school programs	-	521,619	-	-	521,619
Support services					
Students	1,304,795	535,266	-	28,219	1,868,280
Improvement of instruction	734,559	226,501	-	151,236	1,112,296
General administration	442,103	-	-	-	442,103
School administration	2,712,869	405	-	1,154	2,714,428
Business services	4,646,424	405	-	65,224	4,712,053
Central activities	1,674,490	96,637	11	67,046	1,838,184
Supplemental retirement program	65,386	-	-	-	65,386
Food services	-	-	-	2,523,591	2,523,591
Community services	-	124,216	-	-	124,216
Facilities acquisition and construction	43,308	-	-	131,874	175,182
Debt service					
Principal	-	-	202,357	-	202,357
Interest	-	-	1,799,662	-	1,799,662
Total expenditures	29,953,838	3,815,171	2,002,030	3,578,364	39,349,403
Excess of revenues over (under) expenditures	1,100,554	-	1,447,662	(411,629)	2,136,587
Other financing sources (uses)					
Grant indirect charges	346,368	-	-	-	346,368
Sale of assets	-	-	-	-	-
Transfers in (out)	(295,000)	-	-	293,088	(1,912)
Total other financing sources (uses)	51,368	-	-	293,088	344,456
Net change in fund balances	1,151,922	-	1,447,662	(118,541)	2,481,043
Available fund balances, July 1	5,806,212	-	9,640,737	3,698,263	19,145,212
Prior period adjustment - See Note 16	(112,855)	-	-	-	(112,855)
Available fund balances, July 1, after adjustment	5,693,357	-	9,640,737	3,698,263	19,032,357
Available fund balances, June 30	<u>\$ 6,845,279</u>	<u>\$ -</u>	<u>\$ 11,088,399</u>	<u>\$ 3,579,722</u>	<u>\$ 21,513,400</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended
June 30, 2020

Net change in fund balance		\$ 2,481,043
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	\$ 785,909	
Less loss on dispositions	(18,364)	
Less current year depreciation	<u>(1,141,677)</u>	(374,132)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, 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 Assets. This is the amount by which proceeds exceeded repayments.		
Debt principal repaid		202,358
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		
		(29,300)
Inventory not consumed within sixty days is not included in the fund financial statements.		
		20,760
Internal service funds are used by the district to charge the costs of unemployment insurance to individual funds. The net activity of the internal service funds is not reported with governmental activities.		
Internal service fund expense	<u>(18,620)</u>	(18,620)
The PERS pension expense represents the change 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.		
		(2,429,574)
The OPEB Health Insurance represents the changes in Net OPEB - Health Insurance Asset (Liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits.		
		(3,177)
The OPEB Stipends represents the changes in Net OPEB - Stipends Asset (Liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits.		
		20,340
The OPEB RHIA represents the changes in Net OPEB - RHIA Asset (Liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits.		
		<u>49,658</u>
CHANGE IN NET POSITION		<u><u>\$ (80,645)</u></u>

PROPRIETARY FUND
FINANCIAL STATEMENTS

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF FUND NET POSITION
Proprietary Funds
June 30, 2020

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	OHS Concessions	Totals June 30, 2020	Internal Service Funds
ASSETS					
Current assets					
Cash and investments	\$ 319	\$ 32	\$ -	\$ 351	\$ 410,977
Receivables					
Accounts	-	-	-	-	-
Total assets	<u>319</u>	<u>32</u>	<u>-</u>	<u>351</u>	<u>410,977</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current liabilities					
Accounts payable	-	-	-	-	14,236
Accrued liabilities					
Payroll, payroll taxes, insurance	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,236</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Unrestricted	319	32	-	351	396,741
Total net position	<u>\$ 319</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 396,741</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
Proprietary Funds
For the Year Ended
June 30, 2020

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	OHS Concessions	Totals June 30, 2020	Internal Service Funds
Operating revenue					
Charges for services	\$ 5,309	\$ 13,686	\$ -	\$ 18,995.36	\$ -
Operating grants	-	-	-	-	-
Total operating revenue	<u>5,309</u>	<u>13,686</u>	<u>-</u>	<u>18,995</u>	<u>-</u>
Operating expenses					
Salaries and benefits	-	23,535	-	23,535	18,620
Supplies	6,814	154	-	6,968	-
Total operating expenses	<u>6,814</u>	<u>23,688</u>	<u>-</u>	<u>30,503</u>	<u>18,620</u>
Operating income	(1,505)	(10,002)	-	(11,507)	(18,620)
Nonoperating income					
Transfers in	-	1,912	-	1,912	-
Total nonoperating income	<u>-</u>	<u>1,912</u>	<u>-</u>	<u>1,912</u>	<u>-</u>
Change in net position	(1,505)	(8,090)	-	(9,595)	(18,620)
Total net position - beginning	1,824	8,122	-	9,946	415,361
Total net position - ending	<u>\$ 319</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 396,741</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2020

	OHS Tiger Shophe & O+ Fund	OHS Teen Parent Program	OHS Concessions	June 30, 2020	Internal Service Funds
Cash flows from operating activities					
Receipts from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts for services	5,309	13,686	-	18,995	-
Payments for employee salaries and benefits	-	(27,321)	(27)	(27,348)	(4,384)
Payments for supplies	(6,814)	(154)	-	(6,968)	-
Net cash provided/(used) by operating activities	<u>(1,505)</u>	<u>(13,788)</u>	<u>(27)</u>	<u>(15,320)</u>	<u>(4,384)</u>
Cash flows from noncapital financing activities					
Transfer in to pay employee benefits	-	1,912	-	1,912	-
Net increase in cash and cash equivalents	<u>(1,505)</u>	<u>(11,876)</u>	<u>(27)</u>	<u>(13,408)</u>	<u>(4,384)</u>
Cash and cash equivalents - beginning	1,824	11,908	27	13,759	415,361
Cash and cash equivalents - ending	<u>\$ 319</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 410,977</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ (1,505)	\$ (10,002)	\$ -	\$ (11,507)	\$ (18,620)
(Increase) decrease in accounts receivable	-	-	-	-	-
Increase (decrease) in accounts payable	-	(3,786)	(27)	(3,813)	14,236
Net cash provided/(used) by operating activities	<u>\$ (1,505)</u>	<u>\$ (13,788)</u>	<u>\$ (27)</u>	<u>\$ (15,320)</u>	<u>\$ (4,384)</u>

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NOTES TO THE BASIC
FINANCIAL STATEMENTS

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies

The administration of Ontario School District No. 8C is vested in a five member board of directors, a district superintendent and a director of finance.

The following is a summary of significant accounting policies utilized by the district in the preparation of the accompanying financial statements.

A. Reporting Entity

A five member board of directors exercises governance responsibilities over all entities related to public elementary and secondary school education within the jurisdiction of Ontario School District No. 8C as set by the state of Oregon. The board receives funding from local, state and federal sources. However, Ontario School District No. 8C is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

Accounting principles generally accepted in the United States of America require that these basic financial statements present Ontario School District No. 8C (the primary government) 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 because of the significance of their operational or financial relationships with the district. No other entities met requirements for inclusion in Ontario School District No. 8C.

B. Basis of Presentation

Government-Wide Financial Statements

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

The Statement of Net Position present the district's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

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

Fund Financial Statements

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

The district reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.

Federal Programs Fund – Federal Programs Fund are special revenue funds used to account for the proceeds of specific federal revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund – For the year ended June 30, 2020, the Bond Debt Service Fund was combined with the Debt Service Fund as a major governmental fund. The Debt Service Fund accounts for the property taxes levied for school improvement projects. These funds are legally restricted to the repayment of the school improvement bonds. The Debt Service Fund also accounts for the payment of principal and interest on the district's bonds used for financing of unfunded actuarial liability pension debt. The principal source of revenue is services provided to other funds. For the year ended June 30, 2020, the Bond Debt Service Fund was combined with the Debt Service Fund as a major governmental fund.

Additionally, the district reports the following fund types:

Special Revenue Funds - Special revenue funds account for revenue sources that are legally restricted to expenditures for specified purposes (other than major capital projects).

Capital Projects Funds – Capital projects funds account for revenue and expenditures related to major repairs, renovations, and construction of the district buildings.

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The district reports the following proprietary funds:

OHS Tiger Shoppe & O+ Fund—This proprietary fund accounts for the activities of the student run bistro, swag shop and district licensed gear.

OHS Teen Parent Program—This accounts for activities relating to providing daycare for teen parents.

OHS Concessions – This accounts for activities related to the concession stand at Ontario High School. This fund was not active in the 2019-20 year.

Internal Service Fund – The internal service fund accounts for the district's self-insured unemployment fund. Principal revenues are payments from the general fund and special revenue funds. Principal expenses are reimbursement of unemployment claims to the Oregon Employment Department.

C. Measurement Focus and Basis of Accounting

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

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 when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. A six month availability period is used for revenue recognition for all reimbursable grants. The district considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

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Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district's proprietary funds are charges for services, operating grants and other miscellaneous revenues. Operating expenses for the proprietary funds include personnel and materials and supplies. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Budgets and Budgetary Accounting

A budget is prepared for each district fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, community services, interagency/fund transactions, contingencies and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. Appropriations lapse at June 30.

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

The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program. Expenditures of the various funds were within authorized appropriations, except for the Federal Programs Fund – Instruction which was over-expended by \$268,751.

E. Property Taxes Receivable

Property taxes assessed in prior years, but not yet collected or accrued, are reported on the balance sheet, but are offset by deferred revenue accounts. The district levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15, and become delinquent May 15. Foreclosure is started three years after taxes become delinquent. The district turns all tax collection duties over to Malheur County, Oregon.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collected 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.

The government reports deferred revenues on its governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the district before it has legal claim to them, as when grant monies are received prior to the

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incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the district has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

F. Capital Assets

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

Buildings and improvements	10 to 50 years
Equipment and vehicles	5 to 30 years

G. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The district's policy is that all accrued vacation lapses if not taken by June 30 of each year. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Unpaid sick pay lapses upon termination of employment.

H. Cash, Cash Equivalents and Investments

Ontario School District No. 8C's cash and cash equivalents are consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value. Investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) are stated at cost which approximates fair value. Fair value of the LGIP is the same as the value in pool shares.

I. Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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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)

The hierarchy gives the high 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 market 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.

J. Encumbrances

The district does not use encumbrance accounting.

K. Inventories and Prepaid Items

The costs of inventories that are not consumed within sixty days in governmental fund types are recorded as expenditures when purchased and as inventory in the government-wide statements. Inventories are valued at cost using the first in first out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items both in the government-wide and fund financial statements.

L. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

M. Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

N. Deferred Outflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The district has items that qualify for reporting in this category. It is the deferred amounts relating to pensions, other pensions and other post-employment benefits. This amount is deferred and recognized as an outflow of resources in the period when the district recognizes pension expense/expenditures. Deferred outflows are reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will a separate section for deferred

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inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The district also reports deferred amounts related to pensions and other post-employment benefits. These amounts are deferred and recognized as an inflow of resources in the period when the district recognizes pension income or grant income. Deferred inflows are reported in the government-wide Statement of Net Position.

O. Statements of Cash Flows

For purposes of the Statement of Cash Flows, the district considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the district's pooled cash and investments.

P. Use of Estimates

The basic financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Actual results could differ from those estimates.

Q. Pensions

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

R. Fund Balances

GASB Statement No. 54 requires analysis and presentation of fund balances in five categories; the fund balance categories are:

- *Nonspendable*—Includes items not immediately converted to cash, such as prepaid items, interfund receivables and inventory.
- *Restricted*—Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed*—Includes items committed by the district's board of directors, by formal board resolution.

