

**ONTARIO SCHOOL DISTRICT
MALHEUR COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



**12700 SW 72nd Ave.
Tigard, OR 97223**

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
June 30, 2021

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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, 2021

BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Renae Corn Ontario, OR	Chairperson	June 30, 2021
Eric Evans Ontario, OR	Vice-Chairperson	June 30, 2023
Craig Geddes Ontario, OR	Director	June 30, 2021
Derrick Draper Ontario, OR	Director	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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November 30, 2021

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, 2021, 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, 2021, 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 November 30, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 30, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

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

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ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

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, 2021. 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 \$56.4MM, deferred outflows of \$10.7MM, liabilities of \$59.4MM and deferred inflows of \$1.7MM. Of the \$5.9MM in net position, \$6.4MM is invested in capital assets, \$12.4MM is restricted for debt service, \$2.3MM is restricted for special programs and (\$15.6MM) is unrestricted and available to meet the District's ongoing obligations.
- The District's Net Position increased by \$1.7MM during the fiscal year mostly due to the change in the net position of the governmental funds and increased federal support.
- The District had \$43.5MM in expenses; \$12.9MM of these expenses were offset by program specific charges for services, grants or contributions. The remaining resources of \$36.6MM 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 \$25.1MM. This is a \$3.5MM 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, 2021

Major Fund – Federal Programs (pages 60-61), 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, 2021**

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 2020-21 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 year end 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, 2021

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 increased \$1.7MM for the period ending June 30, 2021 to \$5.9MM. This increase 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 \$61.1MM. Deferred outflows of \$10.7MM related to pensions and other post-employment benefits represent 16% 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 \$26.2MM and comprise 39% of total assets. The remaining assets consist mainly of investments, cash, and receivables.

The District's total liabilities and deferred inflows totaled \$58.1MM. The largest liability besides the net pension liability of \$28.1MM, is for the repayment of the Qualified School Construction bond. Current liabilities of \$4.6MM represent 8.1% 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.

ONTARIO SCHOOL DISTRICT NO. 8C NET POSITION AS OF JUNE 30, 2021 and 2020						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 29,589,491	\$ 25,801,967	\$ 13,525	\$ 352	\$ 29,603,016	\$ 25,802,319
Long-Term Assets	564,328	355,238	-	-	564,328	355,238
Capital Assets, net of accumulated depreciation	26,219,083	25,713,519	-	-	26,219,083	25,713,519
Total Assets	56,372,902	51,870,724	13,525	352	56,386,427	51,871,076
Deferred Outflows						
Deferred outflows related to pensions	10,158,433	8,169,250	-	-	10,158,433	8,169,250
Deferred outflows related to RHIA	51,814	15,831	-	-	51,814	15,831
Deferred outflows related to OPEB	378,577	292,035	-	-	378,577	292,035
Deferred outflows related to Stipends	118,911	88,504	-	-	118,911	88,504
Total Deferred Outflows	10,707,735	8,565,620	-	-	10,707,735	8,565,620
Current Liabilities	4,632,923	4,305,117	3,164	-	4,636,087	4,305,117
Long-Term Debt	54,752,881	49,558,362	-	-	54,752,881	49,558,362
Total Liabilities	59,385,804	53,863,479	3,164	-	59,388,968	53,863,479
Deferred Inflows						
Deferred unearned grant funds	3,012	7,982	-	-	3,012	7,982
Deferred inflows related to pensions	1,470,998	2,079,392	-	-	1,470,998	2,079,392
Deferred inflows related to RHIA	162,823	50,086	-	-	162,823	50,086
Deferred inflows related to OPEB	69,017	87,028	-	-	69,017	87,028
Deferred inflows related to stipends	39,903	49,289	-	-	39,903	49,289
Total Deferred Inflows	1,745,753	2,273,777	-	-	1,745,753	2,273,777
Net Position:						
Net investment in capital assets	6,378,045	7,213,519	-	-	6,378,045	7,213,519
Net OPEB Asset - RHIA	451,715		-	-	451,715	
Restricted for debt service	12,372,462	9,886,145	-	-	12,372,462	9,886,145
Restricted for special programs	2,347,897	1,785,667	-	-	2,347,897	1,785,667
Unrestricted	(15,614,564)	(14,586,243)	10,361	351	(15,604,203)	(14,585,892)
Total Net Position	\$ 5,935,555	\$ 4,299,088	\$ 10,361	\$ 351	\$ 5,945,916	\$ 4,299,439