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- *Assigned*—Includes items assigned for specific uses, authorized by the district's superintendent and/or Director of Finance.
- *Unassigned*—This is the residual classification used for those balances not assigned to another category.

There were no committed fund balances at year end.

The board authorized the Superintendent and the Director of Finance to make assignments of ending fund balance. Assignments of fund balances can be done at any time, including after fiscal year end date.

Finally, GASB 54 requires a spending policy, as it relates to ending fund balance. The spending policy states in what order fund balance categories are spent. The board approved the following fund balance order of spending policy:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

Note 2. Deposits and Investments

Cash and Investments

The district maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets as cash and investments.

Cash and investments are comprised of the following at June 30, 2020:

Deposits with banks	\$ 2,240,193
Investments	20,537,443
Cash on hand	1,170
	<u>\$ 22,778,806</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and investments	\$ 12,892,661
Restricted cash	9,886,145
	<u>\$ 22,778,806</u>

As of June 30, 2020, the district held the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)	
		Less than 3	More than 3
Local Government Investment Pool	\$ 20,537,443	\$ 20,537,443	\$ -
Total	<u>\$ 20,537,443</u>	<u>\$ 20,537,443</u>	<u>\$ -</u>

Deposits

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial risk assumed by the district at June 30, 2020. If bank deposits at year end are not entirely insured or collateralized with securities held by the district or by its agent in the district's name, the district must disclose the custodial credit risk (below) that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295.

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At June 30, 2020 the carrying amount of the district's deposits (cash and certificates of deposit) in various financial institutions was \$2,240,194 and the bank balances were \$3,108,618. Of these deposits, not all were covered by federal depository insurance. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Federal depository insurance (FDIC) of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295.018 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the Oregon state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the banks level of capitalization. At June 30, 2020 and for the year then ended, the district's deposits were in compliance with the requirements of ORS 295.018.

Custodial credit risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The district mitigates custodial credit risk for deposits by investing only in fully collateralized items.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

Investments

At June 30, 2020, the district held \$20,537,443 of investments, which is all classified as cash and investments on the Statement of Net Position. The district has no policy for managing interest rate risk or credit risk.

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 specific 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 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.

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Interest Rate Risk – Oregon Revised Statutes require investments not to exceed a maturity of 18 months, except when the local government has adopted a written policy that was submitted to and reviewed by the OSTFB. The district has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Credit Risk – Oregon Revised Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation of P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The district minimizes custodial credit risk by limiting investments to the types of securities allowed by law.

Concentration of Credit Risk – Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. At June 30, 2020, 100% of total investments were in the State Treasurer's Investment Pool.

Note 3. Accounts Receivable

Accounts receivable are comprised of the following at June 30, 2020:

Fund	Revenue Source	Amount
General Fund	Common school fund	\$ 108,900
General Fund	Grants	100,183
General Fund	Miscellaneous	4,407
Federal Programs	Federal grants	1,141,198
Bond Debt Service	Federal subsidy	460,527
Non major funds	Grants	685,936
Total Accounts Receivable		<u>\$ 2,501,151</u>

Note 4. Interfund Transfers

The following table represents the district's transfers to and from various funds during the fiscal year.

From	To	Amount	Reason
General fund	Nonmajor fund	\$ 2,000	To pay for the district's share of SMILE expenses
General fund	Nonmajor fund	40,000	To fund future equipment needs
General fund	Nonmajor fund	63,000	To fund future technological needs
General fund	Nonmajor fund	190,000	To fund future building improvements
Nonmajor fund	Nonmajor Proprietary fund	1,912	To fund Teen Parent program
Total		<u>\$ 296,912</u>	

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Interfund loan receivables and payables consist of the following at June 30, 2020:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Federal Programs Fund	\$ 807,127
General Fund	Nonmajor Funds	187,517
Total		<u>\$ 994,644</u>

Note 5. Capital Assets

Capital assets activity for the year was as follows:

Governmental Activities

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated				
Land	\$ 563,110	\$ -	\$ -	\$ 563,110
Construction in progress	-	382,226	-	382,226
Total capital assets not being depreciated	<u>563,110</u>	<u>382,226</u>	<u>-</u>	<u>945,336</u>
Capital assets being depreciated				
Buildings and improvements	35,637,215	41,345	(131,368)	35,547,192
Equipment	2,838,525	69,049	-	2,907,574
Vehicles	3,167,090	293,289	(156,309)	3,304,070
Total capital assets being depreciated	<u>41,642,830</u>	<u>403,683</u>	<u>(287,677)</u>	<u>41,758,836</u>
Less accumulated depreciation	(16,118,289)	(1,141,677)	269,313	(16,990,653)
Total capital assets being depreciated, net	<u>25,524,541</u>	<u>(737,994)</u>	<u>(18,364)</u>	<u>24,768,183</u>
Total capital assets, net	<u>\$ 26,087,651</u>	<u>\$ (355,768)</u>	<u>\$ (18,364)</u>	<u>\$ 25,713,519</u>

Depreciation expense for the year was charged to the following programs:

Central activities \$1,141,677

Note 6. PERS UAL Bonds Payable

On October 9, 2002, the district issued \$9,513,783 in limited tax pension bonds to finance the unfunded pension liability to the Oregon Public Employees Retirement System. These bonds have interest rates that range from 2.06 to 6.10 percent. Interest payments are to be made semiannually on June 30 and December 30. Principal payments are to be made on June 30 of each year. Debt service is financed by a self-imposed pension expense based on a percentage of payroll costs.

	PERS UAL Bonds Payable
Balance 7/1/19	\$ 6,647,358
Additions	-
Payments & deletions	(202,357)
Balance 6/30/20	<u>\$ 6,445,000</u>
Current portion	\$ -

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The debt service requirements to maturity on June 30, 2028 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate
2021	\$ -	\$ 391,633	5.50%
2022	720,000	356,708	5.82%
2023	810,000	317,252	5.49%
2024	910,000	272,783	5.55%
2025	1,020,000	222,278	5.55%
2026-2028	2,985,000	301,088	5.55%
Total	<u>\$ 6,445,000</u>	<u>\$ 1,861,741</u>	

Interest expense for the year ended June 30, 2020 was \$774,275.

On August 11, 2011 the district participated in a partial redemption of the 2002 PERS Series B obligation bond. The district's portion of the bond refinance was \$655,000 and was refinanced over a ten year period beginning in the 2011-2012 fiscal year. The refinanced bond is referred to as the 2011 PERS Series B. The agreement will reduce the PERS debt by \$48,719 over the duration of the bonds. The debt service requirements to maturity on June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate
2021	\$ 665,000	\$ 27,365	4.12%
Total	<u>\$ 665,000</u>	<u>\$ 27,365</u>	

Interest expense for the year ended June 30, 2020 was \$27,365.

If an Event of Default occurs and is continuing, the Series 2011 Trustee may exercise any remedy available at law or in equity; however, the Pension Bond Payments will not be subject to acceleration, and each Series 2011 Issuer is responsible solely for its Pension Bond Payments and any fee and other charges of the Series 2011 Trustee ("Additional Charges") reasonably allocated to it.

Note 7. Qualified School Construction Bond

On May 18, 2010 the voters in the district approved a \$18,500,000 bond for new construction and capital improvements. The general obligation bonds were sold on July 21, 2010 using the Qualified School Construction Bond (QSCB) program. The bonds have a fixed interest rate of 5.584%, but the federal government will pay 5.27% of the interest cost on the bonds. Interest is due and payable on December 15th and June 15th of each year. Principal is due at maturity on June 15, 2027, funds are to be set aside in a dedicated account for this future principal payment. Future set aside amounts as of June 30, 2020 are as follows:

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	<u>Bonds Payable</u>
Balance 7/1/19	\$ 18,500,000
Additions	-
Payments & deletions	-
Balance 6/30/20	<u>\$ 18,500,000</u>
Current portion	\$ -

Fiscal Year Ending June 30,	Deposit Requirement	Interest	Federal Subsidy for Interest	Principal Due	Total
2021	\$ 1,150,000	\$ 1,033,040	\$ (974,950)	\$ -	\$ 1,208,090
2022	1,180,000	1,033,040	(974,950)	-	1,238,090
2023	1,210,000	1,033,040	(974,950)	-	1,268,090
2024	1,240,000	1,033,040	(974,950)	-	1,298,090
2025	1,275,000	1,033,040	(974,950)	-	1,333,090
2026-2027	2,650,000	2,066,080	(1,949,900)	18,500,000	2,766,180
Total	<u>\$ 8,705,000</u>	<u>\$ 7,231,280</u>	<u>\$ (6,824,650)</u>	<u>\$ 18,500,000</u>	<u>\$ 9,111,630</u>

Interest expense for the year ended June 30, 2020 was \$1,033,040.

At June 30, 2020, the Local Government Investment Pool account dedicated for the deposit of the set aside requirements had a balance of \$9,886,145. The required balance to be reserved was \$9,795,000.

Note 8. Retirement Plan - Public Employees Retirement System (PERS)

PERS

General Information about the Pension Plan

Plan Description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual

Financial Report and Actuarial Valuation that can be obtained at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

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 (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,

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1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including 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.

Benefit Changes

After retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through the cost-of-living adjustment (COLA). The COLA is capped at 2.0 percent.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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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 70.5 years.

Disability Benefits

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

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$3,900,046, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 21.88 percent for Tier One/Tier Two General Service Member, 16.43 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$22,337,973 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. 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 entities, actuarially determined. At the June 30, 2019 measurement date, the District's proportion was 0.1291 percent, which was decreased from its proportion of 0.1322 percent measured as of June 30, 2018.

For the year ended June 30, 2020, the District's recognized pension expense (income) of \$2,429,574. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,873	\$ -
Changes of assumptions	3,030,401	
Net difference between projected and actual earnings on investments	-	633,259
Changes in proportion	1,875	1,159,539
Differences between employer contribution and proportionate share of contributions	505	286,594
Total (prior to post-MD contributions)	4,269,204	2,079,392
Contributions subsequent to the MD	3,900,046	
Total	<u>\$ 8,169,250</u>	<u>\$ 2,079,392</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, 2021.

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

Year ending June 30,	
2021	\$ 1,634,692
2022	(187,674)
2023	338,200
2024	387,257
2025	17,337
Total	<u>\$ 2,189,812</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2019 through June 30, 2021 were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are

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being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%)
Mortality	Health retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Source: June 30, 2019 PERS CAFR; p. 100)

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Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, revised as of June 7, 2017, 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	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

Source: June 30, 2019 PERS CAFR; p. 74

Discount Rate

The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2019 and 2018 was 7.20 and 7.20 percent respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
District's proportionate share of the net pension liability (asset)	\$ 35,772,282	\$ 22,337,973	\$ 11,095,307

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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 collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and would require a brief description under the GASB standard.

Note 9. Other Post-Employment Benefit Plan - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the district contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating 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 for the years ended June 30, 2018, 2019, and

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2020 were \$63,359, \$64,910, and \$15,831, respectively, which equaled the required contributions each year.

At June 30, 2020, the district reported a net OPEB liability/(asset) of \$(253,076) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019 and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. 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, 2019 and 2018, the district's proportion was 0.131% and 0.131%, respectively. OPEB income for the year ended June 30, 2020 was \$49,658.

Components of OPEB Expense/(Income)

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (32,913)
Net amortization of employer-specific deferred amounts from:	
-Changes in proportionat share (per paragraph 64 of GASB 75)	(844)
-Difference between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (33,757)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 33,373	\$ -
Changes of assumptions	262	-
Net difference between projected and actual earnings on investments	15,621	-
Changes in proportionate share	830	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal - Amortized deferrals (below)	50,086	-
District contributions subsequent to measurement date	-	15,831
Deferred outflow (inflow) of resources	<u>\$ 50,086</u>	<u>\$ 15,831</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2021.

Subtotal amounts related to OPEB as deferred inflows of resources, (\$50,086), will be recognized in OPEB income as follows:

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Year ending June 30,		
2021	\$	(26,017)
2022		(22,784)
2023		(2,894)
2024		1,609
2025		-
Total	\$	<u>(50,086)</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 4, 2020, and can be found at:

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

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Retiree Healthcare Participation	Healthy retirees: 35% Disabled retirees: 20%
Healthcare Cost Trend Rate	Not Applicable
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Discount rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2019 and 2018, was 7.20 percent 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 projected future benefit payments of current plan members.

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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 asset.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2017, 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 the 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	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

Source: June 30, 2019 PERS CAFR; p. 74

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

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
District's proportionate share of the net pension liability (asset)	\$ (196,200)	\$ (253,076)	\$ (301,540)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB Standard.

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Note 10. Retirement Plan – Early Retirement Incentive Plan

General Information about the Pension Plan

The district has established an early retirement incentive plan. The plan is a single employer defined benefit pension plan available to teachers and administrators.

Eligibility:

Retirees must meet the following criteria:

- Retiring as an administrator employee with at least seven consecutive years of continuous, full-time service with the district or
- Retiring as a certified employee having completed at least twenty years of teaching, of which twelve years of service must be with the district and
- Retired from active service while eligible to receive a pension benefit from Oregon PERS.

Employees Covered

There are 25 inactive employees currently receiving early retiree stipend benefits. Currently, 148 teachers and 19 administrators are eligible to be covered by this early retirement stipend plan.

Contributions

The district has chosen not to fund the net pension obligation, but rather will continue to pay retirees their benefits as the benefits become due. Contributions for the fiscal year ended June 30, 2020 were \$65,386.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2020, the district reported a liability of \$527,337 for the Early Retirement Incentive Plan. The net pension liability was measured as of June 30, 2019, which was determined by an actuarial valuation as of July 1, 2019.

	Fiscal Year ended June 30, 2020	Fiscal Year ended June 30, 2019
Increase / (Decrease) in Total Pension Liability		
Balance at Beginning of Year	\$ 531,906	\$ 553,173
Service Cost	30,926	30,534
Interest on Total Pension Liability	20,715	19,797
Effect of economic/demographic gains or losses	437	-
Effect of assumption changes or inputs	(1,005)	(9,621)
Benefit payments	(55,642)	(61,977)
Total	<u>\$ 527,337</u>	<u>\$ 531,906</u>

Total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date. There are no assets accumulated in a trust that meets the criteria in GASB 73 paragraph 4.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

For the year ended June 30, 2020, the district recognized pension expense of \$20,340. At June 30, 2020, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (25,455)	\$ 382
Changes of assumptions or inputs	(23,834)	21,080
Benefit payments	-	67,042
Total	<u>\$ (49,289)</u>	<u>\$ 88,504</u>

Deferred outflows of resources and deferred inflows of resource related pensions will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ (4,939)
2022	(4,939)
2023	(4,939)
2024	(4,939)
2025	(5,819)
Thereafter	(2,252)
Total	<u>\$ (27,827)</u>

Total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	3.50 percent
Projected Salary Increases	3.50 percent
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2018

Discount Rate

The discount rate used to measure the total pension liability was 3.50 percent for the Defined Benefit Pension Plan. Under GASB 73 unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions reflect the Bond Buyer 20-Year General Obligation Index.

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

The following presents the district's net pension liability calculated using the discount rate of 3.50 percent, as well as what the district's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
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June 30, 2020

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
District's proportionate share of the net pension liability (asset)	\$ 559,573	\$ 527,337	\$ 496,961

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2019 measurement date.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes during the June 30, 2019 measurement date.

Note 11. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District, as a result of collective bargaining agreements, offers post-employment health care benefits under a single-employer, defined benefit plan for all employees who have completed a specified number of years of continuous service, are eligible for full OPERS benefits and elect early retirement.

For eligible licensed employees the District will provide medical coverage for the lesser of seven years or until eligible for Medicare (age 65). For administrators, managers, supervisor and confidential employees, coverage is until Medicare eligibility date regardless of retirement age, assuming full OPERS coverage. For eligible classified employees coverage is provided up to the lesser of five years or until eligible for Medicare (age 65).

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The plan is currently unfunded in accordance with GASB statement 75. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the governmental statements. The activities of the plan are reported in the General Fund.

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 57.

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the July 1, 2019 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.5% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.5% per year, and (d) no post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

Funding Status and Funding Progress – As of July 1, 2019, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,748,052, and the actuarial value of assets was \$0. Estimated covered payroll was not applicable as contributions are not made according to payroll.

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or beneficiaries currently receiving benefits	328
Active employees	31
	359

Total OPEB Liability

The District's total OPEB liability of \$1,748,052 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

The District's total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumptions

Valuation Date	July 1, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Plan Participation	55% assumed will elect coverage at retirement if eligible for district paid insurance with 60% of male members and 35% of female members electing spouse coverage
Medical Premium Annual Trend Rate	3.00% increase in 2019, 4.25% increase in 2020, 5.50% increase in 2021 with annual increases annually each year thereafter from 4.00% to 5.00%
Dental Premium Annual Trend Rate	4.00 percent
Inflation Rate	2.50 percent
Discount Rate	3.50 percent
Projected Salary Increases	3.50 percent
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2018

Changes in Total OPEB Liability

	Fiscal Year ended June 30, 2020	Fiscal Year ended June 30, 2019
Increase / (Decrease) in Total Pension Liability		
Balance at Beginning of Year	\$ 1,578,615	\$ 1,580,141
Service Cost	118,059	116,855
Interest on Total Pension Liability	63,225	58,206
Effect of economic/demographic gains or losses	(16,690)	-
Effect of assumption changes or inputs	131,939	(33,075)
Benefit payments	(127,096)	(143,512)
Total	\$ 1,748,052	\$ 1,578,615

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the district, as well as what the district's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 1,864,239	\$ 1,748,052	\$ 1,639,252

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the district, as well as what the district's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,591,476	\$ 1,748,052	\$ 1,932,521

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2020, the district recognized OPEB expense of \$3,177 in the government wide Statement of Activities. At June 30, 2020, the district reported deferred inflows and outflows of resources related to the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (14,494)	\$ -
Changes of assumptions or inputs	(72,534)	114,579
Benefit payments	-	177,456
Total	<u>\$ (87,028)</u>	<u>\$ 292,035</u>

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

Year ending June 30,	
2021	\$ (651)
2022	(651)
2023	(651)
2024	(651)
2025	7,248
Thereafter	<u>22,907</u>
Total	<u>\$ 27,551</u>

Note 12. Risk Management

Ontario School District No. 8C is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The district assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

Note 13. Operating Lease

The district leases certain property and equipment from others. Operating lease payments are recorded as expenditures when paid. For the year ended June 30, 2020, the district recognized lease expenditures of \$81,569.

Operating leases include:

<u>Equipment leased</u>	<u>Length of lease</u>	<u>Payment</u>	<u>Date ending</u>
Pitney Bowes postage machine	60 months	\$ 849	May, 2023
26 Copiers	36 months	5,144	October, 2020
Early Learning Classroom	10 months	1,000	May, 2020

Future minimum leases payments are as follows:

<u>Fiscal Year</u>	<u>Total Future</u>
<u>Ending June 30,</u>	<u>Minimum Lease</u>
<u>Payments</u>	
2021	\$ 30,768
2022	10,190
2023	9,341
Total	<u>\$ 50,299</u>

Note 14. Tax Abatements

As of June 30, 2020, the district had tax abatements through two programs: Enterprise Zone and Food Processor that impacted their levied taxes and require disclosure under GASB 77.

Enterprise Zone (ORS 285C.175):

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

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Food Processor (ORS 307.455)

ORS 307.455 allows a property tax exemption for food processors' qualified real and personal property machinery and equipment (M&E) that is certified by the Oregon Department of Agriculture (ODA). The exemption begins the first tax year following certification and filing of the claim for exemption and

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

continues for the next four succeeding tax years if, as of January 1 of each year, the certified M&E remains qualified.

<u>Tax Abatement Program</u>	Amount of Taxes Abated during the Fiscal Year
Food Processor	\$ 342,102
Enterprise Zone	320,285
	<u>\$ 662,387</u>

Note 15. Fund Balance Classifications

Below is a schedule of ending fund balances, based on GASB Statement No. 54 Requirements:

Fund Balances	General Fund	Debt Service	Nonmajor Funds	Total
<u>Nonspendable</u>				
Prepaid expenses	\$ 101,925	\$ -	\$ 117,514	\$ 219,439
	<u>101,925</u>	<u>-</u>	<u>117,514</u>	<u>219,439</u>
<u>Restricted</u>				
Education - Grants	-	-	89,765	89,765
Debt Service	-	11,088,399	-	11,088,399
Food Service	-	-	1,695,902	1,695,902
	<u>-</u>	<u>11,088,399</u>	<u>1,785,667</u>	<u>12,874,066</u>
<u>Committed to:</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Assigned to:</u>				
Building repairs and maint.	-	-	1,338,814	1,338,814
Equipment reserve	-	-	101,131	101,131
Technological equipment	-	-	9,162	9,162
Student body use	-	-	227,434	227,434
	<u>-</u>	<u>-</u>	<u>1,676,541</u>	<u>1,676,541</u>
<u>Unassigned</u>	<u>6,743,354</u>	<u>-</u>		<u>6,743,354</u>
TOTAL FUND BALANCES	<u>\$ 6,845,279</u>	<u>\$ 11,088,399</u>	<u>\$ 3,579,722</u>	<u>\$ 21,513,400</u>

GASB 54 implementation required Board approved action to authorize commitments of fund balances. There were no commitments approved by the board of directors.

Note 16. Prior Period Adjustment and Restatement

The fund balance in the General Fund was decreased by \$112,854 due to an understatement of accounts payable in prior year. This is presented as a prior period adjustment in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance.

Due to the implementation of GASB Statement No. 75 by the latest actuarial valuation of the District's OPEB benefits, a restatement of prior year net position was required to record the OPEB liability at the prior measurement date.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

The prior period adjustment and net position restatement are as follows:

Net Position - Beginning as previously reported	\$ 4,323,424
Change in OPEB asset - RHIA at prior measurement date	169,164
Increase of Accounts Payable in General Fund	<u>(112,855)</u>
Net Position - Beginning as restated	<u><u>\$ 4,379,733</u></u>

Note 17. Subsequent Events

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 district expects the reduction of economic activity to negatively impact funds received.