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

REVENUES AND EXPENSES

Key components of governmental revenues and expenses for the year ending June 30, 2021 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 \$25.5MM in 2020-21 compared to \$25.0MM in fiscal year 2019-20.
- Operating grants increased by \$3.0MM as a result of some increased grant allocations and new grant opportunities.
- Expenses for government activities increased by \$1.6MM or 3.9% over the prior year, due in mostly to the change in net pension liability and negotiated salary increases.

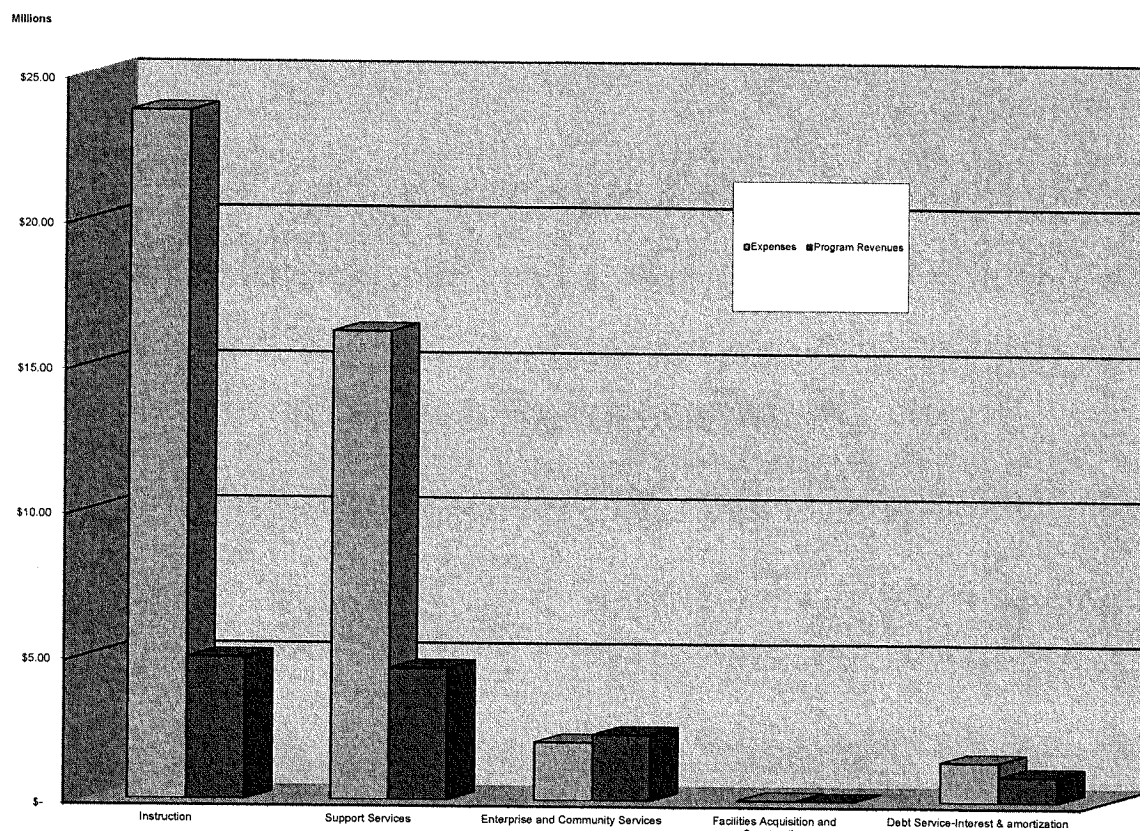
Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 1,242,352	\$ 1,407,996	\$ 22,599	\$ 18,995	\$ 1,264,951	\$ 1,426,991
Operating grants and contributions	11,608,616	8,615,094	-	-	11,608,616	8,615,094
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	5,703,017	5,557,264	-	-	5,703,017	5,557,264
State School Fund - General Support	25,505,991	25,060,622	-	-	25,505,991	25,060,622
State School Fund - Restricted	17,654	17,654	-	-	17,654	17,654
Other state and local sources	228,890	218,586	-	-	228,890	218,586
Earnings on Investments	203,920	509,082	-	-	203,920	509,082
Other	626,317	416,763	-	-	626,317	416,763
Total Revenues	<u>45,136,757</u>	<u>41,803,061</u>	<u>22,599</u>	<u>18,995</u>	<u>45,159,356</u>	<u>41,822,056</u>
Expenses:						
Instruction (Regular, Special, Adult, Summer)	23,753,790	23,158,118	-	-	23,753,790	23,158,118
Support services	16,205,220	14,420,311	-	-	16,205,220	14,420,311
Enterprise and community services	2,060,987	2,353,501	-	-	2,060,987	2,353,501
Facilities acquisition and construction	44,319	131,838	-	-	44,319	131,838
Interest on long-term debt	1,417,112	1,799,662	-	-	1,417,112	1,799,662
Teen parent	-	-	32,589	23,688	32,589	23,688
OHS Concessions	-	-	-	-	-	-
Tiger Shoppe & O+ Store	-	-	-	6,814	-	6,814
Total Expenses	<u>43,481,428</u>	<u>41,863,430</u>	<u>32,589</u>	<u>30,502</u>	<u>43,514,017</u>	<u>41,893,932</u>
Gain (loss on sale of capital assets)	1,140	(18,364)	-	-	1,140	(18,364)
Transfers	(20,000)	(1,912)	20,000	1,912	-	-