REQUIRED SUPPLEMENTARY
INFORMATION

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,125,000	\$ 4,125,000	\$ 4,397,842	\$ 272,842
Local sources	303,100	303,100	422,399	119,299
Intermediate sources	825,000	825,000	843,799	18,799
State sources	24,190,815	24,190,815	25,330,084	1,139,269
Federal sources	-	-	60,268	60,268
Total revenues	29,443,915	29,443,915	31,054,392	1,610,476
Expenditures				
Instruction				
Regular programs	11,738,858	11,738,858	11,090,886	647,972
Special programs	7,238,099	7,238,099	7,239,018	(919)
Adult and continuing education programs	-	-	-	-
Summer school programs	-	-	-	-
Support services				
Students	1,399,447	1,399,447	1,304,795	94,652
Improvement of instruction	737,971	737,971	734,559	3,412
General administration	513,162	528,162	442,103	86,059
School administration	2,746,542	2,746,542	2,712,869	33,673
Business services	4,941,131	4,941,131	4,646,424	294,707
Central activities	1,524,742	1,524,742	1,674,490	(149,748)
Supplemental retirement program	70,427	70,427	65,386	5,041
Food services	-	-	-	-
Community services	-	-	-	-
Facilities acquisition and construction	60,000	60,000	43,308	16,692
Contingency	80,000	80,000	-	80,000
Total expenditures	31,050,378	31,065,378	29,953,838	1,111,541
Excess of revenues over (under) expenditures	(1,606,463)	(1,621,463)	1,100,554	2,722,017
Other financing sources (uses)				
Grant indirect charges	175,000	175,000	346,368	171,368
Sale of assets	1,000	1,000	-	(1,000)
Transfers in (out)	(295,000)	(295,000)	(295,000)	-
Total other financing sources (uses)	(119,000)	(119,000)	51,368	170,368
Net change in fund balance	(1,725,463)	(1,740,463)	1,151,922	2,892,385
Available fund balance, July 1 before adjustment	4,850,000	4,865,000	5,806,212	537,179
Prior period adjustment - see note 16	-	-	(112,855)	(112,855)
Available fund balance, July 1	4,850,000	4,865,000	5,693,357	828,357
Available fund balance, June 30	<u>\$ 3,124,537</u>	<u>\$ 3,124,537</u>	<u>\$ 6,845,279</u>	<u>\$ 3,720,742</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FEDERAL PROGRAMS (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Federal sources	\$ 3,673,154	\$ 3,673,154	\$ 3,815,171	\$ 142,017
Total revenues	<u>3,673,154</u>	<u>3,673,154</u>	<u>3,815,171</u>	<u>142,017</u>
Expenditures				
Instruction				
Regular programs	-	-	768	(768)
Special programs	2,189,951	2,189,951	2,309,354	(119,402)
Summer school programs	373,038	373,038	521,619	(148,581)
Support services				
Students	635,914	635,914	535,266	100,648
Improvement of instruction	258,654	258,654	226,501	32,153
School administration	-	-	405	(405)
Business services	-	-	405	(405)
Central activities	58,685	58,685	96,637	(37,952)
Supplemental retirement program	-	-	-	-
Food services	4,000	4,000	-	4,000
Community services	152,912	152,912	124,216	28,696
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>3,673,154</u>	<u>3,673,154</u>	<u>3,815,171</u>	<u>(142,017)</u>
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC RETIREMENT SYSTEM
For the Last Seven Years*

Year Ended June 30,	(a) District's proportion of the net pension liability (asset)	(b) District's proportionate share of the net pension liability (asset)	(c) District's covered payroll	(b/c) District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.12913911%	\$ 22,337,973	\$ 16,051,696	139.16%	80.20%
2019	0.13216765%	20,021,658	15,187,443	131.83%	82.10%
2018	0.14188113%	19,125,630	14,597,750	131.02%	83.10%
2017	0.14361273%	21,559,605	13,498,920	159.71%	80.50%
2016	0.15571267%	8,940,183	12,565,430	71.15%	91.90%
2015	0.15451174%	(3,502,340)	12,337,039	-28.39%	103.60%
2014	0.15571267%	2,367,774	12,036,139	19.67%	91.97%

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 3,900,046	\$ 3,900,046	\$ -	\$ 16,992,473	22.95%
2019	3,096,863	3,096,863	-	16,051,696	19.29%
2018	2,988,956	2,988,956	-	15,187,443	19.68%
2017	1,246,367	1,246,367	-	14,597,750	15.16%
2016	1,364,191	1,364,191	-	13,498,920	10.11%
2015	1,786,148	1,786,148	-	12,565,430	14.21%
2014	1,737,762	1,737,762	-	12,337,039	14.09%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) District's proportion of the net pension liability (asset)	(b) District's proportionate share of the net pension liability (asset)	(c) District's covered payroll	(b/c) District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.13096749%	\$ (253,076)	\$ 16,051,696	-1.58%	144.40%
2019	0.13085211%	\$ (146,066)	\$ 15,187,443	-0.96%	124.00%
2018	0.12602338%	(52,595)	14,597,750	-0.36%	108.90%
2017	0.13264259%	36,021	13,498,920	0.27%	90.00%

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 15,831	\$ 15,831	\$ -	\$ 16,992,473	0.09%
2019	\$ 64,910	\$ 64,910	-	16,051,696	0.40%
2018	\$ 63,359	\$ 63,359	-	15,187,443	0.42%
2017	N/A	N/A	N/A	14,597,750	N/A

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.

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

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
EARLY RETIREMENT INCENTIVE PLAN (GASB 73) AND HEALTH INSURANCE (GASB 75)
For the Last Fiscal Years*

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS - EARLY RETIREMENT INCENTIVE

	Fiscal Year Ending June 30,			
	2017	2018	2019	2020
Total Pension Liability				
Service Cost	\$ 24,817	\$ 29,269	\$ 30,534	\$ 30,926
Interest on Total Pension Liability	23,982	18,183	19,797	20,715
Effect of changes to benefit term	-	-	-	-
Effect of economic/demographic gains or (losses)	-	(40,428)	-	437
Effect of assumption changes or inputs	38,648	(24,951)	(9,621)	(1,005)
Benefit payments	(78,712)	(74,724)	(61,977)	(55,642)
Net change in Total Pension Liability	8,735	(92,651)	(21,267)	(4,569)
Total Pension Liability, beginning	637,089	645,824	553,173	531,906
Total Pension Liability, ending	<u>\$ 645,824</u>	<u>\$ 553,173</u>	<u>\$ 531,906</u>	<u>\$ 527,337</u>

Covered payroll **

Total Pension Liability as a % of covered payroll

The amounts presented for each fiscal year were actuarial determined at July 1, 2017 and rolled forward to the measurement date.

There are no assets accumulated in a trust that meets the criteria in GASB 73 paragraph 4.

*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.

** Contributions are not made according to payroll, therefore, there is no covered payroll

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS - HEALTH INSURANCE (GASB 75)

	Fiscal Year Ending June 30,		
	2018	2019	2020
Total Pension Liability			
Service Cost	\$ 123,395	\$ 116,855	\$ 118,059
Interest on Total OPEB Liability	48,115	58,206	63,225
Effect of changes to benefit term	-	-	-
Effect of economic/demographic gains or (losses)	-	-	(16,690)
Effect of assumption changes or inputs	(82,373)	(33,075)	131,939
Benefit payments	(146,697)	(143,512)	(127,096)
Net change in Total Pension Liability	(57,560)	(1,526)	169,437
Total Pension Liability, beginning	1,637,701	1,580,141	1,578,615
Total Pension Liability, ending	<u>\$ 1,580,141</u>	<u>\$ 1,578,615</u>	<u>\$ 1,748,052</u>

Covered payroll **

Total Pension Liability as a % of covered payroll

The amounts presented for each fiscal year were actuarial determined at July 1, 2017 and rolled forward to the measurement date.

*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.

** Contributions are not made according to payroll, therefore, there is no covered payroll

ONTARIO SCHOOL DISTRICT No. 8C
Ontario, Malheur County, Oregon
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

In accordance with the State of Oregon, the Board of Education annually adopts a budget following required public notice and hearing for all funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The district's budget is prepared on the modified accrual basis. Encumbrances are not recognized on the modified accrual basis budget and appropriates lapse at year end. This method of accounting contains all information needed for GAAP presentation and no additional reconciliation is required.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within fund. These functions include expenditures for instructions, support services, community services, capital acquisitions and other uses. Although the budget document presents function expenditures or expense by line item within fund, the legal level of control is at the aggregated fund and functional level.

OTHER SUPPLEMENTARY INFORMATION

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue			
	State and Local Grant Programs	Medicaid Reimbursement Fund	Student Body	Food Services
ASSETS				
Cash	\$ -	\$ 55,681	\$ 227,434	\$ 1,431,215
Receivables				
Taxes	-	-	-	-
Other	267,802	-	-	410,384
Prepaid Expenses	-	117,514		
Total assets	<u>\$ 267,802</u>	<u>\$ 173,195</u>	<u>\$ 227,434</u>	<u>\$ 1,841,599</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,945	\$ -	\$ -	\$ 14,957
Accrued liabilities	42,823	433	-	130,740
Interfund payable	187,517	-	-	-
Total liabilities	<u>233,285</u>	<u>433</u>	<u>-</u>	<u>145,697</u>
Fund balances				
Nonspendable	-	117,514	-	-
Spendable				
Restricted	34,517	55,248	-	1,695,902
Committed	-	-	-	-
Assigned	-	-	227,434	-
Unassigned	-	-	-	-
Total fund balances	<u>34,517</u>	<u>172,762</u>	<u>227,434</u>	<u>1,695,902</u>
Total liabilities and fund balances	<u>\$ 267,802</u>	<u>\$ 173,195</u>	<u>\$ 227,434</u>	<u>\$ 1,841,599</u>

Capital Projects				
Equipment Replacement	Technology	Chromebook Reserve	Building Improvement	Totals June 30, 2020
\$ 90,731	\$ 9,162	\$ 2,650	\$ 1,338,814	\$ 3,155,687
-	-	-	-	-
-	-	7,750	-	685,936
				117,514
<u>\$ 90,731</u>	<u>\$ 9,162</u>	<u>\$ 10,400</u>	<u>\$ 1,338,814</u>	<u>\$ 3,959,137</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,902
-	-	-	-	173,996
-	-	-	-	187,517
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,415</u>
-	-	-	-	117,514
-	-	-	-	1,751,150
-	-	-	-	-
90,731	9,162	10,400	1,338,814	1,711,058
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>90,731</u>	<u>9,162</u>	<u>10,400</u>	<u>1,338,814</u>	<u>3,579,722</u>
<u>\$ 90,731</u>	<u>\$ 9,162</u>	<u>\$ 10,400</u>	<u>\$ 1,338,814</u>	<u>\$ 3,959,137</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
For the Year Ended
June 30, 2020

	Special Revenue			
	State and Local Grant Programs	Medicaid Reimbursement Fund	Student Body	Food Service
Revenues				
Local sources	\$ 44,539	\$ 57,935	\$ 196,296	\$ 13,193
Intermediate sources	-	-	-	-
State sources	549,728	-	-	21,267
Federal sources	-	-	-	2,272,641
Total revenues	594,267	57,935	196,296	2,307,101
Expenditures				
Instruction				
Regular programs	315,205	-	-	-
Special programs	83,225	6,679	204,911	-
Support services				
Students	18,800	9,419	-	-
Improvement of instruction	151,236	-	-	-
School administration	1,154	-	-	-
Business services	30,072	21,219	-	-
Central activities	1,594	-	-	-
Food services	-	-	-	2,523,591
Facilities acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	601,286	37,317	204,911	2,523,591
Excess of revenues over (under) expenditures	(7,019)	20,618	(8,615)	(216,490)
Other financing sources (uses)				
Sale of assets	-	-	-	-
Transfers in (out)	88	-	-	-
Total other financing sources (uses)	88	-	-	-
Net change in fund balances	(6,931)	20,618	(8,615)	(216,490)
Available fund balances, July 1	41,448	152,144	236,049	1,912,392
Available fund balance, June 30	\$ 34,517	\$ 172,762	\$ 227,434	\$ 1,695,902

Capital Projects				Totals June 30, 2020
Equipment Replacement	Technology	Chromebook Reserve	Building Improvement	
\$ -	\$ -	\$ 7,750	\$ 3,386	\$ 323,099
-	-	-	-	-
-	-	-	-	570,995
-	-	-	-	2,272,641
-	-	7,750	3,386	3,166,735
-	-	-	-	315,205
-	-	-	-	294,815
-	-	-	-	28,219
-	-	-	-	151,236
-	-	-	-	1,154
13,933	-	-	-	65,224
-	58,713	6,739	-	67,046
-	-	-	-	2,523,591
-	-	-	131,874	131,874
-	-	-	-	-
-	-	-	-	-
13,933	58,713	6,739	131,874	3,578,364
(13,933)	(58,713)	1,011	(128,488)	(411,629)
-	-	-	-	-
40,000	63,000	-	190,000	293,088
40,000	63,000	-	190,000	293,088
26,067	4,287	1,011	61,512	(118,541)
64,664	4,875	9,389	1,277,302	3,698,263
\$ 90,731	\$ 9,162	\$ 10,400	\$ 1,338,814	\$ 3,579,722

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STATE AND LOCAL GRANT PROGRAMS (BUDGET BASIS)**

For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 67,876	\$ 67,876	\$ 44,539	\$ (23,336)
Intermediate sources	15,000	15,000	-	(15,000)
State sources	692,900	692,900	549,728	(143,172)
Total revenues	<u>775,776</u>	<u>775,776</u>	<u>594,267</u>	<u>(181,509)</u>
Expenditures				
Instruction				
Regular programs	396,147	396,147	315,205	80,942
Special programs	173,059	173,059	83,225	89,834
Summer school programs				-
Support services				
Students	20,000	20,000	18,800	1,200
Improvement of instruction	194,036	194,036	151,236	42,800
School administration	1,500	1,500	1,154	346
Business services	3,100	3,100	30,072	(26,972)
Central activities	14,200	14,200	1,594	12,606
Total expenditures	<u>802,042</u>	<u>802,042</u>	<u>601,286</u>	<u>200,754</u>
Excess of revenues over (under) expenditures	(26,266)	(26,266)	(7,019)	19,248
Other financing sources (uses)				
Transfers in (out)	86	86	88	(2)
Total other financing sources (uses)	<u>86</u>	<u>86</u>	<u>88</u>	<u>(2)</u>
Net change in fund balance	(26,180)	(26,180)	(6,931)	19,246
Available fund balance, July 1	<u>26,180</u>	<u>26,180</u>	<u>41,448</u>	<u>15,268</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,517</u>	<u>\$ 34,517</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEDICAID REIMBURSEMENT FUND (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 100,000	\$ 100,000	\$ 57,935	\$ (42,065)
Total revenues	100,000	100,000	57,935	(42,065)
Expenditures				
Instruction				
Special programs	20,000	20,000	6,679	13,321
Support services				
Students	135,000	135,000	9,419	125,581
Improvement of instruction	65,000	65,000	-	65,000
Business services	-	-	21,219	(21,219)
Total expenditures	220,000	220,000	37,317	182,683
Net change in fund balance	(120,000)	(120,000)	20,619	140,618
Available fund balance, July 1	120,000	120,000	152,144	32,144
Available fund balance, June 30	\$ -	\$ -	\$ 172,762	\$ 172,762

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STUDENT BODY FUND (BUDGET BASIS)
 For the Year Ended
 June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 435,765	\$ 435,765	\$ 196,296	\$ (239,469)
Total revenues	<u>435,765</u>	<u>435,765</u>	<u>196,296</u>	<u>(239,469)</u>
Expenditures				
Instruction				
Special programs	<u>435,765</u>	<u>435,765</u>	<u>204,911</u>	<u>230,854</u>
Total expenditures	<u>435,765</u>	<u>435,765</u>	<u>204,911</u>	<u>230,854</u>
Net change in fund balance	-	-	(8,615)	(8,615)
Available fund balance, July 1	<u>140,000</u>	<u>140,000</u>	<u>236,049</u>	<u>96,049</u>
Available fund balance, June 30	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 227,434</u>	<u>\$ 87,434</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FOOD SERVICE FUND (BUDGET BASIS)

For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 35,000	\$ 35,000	\$ 13,193	\$ (21,807)
State sources	23,000	23,000	21,267	(1,733)
Federal sources	1,925,000	1,925,000	2,272,641	347,641
Total revenues	1,983,000	1,983,000	2,307,101	324,101
Expenditures				
Food services	3,283,000	3,283,000	2,523,591	759,409
Total expenditures	3,283,000	3,283,000	2,523,591	759,409
Excess of revenues over (under) expenc	(1,300,000)	(1,300,000)	(216,490)	1,083,510
Net change in fund balance	(1,300,000)	(1,300,000)	(216,490)	1,083,510
Available fund balance, July 1	1,600,000	1,600,000	1,912,392	312,392
Available fund balance, June 30	\$ 300,000	\$ 300,000	\$ 1,695,902	\$ 1,395,902

(1) Included in this fund is the required match of \$17,654 the district must provide for National School Lunch support, in order to meet the general cash assistance match requirements.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Support services				
Business services	65,000	65,000	13,933	51,067
Total expenditures	65,000	65,000	13,933	51,067
Excess of revenues over (under) expenditures	(65,000)	(65,000)	(13,933)	51,067
Other financing sources (uses)				
Sale of assets	-	-	-	-
Transfers in (out)	40,000	40,000	40,000	-
Total other financing sources (uses)	40,000	40,000	40,000	-
Net change in fund balance	(25,000)	(25,000)	26,067	51,067
Available fund balance, July 1	25,000	25,000	64,664	39,664
Available fund balance, June 30	\$ -	\$ -	\$ 90,731	\$ 90,731

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TECHNOLOGY FUND (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Supporting services				
Central activities	73,000	73,000	58,713	14,287
Total expenditures	73,000	73,000	58,713	14,287
Excess of revenues over (under) expenditures	(73,000)	(73,000)	(58,713)	14,287
Other financing sources (uses)				
Transfers in (out)	63,000	63,000	63,000	-
Total other financing sources (uses)	63,000	63,000	63,000	-
Net change in fund balance	(10,000)	(10,000)	4,287	14,287
Available fund balance, July 1	10,000	10,000	4,875	(5,125)
Available fund balance, June 30	\$ -	\$ -	\$ 9,162	\$ 9,162

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHROMEBOOK RESERVE FUND (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 9,000	\$ 9,000	\$ 7,750	\$ (1,250)
Total revenues	9,000	9,000	7,750	(1,250)
Expenditures				
Supporting services				
Central activities	17,700	17,700	6,739	10,961
Total expenditures	17,700	17,700	6,739	10,961
Excess of revenues over (under) expenditures	(8,700)	(8,700)	1,011	9,711
Other financing sources (uses)				
Transfers in (out)				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(8,700)	(8,700)	1,011	9,711
Available fund balance, July 1	8,700	8,700	9,389	689
Available fund balance, June 30	\$ -	\$ -	\$ 10,400	\$ 10,400

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING IMPROVEMENT (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 190,000	\$ 190,000	\$ 3,386	\$ (186,614)
Total revenues	190,000	190,000	3,386	(186,614)
Expenditures				
Facilities acquisition and construction	1,440,000	1,440,000	131,874	1,308,126
Total expenditures	1,440,000	1,440,000	131,874	1,308,126
Excess of revenues over (under) expenditures	(1,250,000)	(1,250,000)	(128,488)	1,121,512
Other financing sources (uses)				
Transfers in (out)	-	-	190,000	190,000
Total other financing sources (uses)	-	-	190,000	190,000
Net change in fund balance	(1,250,000)	(1,250,000)	61,512	1,311,512
Available fund balance, July 1	1,250,000	1,250,000	1,277,302	27,302
Available fund balance, June 30	\$ -	\$ -	\$ 1,338,814	\$ 1,338,814

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MAJOR DEBT SERVICE FUND

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE (BUDGET BASIS)
For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,095,045	\$ 1,095,045	\$ 1,188,722	\$ 93,677
Local sources	1,154,098	1,154,098	1,343,542	189,444
Federal sources	908,000	908,000	917,428	9,428
Total revenues	<u>3,157,143</u>	<u>3,157,143</u>	<u>3,449,692</u>	<u>292,549</u>
Expenditures				
Support services				
Business services	5	5	-	5
Central activities	100	100	11	89
Debt service				
Principal	202,358	202,358	202,357	1
Interest	<u>1,834,680</u>	<u>1,834,680</u>	<u>1,799,662</u>	<u>35,018</u>
Total expenditures	<u>2,037,143</u>	<u>2,037,143</u>	<u>2,002,030</u>	<u>35,113</u>
Net change in fund balance	1,120,000	1,120,000	1,447,662	327,662
Available fund balance, July 1	<u>8,675,000</u>	<u>8,675,000</u>	<u>9,640,737</u>	<u>965,737</u>
Available fund balance, June 30	<u><u>\$ 9,795,000</u></u>	<u><u>\$ 9,795,000</u></u>	<u><u>\$ 11,088,399</u></u>	<u><u>\$ 1,293,399</u></u>

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PROPRIETARY FUNDS

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ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OHS TIGER SHOPPE & O+ FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 7,100	\$ 7,100	\$ 5,309	\$ (1,791)
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>5,309</u>	<u>(1,791)</u>
Expenditures				
Support services				
School administration	-	-	6,014	(6,014)
Central activities	7,100	7,100	800	6,300
Total expenditures	<u>7,100</u>	<u>7,100</u>	<u>6,814</u>	<u>286</u>
Net change in fund balance	-	-	(1,505)	(1,505)
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>1,824</u>	<u>1,824</u>
Available fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 319</u></u>	<u><u>\$ 319</u></u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OHS TEEN PARENT PROGRAM (BUDGET BASIS)

For the Year Ended
June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 9,700	\$ 9,700	\$ 11,122	\$ 1,422
State sources	-	-	2,564	2,564
Federal sources	-	-	-	-
Total revenues	9,700	9,700	13,686	3,986
Expenditures				
Instruction				
Special programs	30,614	30,614	23,688	6,926
Support services				
Students	-	-	-	-
Total expenditures	30,614	30,614	23,688	6,926
Excess of revenues over (under) expenditures	(20,914)	(20,914)	(10,002)	614
Other financing sources (uses)				
Transfers in (out)	1,914	1,914	1,912	-
Total other financing sources (uses)	-	1,914	1,912	-
Net change in fund balance	(20,914)	(19,000)	(8,090)	10,910
Available fund balance, July 1	19,000	19,000	8,122	(10,878)
Available fund balance, June 30	\$ -	\$ -	\$ 32	\$ 32

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OHS CONCESSIONS (BUDGET BASIS)

For the Year Ended
 June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total revenues	10,000	10,000	-	(10,000)
Expenditures				
Community services	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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INTERNAL SERVICE FUND

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ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - UNEMPLOYMENT FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Support services	415,000	415,000	18,620	396,380
Total expenditures	415,000	415,000	18,620	396,380
Net change in fund balance	(415,000)	(415,000)	(18,620)	396,380
Available fund balance, July 1	415,000	415,000	415,361	361
Available fund balance, June 30	\$ -	\$ -	\$ 396,741	\$ 396,741

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OTHER FINANCIAL SCHEDULES

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF CASH, CASH ITEMS, INVESTMENTS, AND COLLATERAL SECURITY
June 30, 2020

	All Funds	Total
Cash and cash items		
Umpqua Bank		
Demand accounts	\$ 2,147,766	
Total Umpqua Bank		\$ 2,147,766
Bank of the West		
Demand accounts	2,000	
Total Bank of the West		2,000
Washington Federal		
Demand accounts	41,747	
Total Washington Federal		41,747
JP Morgan Chase Bank		
Demand accounts	33,570	
Total JP Morgan Chase Bank		33,570
U.S. Bank, N.A.		
Demand accounts	15,111	
Total U.S. Bank, N.A.		15,111
Total cash with banks		2,240,194
Cash-on-hand		1,170
Total cash and cash items		2,241,364
Investments		
Oregon State Treasury Local Government Investment Pool***		20,537,443
Total net investments		20,537,443
Total cash, cash items and investments		\$ 22,778,807

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF CASH, CASH ITEMS, INVESTMENTS, AND COLLATERAL SECURITY
June 30, 2020

Collateral security			
*	Umpqua Bank - FDIC	** \$	250,000
*	Bank of the West - FDIC		250,000
*	Washington Federal - FDIC		250,000
	JP Morgan Chase Bank - FDIC		250,000
*	U. S. Bank, N.A. - FDIC		250,000
	Total collateral security	\$	<u>1,250,000</u>

** All demand accounts within a single financial institution are federally secured up to \$250,000, and all non-demand accounts per institution are secured up to \$250,000.

*Qualified depository per Oregon State Treasurer

***Oregon LGIP is fully collateralized.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FEDERAL PROGRAMS
For the Year Ended
June 30, 2020

	Migrant Title IC	Migrant Summer School	Migrant Preschool Program	Title IA Grant	Title III
Revenues					
Federal sources	\$ 729,895	\$ 269,604	\$ 91,680	\$ 1,882,412	\$ 34,157
Other sources					
Total revenues	<u>729,895</u>	<u>269,604</u>	<u>91,680</u>	<u>1,882,412</u>	<u>34,157</u>
Expenditures					
Instruction					
Regular programs	-	-	-	-	-
Special programs	189,807	1,408	91,612	1,524,043	3,638
Adult / continuing ed programs	-	-	-	-	-
Summer school programs	18,953	268,195	25	215,829	18,617
Support services					
Students	414,587	-	44	80,564	-
Improvement of instruction	23,221	-	-	5,562	11,859
General administration	405	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	405	-
Central activities	-	-	-	14,759	-
Supplemental retirement program	-	-	-	-	-
Food services	-	-	-	-	-
Community services	82,923	-	-	41,250	43
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>729,895</u>	<u>269,604</u>	<u>91,680</u>	<u>1,882,412</u>	<u>34,157</u>
Net change in fund balances	-	-	-	-	-
Available fund balances, July 1	-	-	-	-	-
Available fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IDEA	Effective Behavioral & Instructional Support Systems	Title VI (B) Innovative Rural Ed	Title II A	Student Support & Academic Enrichment Grant	Totals
\$ 484,941	\$ 14,374	\$ 27,094	\$ 158,334	\$ 122,681	\$ 3,815,172
484,941	14,374	27,094	158,334	122,681	3,815,172
768	-	-	-	-	768
483,766	-	-	-	15,082	2,309,356
-	-	-	-	-	-
-	-	-	-	-	521,619
-	-	27,094	-	12,976	535,266
407	14,374	-	158,334	12,745	226,501
-	-	-	-	-	405
-	-	-	-	-	-
-	-	-	-	-	405
-	-	-	-	81,878	96,637
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	124,216
-	-	-	-	-	-
484,941	14,374	27,094	158,334	122,681	3,815,172
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
 For the Year Ended
 June 30, 2020

	Bond Debt Service	PERS Bond Debt Service	Totals
Revenues			
Taxes	\$ 1,188,722	\$ -	1,188,722
Local sources	214,326	1,129,216	1,343,542
Federal sources	917,428	-	917,428
Total revenues	<u>2,320,476</u>	<u>1,129,216</u>	<u>3,449,692</u>
Expenditures			
Support services			
Business services	-	-	-
Central activities	-	11	11
Debt Service	1,032,947	969,072	2,002,019
Total expenditures	<u>1,032,947</u>	<u>969,083</u>	<u>2,002,030</u>
Net change in fund balances	1,287,529	160,133	1,447,662
Available fund balances, July 1	9,072,045	568,692	9,640,737
Available fund balances, June 30	<u>\$ 10,359,574</u>	<u>\$ 728,825</u>	<u>\$ 11,088,399</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
STATE AND LOCAL GRANT PROGRAMS

For the Year Ended
June 30, 2020

	Activities	Outdoor School Grant	ELL HB3499 Grant	SMILE
Revenues				
Local sources	\$ 5	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-
State sources	-	19,987	73,658	1,573
Federal sources	-	-	-	-
Other sources	-	-	-	-
Total revenues	<u>5</u>	<u>19,987</u>	<u>73,658</u>	<u>1,573</u>
Expenditures				
Instruction				
Regular programs	-	19,987	-	-
Special programs	-	-	73,658	9,567
Support services				
Students	-	-	-	-
Improvement of instruction	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Central activities	-	-	-	-
Total expenditures	<u>-</u>	<u>19,987</u>	<u>73,658</u>	<u>9,567</u>
Excess of revenues over (under) expenditures	<u>5</u>	<u>-</u>	<u>-</u>	<u>(7,994)</u>
Other financing sources (uses)				
Transfers in (out)	-	-	-	2,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Net change in fund balances	5	-	-	(5,994)
Available fund balances, July 1	3,835	-	-	1,792
Available fund balances, June 30	<u>\$ 3,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,202)</u>

ASPIRE	Measure 98 High School Success Grant	Goldman Sachs Philanthropic Fund
\$ -	\$ -	\$ -
-	-	-
-	422,290	-
-	-	-
-	-	-
-	422,290	-
-	-	-
-	261,163	-
-	-	-
-	18,800	-
-	112,256	-
-	-	-
-	30,072	-
-	-	-
-	422,290	-
-	-	-
-	-	-
-	-	-
-	-	-
8,417	-	150
\$ 8,417	\$ -	\$ 150

NW Health Foundation Grant	Maybelle Clark McDonald	Oregon Response to Intervention
\$ 900	\$ -	\$ 38,980
	-	-
	-	-
	-	-
	-	-
900	-	38,980
	-	-
	-	-
	-	-
	-	-
-	-	38,980
900	-	-
-	(1,912)	-
-	(1,912)	-
900	(1,912)	-
3,053	1,912	16,200
<u>\$ 3,953</u>	<u>\$ -</u>	<u>\$ 16,200</u>

OSBA Promise Scholarship	Career Technical Education Grants	Family Services	Aiken PBIS Funds	Totals
\$ 3,500	\$ -	\$ -	\$ 1,154	\$ 44,539
-	-	-	-	-
-	32,220	-	-	549,728
-	-	-	-	-
-	-	-	-	-
<u>3,500</u>	<u>32,220</u>	<u>-</u>	<u>1,154</u>	<u>594,267</u>
-	34,055	-	-	315,205
-	-	-	-	83,225
-	-	-	-	18,800
-	-	-	-	151,236
-	-	-	1,154	1,154
-	-	-	-	30,072
-	-	1,594	-	1,594
-	34,055	1,594	1,154	601,286
<u>3,500</u>	<u>(1,835)</u>	<u>(1,594)</u>	<u>-</u>	<u>(7,019)</u>
-	-	-	-	88
-	-	-	-	88
3,500	(1,835)	(1,594)	-	(6,931)
2,500	1,835	1,754	-	41,448
<u>\$ 6,000</u>	<u>\$ 0</u>	<u>\$ 160</u>	<u>\$ -</u>	<u>\$ 34,517</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the year Ended
June 30, 2020

2019-20	Assessed valuation of taxable property	\$ 1,168,670,937
	Tax rate (dollars per \$1,000 assessed value)	\$ 3.9293

Ratio of annual debt service requirements for bonded debt to total General Fund expenditures and transfers:

	Principal	Interest	Total Bonded Debt Services	General Fund Expenditures and Transfers	Ratio of Debt Service to General Fund Expenditures and transfers
2019-20	\$ 202,357	\$ 1,834,680	\$ 2,037,037	\$ 30,248,838	6.73%

Ratio of net bonded debt to assessed value:

	Assessed Valuation	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value
2019-20	\$ 1,168,670,937	\$ 15,723,855	1.35%

(1) Computed as gross bonded debt less amount available for retirement of debt in Debt Service Fund

Principal taxpayers in Ontario School District 8C

	Assessed Valuation	Percent of Total County Value
Private enterprises		
Kraft Heinz Food Co DBA	\$ 96,374,359	8.25%
Fry Foods Inc.	27,319,848	2.34%
Walmart Real Est Busuness Trs	11,935,510	1.02%
Americold Realty Inc	11,544,330	0.99%
Murakami Farms Inc	9,747,241	0.83%
CenturyLink	8,556,991	0.73%
HD Development of Maryland Inc	6,923,961	0.59%
HIE Ontario LLC	6,044,070	0.52%
Public utilities		
Idaho Power Co.	48,911,990	4.19%
Union Pacific Railroad Co.	8,149,996	0.70%
All other taxpayers	933,162,641	79.85%
Total assessed value	<u>\$ 1,168,670,937</u>	100.00%

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the year Ended
June 30, 2020

Summary of General Fund Oregon State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2019-20	\$ 25,330,084	89.00%	\$ 28,462,162

Computation of legal debt margin:

Real market value	\$ 1,558,822,290
Allowable portion	0.0795
Debt limit: 7.95% of real market value (1)	<u>123,926,372</u>

Amount of debt applicable to debt limit:

Bonded debt	25,610,000
Less amount available in debt service funds	<u>(11,088,399)</u>
Amount of debt applicable to debt limit	<u>14,521,601</u>

Legal debt margin 109,404,771

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district based on the following:

- A. For each grade from kindergarten to eighth for which the district operates schools, fifty-five one hundredths of one percent of the real market value.
- B. For each grade from ninth to twelfth for which the district operates schools, seventy-five one hundredths of one percent of the real market value.

Allowable percentage of real market value:

A. Kindergarten through eighth grade, 9 x .0055	4.95%
B. Ninth through twelfth, 4 x .0075	<u>3.00%</u>
Allowable percentage	<u>7.95%</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
DISTRICT AUDIT REVENUE SUMMARY
For the Year Ended
June 30, 2020

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600
Revenue from Local Sources						
1110 Ad Valorem Taxes	\$ 4,396,346	\$ -	\$ 1,188,317	\$ -	\$ -	\$ -
1120 Local Option Taxes	-	-	-	-	-	-
1190 Penalties and Interest	1,496	-	404	-	-	-
1200 Revenue from Local Government Other Than District	-	-	-	-	-	-
1310 Regular Tuition	-	-	-	-	-	-
1320 Adult/Continuing Ed Tuition	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-
1400 Transportation Fees	-	-	-	-	-	-
1500 Earnings on Investments	284,513	5	224,564	-	-	-
1600 Food Services	-	11,876	-	-	-	-
1700 Extracurricular Activities	44,501	196,296	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	8,311	-	-	-	-	-
1920 Contributions and Donations	-	900	-	-	-	-
1930 Rental or Lease Payments from Private Contractors	-	-	-	-	-	-
1940 Services Provided Other LEAs	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditures	-	-	-	-	-	-
1970 Services Provided Other Funds	36,345	-	1,118,978	-	-	-
1980 Fees Charged to Grants	346,368	-	-	-	-	-
1990 Miscellaneous	48,729	102,886	-	11,136	16,431	-
Total Revenue from Local Sources	5,166,609	311,964	2,532,263	11,136	16,431	-
Revenue from Intermediate Sources						
2101 County School Funds	786	-	-	-	-	-
2102 ESD Apportionment	-	-	-	-	-	-
2105 Natural Gas, Oil and Mineral Receipts	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-
2200 Restricted Revenue Intermediate Sources	843,013	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-
2900 Revenue for/on Behalf of District	-	-	-	-	-	-
Total Revenue from Intermediate Sources	843,799	-	-	-	-	-
Revenue from State Sources						
3101 State School Fund - General Support	25,060,622	-	-	-	-	-
3102 State School Fund - Lunch Match	-	17,654	-	-	-	-
3103 Common School Fund	217,800	-	-	-	-	-
3104 State Managed Timber	-	-	-	-	-	-
3199 Other Unrestricted Grants - State	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-
3222 SSSF Transportation	-	-	-	-	-	-
3299 Other Restricted Grants - State	51,662	553,341	-	-	2,564	-
3800 State Revenue in Lieu of Taxes	-	-	-	-	-	-
3900 State Revenue for/on Behalf of District	-	-	-	-	-	-
Total Revenue from State Sources	25,330,084	570,994	-	-	2,564	-
Revenue from Federal Sources						
4300 Restricted Revenue Direct from Federal Government	-	-	-	-	-	-
4500 Restricted Revenue from Federal Government Through the State	60,268	5,947,176	917,428	-	-	-
4900 Revenue for/on Behalf of the District	-	140,635	-	-	-	-
Total Revenue from Federal Sources	60,268	6,087,812	917,428	-	-	-
Revenue from Other Sources						
5100 Long-term Debt Financing	-	-	-	-	-	-
5200 Interfund Transfers	-	2,000	-	293,000	1,912	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-
5400 Beginning Fund Balance	5,693,357	2,342,033	9,640,737	1,356,230	9,946	415,361
Total Revenue from Other Sources	5,693,357	2,344,033	9,640,737	1,649,230	11,858	415,361
Grand Totals	\$ 37,094,116	\$ 9,314,802	\$ 13,090,428	\$ 1,660,366	\$ 30,854	\$ 415,361

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
GENERAL FUND
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	700 Transfers	Total
1000 Instruction								
1111 Elementary	\$ 3,436,376	\$ 2,050,353	\$ 29,470	\$ 172,557	\$ -	\$ -	\$ -	\$ 5,688,756
1113 Elementary extracurricular	8,618	3,485	926	464	-	-	-	13,493
1121 Middle and junior high programs	1,084,053	617,191	9,646	69,736	-	-	-	1,780,626
1122 Middle and junior high school extracurricular	86,334	28,227	7,930	25,863	-	-	-	148,354
1131 High school programs	1,784,662	1,024,927	23,278	56,133	-	1,771	-	2,890,771
1132 High school extracurricular	320,983	92,065	75,226	64,032	-	16,581	-	568,887
1210 Programs for talented and gifted	4,032	327	-	3,766	-	-	-	8,125
1226 Home instruction	838	318	-	-	-	-	-	1,156
1250 Resource rooms	1,581,476	1,001,385	372,942	18,677	-	-	-	2,974,480
1283 Alternative programs	107,812	47,738	225	3,962	-	-	-	159,737
1284 District alternative programs	-	-	-	-	-	-	-	-
1288 Charter School	-	-	3,371,978	-	-	-	-	3,371,978
1291 English second language programs	365,978	237,664	7,843	7,263	-	-	-	618,748
1292 Teen parent programs	71,675	33,118	-	-	-	-	-	104,793
Total 1000 instruction	8,852,837	5,136,798	3,899,464	422,453	-	18,352	-	18,329,904
2000 Support services								
2115 Student safety	-	-	97,115	-	-	-	-	97,115
2119 Other attendance services	35,106	27,219	-	-	-	-	-	62,325
2122 Counseling services	457,912	292,730	371	3,669	-	350	-	755,032
2134 Nurse services	-	-	31,161	-	-	-	-	31,161
2139 Other health services	-	-	-	2,023	-	-	-	2,023
2190 Student direction support	211,440	122,994	11,359	11,346	-	-	-	357,139
2213 Curriculum development	12,428	6,624	1,585	-	-	-	-	20,637
2222 Library media center	123,993	136,069	-	10,634	-	-	-	270,697
2230 Assessment and testing	142,760	95,885	21,782	-	-	-	-	260,428
2240 Instructional staff development	109,641	42,384	26,384	4,389	-	-	-	182,799
2310 Board of education	-	-	76,216	8,694	-	14,070	-	98,980
2321 Office of the superintendent services	219,110	122,156	118	1,153	-	585	-	343,123
2410 Office of the principal	1,390,500	853,490	34,039	46,057	-	11,125	-	2,335,212
2490 Other support services-school administration	232,943	144,713	-	-	-	-	-	377,656
2521 Fiscal services	114,665	56,153	43,986	6,648	-	4,429	-	225,882
2524 Payroll services	73,327	31,998	1,100	-	-	-	-	106,424
2525 Financial accounting services	40,910	25,055	-	-	-	-	-	65,966
2541 Operation and maintenance of plant services	89,733	56,729	-	-	-	-	-	146,461
2542 Care and upkeep of building services	788,350	579,737	602,310	146,285	1,829	194,076	-	2,312,588
2543 Care and upkeep of grounds	106,758	87,145	13,951	25,326	-	308	-	233,488
2551 Student transportation services	109,526	69,434	-	-	-	-	-	178,961
2552 Vehicle operation services	476,698	354,462	28,359	141,546	293,289	35,948	-	1,330,300
2559 Other student transportation services	-	-	3,602	-	-	-	-	3,602
2573 Warehouse and distribution	24,882	17,871	-	-	-	-	-	42,754
2630 Information services	91,103	89,054	7,594	880	-	-	-	188,632
2633 Public information services	47,649	31,180	8,306	848	-	-	-	87,982
2640 Staff services	-	-	540	-	-	-	-	540
2641 Staff services-service area direction	153,349	81,516	7,981	170	-	1,133	-	244,149
2660 Technology services	323,861	213,017	50,897	453,057	111,755	600	-	1,153,187
2680 Other support services	-	-	-	-	-	-	-	-
2700 Supplemental retirement program	64,050	1,336	-	-	-	-	-	65,386
Total 2000 support services	\$ 5,440,695	3,538,951	1,068,754	862,727	406,872	262,624	-	11,580,626
3000 Enterprise and community services								
3300 Community services	-	-	-	-	-	-	-	-
Total 3000 enterprise and community	-	-	-	-	-	-	-	-
4000 Facilities acquisition and construction								
4150 Building acquisition, construction and improvement services	-	-	38,405	4,903	-	-	-	43,308
Total 4000 facilities acquisition and construction	-	-	38,405	4,903	-	-	-	43,308
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	-	-	-
5120 Short-term debt retirement	-	-	-	-	-	-	-	-
5200 Transfer of funds	-	-	-	-	-	-	295,000	295,000
Total 5000 other uses	-	-	-	-	-	-	295,000	295,000
6000 Contingencies								
6110 Operating contingency	-	-	-	-	-	-	-	-
Total 6000 contingencies	-	-	-	-	-	-	-	-
Total expenditures	\$ 14,293,532	\$ 8,675,749	\$ 5,006,623	\$ 1,290,083	\$ 406,872	\$ 280,976	\$ 295,000	\$ 30,248,838

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
SPECIAL REVENUE FUNDS
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	700 Transfers	Total
1000 Instruction								
1111 Elementary	\$ -	\$ -	\$ 14,732	\$ 6,023	\$ -	\$ -	\$ -	\$ 20,755
1131 High school programs	69,994	40,470	86,786	76,616	-	17,586	-	291,453
1132	3,191	574	-	-	-	-	-	3,766
1250 Resource rooms	250,245	208,815	-	6,005	-	25,381	-	490,445
1272 Title I	764,726	512,816	66,692	13,325	-	90,276	-	1,447,834
1288 Charter school	-	-	91,290	-	-	-	-	91,290
1291 English second language programs	43,443	12,242	16,000	1,111	-	4,500	-	77,296
1293 Migrant	57,843	30,458	108,648	42,759	-	43,118	-	282,826
1299 Other programs	6,514	2,733	185	205,046	-	-	-	214,478
1400 Summer school	290,793	94,579	39,176	82,918	-	14,153	-	521,619
Total 1000 instruction	1,486,748	902,687	423,507	433,804	-	195,013	-	3,441,762
2000 Support services								
2110 Social services	75,151	44,017	1,800	10,480	-	-	-	131,448
2112 Attendance service	-	-	18,800	-	-	-	-	18,800
2117 Identification and recruitment	115,649	78,658	2,872	-	-	-	-	197,180
2120 Guidance services	-	-	248	-	-	-	-	248
2121 Service area direction	-	-	-	-	-	-	-	-
2122 Counseling services	66,943	48,761	-	-	-	1,418	-	117,122
2130 Health services	-	-	-	-	-	-	-	-
2190 Student direction support	50,960	27,751	10,616	9,360	-	-	-	98,687
2213 Curriculum development	-	-	-	-	-	-	-	-
2219 Improvement of instruction services	153,871	94,150	3,361	-	-	8,285	-	259,666
2230 Assessment and testing	376	31	-	-	-	-	-	407
2240 Instructional staff development	24,816	12,200	70,475	1,108	-	9,066	-	117,664
2410 Office of the principal	-	-	-	1,154	-	-	-	1,154
2490 Other support services - school administration	-	-	405	-	-	-	-	405
2542 Care and upkeep of building services	-	-	22,193	-	29,503	-	-	51,696
2550 Student transportation services	-	-	-	-	-	-	-	-
2630 Parent center coordinator	9,316	3,516	493	3,028	-	-	-	16,354
2640 Staff services	-	-	-	-	-	-	-	-
2660 Technology services	49,148	32,730	-	-	-	-	-	81,878
Total 2000 support services	546,230	341,815	131,262	25,129	29,503	18,769	-	1,092,707
3000 Enterprise and community services								
3110 Food services director	129,042	70,885	4,129	-	-	1,758	-	205,814
3120 Food preparation	430,111	311,445	37,433	950,501	359,520	131,716	-	2,220,725
3130 Food delivery	51,805	42,854	2,394	-	-	-	-	97,053
3300 Community services	70,986	33,536	11,313	8,381	-	-	-	124,216
Total 3000 enterprise and community	681,944	458,719	55,268	958,882	359,520	133,474	-	2,647,807
4000 Facilities acquisition and construction								
4150 Building acquisition, construction and improvement services	-	-	-	-	-	-	-	-
Total 4000 facilities acquisition and construction	-	-	-	-	-	-	-	-
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	-	-	-
5120 Short-term debt retirement	-	-	-	-	-	-	-	-
5200 Transfer of Funds	-	-	-	-	-	-	1,912	1,912
Total 5000 other uses	-	-	-	-	-	-	1,912	1,912
6000 Contingencies								
6110 Operating contingency	-	-	-	-	-	-	-	-
Total 6000 contingencies	-	-	-	-	-	-	-	-
Total expenditures	\$ 2,714,923	\$ 1,703,221	\$ 610,037	\$ 1,417,815	\$ 389,023	\$ 347,256	\$ 1,912	\$ 7,184,188

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
DEBT SERVICE FUNDS
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	700 Transfers	Total
2000 Support services								
2521 Fiscal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2649 Other staff services	-	-	11	-	-	-	-	11
Total 2000 support services	-	-	11	-	-	-	-	11
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	2,002,019	-	2,002,019
Total 5000 other uses	-	-	-	-	-	2,002,019	-	2,002,019
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,002,019</u>	<u>\$ -</u>	<u>\$ 2,002,030</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
CAPITAL PROJECTS FUNDS
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total
2000 Support services							
2542 Care and upkeep of building services	\$ -	\$ -	\$ -	\$ -	\$ 13,933	\$ -	\$ 13,933
2660 Technology services	-	-	-	6,739	58,713	-	65,453
Total 2000 support services	-	-	-	6,739	72,646	-	79,385
4000 Facilities acquisition and construction							
4150 Building acquisition, construction and improvement services	-	-	82,744	-	49,130	-	131,874
Total 4000 facilities acquisition and construction	-	-	82,744	-	49,130	-	131,874
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,744</u>	<u>\$ 6,739</u>	<u>\$ 121,776</u>	<u>\$ -</u>	<u>\$ 211,259</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
PROPRIETARY FUND
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total
1000 Instruction							
1292 Teen parent programs	\$ 17,061	\$ 6,473	\$ -	\$ 154		\$ -	\$ 23,688
Total 1000 instruction	<u>17,061</u>	<u>6,473</u>	<u>-</u>	<u>154</u>	<u>-</u>	<u>-</u>	<u>23,688</u>
2000 Support services							
2410 Office of the principal	-	-	-	6,014	-	-	6,014
2633 Public information services	-	-	-	800	-	-	800
Total 2000 support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,814</u>	<u>-</u>	<u>-</u>	<u>6,814</u>
Total expenditures	<u>\$ 17,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,503</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
INTERNAL SERVICE FUND
For the Year Ended
June 30, 2020

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total
2000 Support services							
2649 Other Staff Services	\$ -	\$ 18,620	\$ -	\$ -	\$ -	\$ -	\$ 18,620
Total 2000 support services	<u>-</u>	<u>18,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,620</u>
Total expenditures	<u>\$ -</u>	<u>\$ 18,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,620</u>

Ontario School District No. 8C
 Ontario, Malheur County, Oregon
OREGON DEPARTMENT OF EDUCATION REQUIRED INFORMATION
FORM 581-3211 – SUPPLEMENTAL INFORMATION
 For the Year Ended
 June 30, 2020

SUPPLEMENTAL INFORMATION, 2019-2020

- A. Energy Bill for Heating - **All Funds:**
 Please enter your expenditures for electricity,
 heating fuel, and water & sewage for these
 Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$398,735
Function 2550	\$3,578

- 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

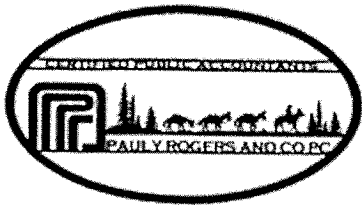
\$113,583

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

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REPORTS REQUIRED BY OREGON
STATE REGULATIONS

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December 14, 2020

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Ontario School District No. 8C as of and for the year ended June 30, 2020, and have issued our report thereon dated December 14, 2020. 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 the Ontario School District No. 8C 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 26 of the financial report.

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.

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.

ONTARIO SCHOOL DISTRICT NO. 8C

SINGLE AUDIT

For the Year Ended June 30, 2020

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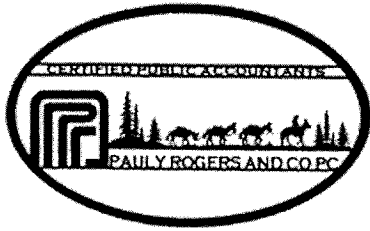
ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	CFDA Number	Subgrant Number	Receipts				Expenditures
			Reverse PY Accrual / Deferral	CY Collections	CY Accrual / Deferral	Net	
U.S. Department of Agriculture							
Passed through Oregon Department of Education							
National School Lunch Program, School Breakfast	10.553	N/A	-	354,158	-	354,158	354,158
COVID-19 CARES National School Lunch Program, School Breakfast	10.553	N/A	-	30,662	-	30,662	30,662
National School Lunch Program, Sec 4 and 11	10.555	N/A	-	849,120	-	849,120	849,120
Child Nutrition Programs-Commodity Distribution	10.555	N/A	-	139,691	-	139,691	139,691
COVID-19 CARES National School Lunch Program	10.555	N/A	-	74,384	-	74,384	74,384
Summer Food Service Program	10.559	N/A	(45,037)	83,689	-	38,652	38,652
Child Nutrition Programs-Commodity Distribution	10.559	N/A	-	944	-	944	944
COVID-19 CARES Summer Food Service Program	10.559	N/A	-	297,825	410,384	708,209	708,209
<i>Total Child Nutrition Cluster</i>			(45,037)	1,830,473	410,384	2,195,820	2,195,820
Fresh Fruit and Vegetable Program	10.582	N/A	-	76,823	-	76,823	76,823
State Administrative Expenses for Child Nutrition	10.560	N/A	(382)	382	-	-	-
Total Department of Agriculture			(45,419)	1,907,678	410,384	2,272,643	2,272,643
U.S. Department of Education							
Passed through Oregon Department of Education							
Elementary and Secondary Education Act - Title IA	84.010	45660	(30,355)	277,991	-	247,637	247,637
Elementary and Secondary Education Act - Title IA	84.010	53334	-	748,258	567,309	1,315,567	1,315,567
Elementary and Secondary Education Act - Title IA	84.010	50453	(282,020)	592,494	8,734	319,208	319,208
Elementary and Secondary Education Act - Title IA	84.010		(312,375)	1,618,744	576,043	1,882,412	1,882,412
Elementary and Secondary Education Act - Migrant Education	84.011	57320	-	-	40,658	40,658	40,658
Elementary and Secondary Education Act - Migrant Education	84.011	52525	(17,332)	246,277	-	228,945	228,945
Elementary and Secondary Education Act - Migrant Education	84.011	49217	(61,899)	221,989	8,215	168,305	168,305
Elementary and Secondary Education Act - Migrant Education	84.011	44990	(1,939)	104,339	-	102,400	102,400
Elementary and Secondary Education Act - Migrant Education	84.011	53727	-	316,439	132,250	448,689	448,689
Elementary and Secondary Education Act - Migrant Education	84.011	54452	-	10,501	-	10,501	10,501
Elementary and Secondary Education Act - Migrant Education	84.011	53742	-	40,881	15,567	56,447	56,447
Elementary and Secondary Education Act - Migrant Education	84.011	49236	(1,664)	36,897	-	35,233	35,233
Elementary and Secondary Education Act - Migrant Education	84.011		(82,834)	977,323	196,691	1,091,179	1,091,179
Individuals with Disabilities Education Act, Part B	84.027	48469	(240)	240	-	-	-
Individuals with Disabilities Education Act, Part B	84.027	49930	(9,252)	284,985	128,962	404,695	404,695
Individuals with Disabilities Education Act, Part B	84.027	53805	-	-	75,199	75,199	75,199
Individuals with Disabilities Education Act, Part B	84.027	51333	(1,197)	1,197	-	-	-
Individuals with Disabilities Education Act, Part B	84.027	54699	-	429	-	429	429
Individuals with Disabilities Education Act, Part B	84.027		(10,689)	286,851	204,161	480,323	480,323
Individuals with Disabilities Education Act, Part B, Section 619	84.173	45476	788	3,547	0	4,335	4,335
Individuals with Disabilities Education Act, Part B, Section 619	84.173	50224	-	-	283	283	283
Individuals with Disabilities Education Act, Part B, Section 619	84.173		788	3,547	283	4,618	4,618
State Personnel Development Grant	84.323	47589	(3,466)	3,466	14,374	14,374	14,374
State Personnel Development Grant	84.323		(3,466)	3,466	14,374	14,374	14,374
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358	55334	-	13,330	11,008	24,338	24,338
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358	42560	(8,946)	11,702	-	2,756	2,756
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358		(8,946)	25,032	11,008	27,094	27,094
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	53448	-	706	933	1,639	1,639
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	44242	(1,089)	3,303	-	2,214	2,214
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	50275	-	15,519	14,785	30,304	30,304
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365		(1,089)	19,528	15,718	34,157	34,157
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	53596	-	71,836	72,039	143,875	143,875
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	49373	(33,589)	54,600	(6,553)	14,459	14,459
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367		(33,589)	126,436	65,487	158,334	158,334
Student Support and Academic Enrichment Program	84.424		-	61,903	49,452	111,355	111,355
Student Support and Academic Enrichment Program	84.424		-	1,408	-	1,408	1,408
Student Support and Academic Enrichment Program	84.424		(72,085)	82,003	-	9,918	9,918
Student Support and Academic Enrichment Program	84.424		(72,085)	145,315	49,452	122,681	122,681
Education Stabilization Fund	84.425	57877	-	-	24,882	24,882	24,882
Education Stabilization Fund	84.425		-	-	24,882	24,882	24,882
Elementary and Secondary Education Act, Title IIB	84.366	N/A	-	-	-	-	-
Total Department of Education			(524,285)	3,206,241	1,158,097	3,840,054	3,840,054
U.S. Environmental Protection Agency							
Passed through Oregon Department of Environmental Quality							
Diesel Emissions Reduction Act (DERA)	66.040	148-19	-	-	33,617	33,617	33,617
Total Environmental Protection Agency			-	-	33,617	33,617	33,617
U.S. Department of Health and Human Services							
Passed through Oregon Department of Education							
Foster Care Title IV-E	93.658	N/A	-	867	902	1,769	1,769
Total Department of health and human services			-	867	902	1,769	1,769
Total federal assistance			\$ (569,704)	\$ 5,114,786	\$ 1,603,000	\$ 6,148,081	\$ 6,148,081

Reconciliation to Federal Revenue	
Total Awards Expended	\$ 6,148,081
QSCB Federal Interest Subsidy	917,427
Total Federal Revenue Recognized	\$ 7,065,508

See accompanying notes to schedule of expenditures of federal awards.

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December 14, 2020

To the Board of Directors
Ontario School District No. 8C
Malheur County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ontario School District No. 8C as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 14, 2020.

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 basic 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 basic 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

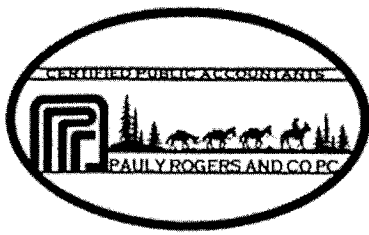
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 cursive script that reads "Roy R. Rogers".

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.



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December 14, 2020

To the Board of Directors
Ontario School District No. 8C
Malheur County, Oregon

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

Report on Compliance for Each Major Federal Program

We have audited Ontario School District No. 8C'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, 2020. The major federal programs are identified in the summary of auditors' 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.

Auditors' 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, Ontario School District No. 8C, 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, 2020.

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.

ONTARIO SCHOOL DISTRICT NO. 8C
ONTARIO, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ 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 auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance
with section 200.516(a) of the Uniform Guidance? ☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.010	Elementary and Secondary Education Act – Title 1A
84.011	Elementary and Secondary Education Act – Migrant Education

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

ONTARIO SCHOOL DISTRICT NO. 8C
ONTARIO, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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