Change in net position	1,636,469	(80,645)	10,010	(9,595)	1,646,479	(90,240)
Net Position - July 1, before restatement	4,299,086	4,323,422	351	9,946	4,299,437	4,333,368
Restatements for see Notes for details	-	56,309	-	-	-	56,309
Net Position - July 1, after restatement	4,299,086	4,379,733	351	9,946	4,299,437	4,389,679
Net Position - June 30	<u>\$ 5,935,555</u>	<u>\$ 4,299,086</u>	<u>\$ 10,361</u>	<u>\$ 351</u>	<u>\$ 5,945,916</u>	<u>\$ 4,299,439</u>

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

Expenses and Program Revenues - Governmental Activities



Revenue by Source - Governmental Activities

Charges for services	\$ 1,242,352	2.7%
Earnings on Investments	203,920	0.5%
Operating grants and contributions	11,608,616	25.7%
Other	626,317	1.4%
Other state and local sources	228,890	0.5%
Property Taxes	5,755,284	12.7%
State School Fund	25,523,645	56.5%
	\$ 45,189,024	

ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2021, the District's governmental funds reported combined ending fund balance of \$25.1MM, an increase of \$3.5MM in comparison with the prior year. The increase is due to the required reserve in the Debt Service fund and increase federal grant support.

General Fund. The General Fund is the chief operating fund of the district. As of June 30, 2021, unassigned fund balance was \$8.5MM. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 26.3% of total General Fund expenditures, including transfers out and debt service. This fund balance percentage changed from 22.6% in 2019-20, 20.7% in 2018-19, and 18% in 2017-18.

The fund balance increased by \$1.75MM during the current fiscal year. This was due to an increase in the Federal Grants received during the fiscal year, budgetary variances in payroll and expenditure reductions due to COVID closures.

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, 2021, the fund had accounts receivable of \$1.05MM and \$595K in 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 increased by \$510K.

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

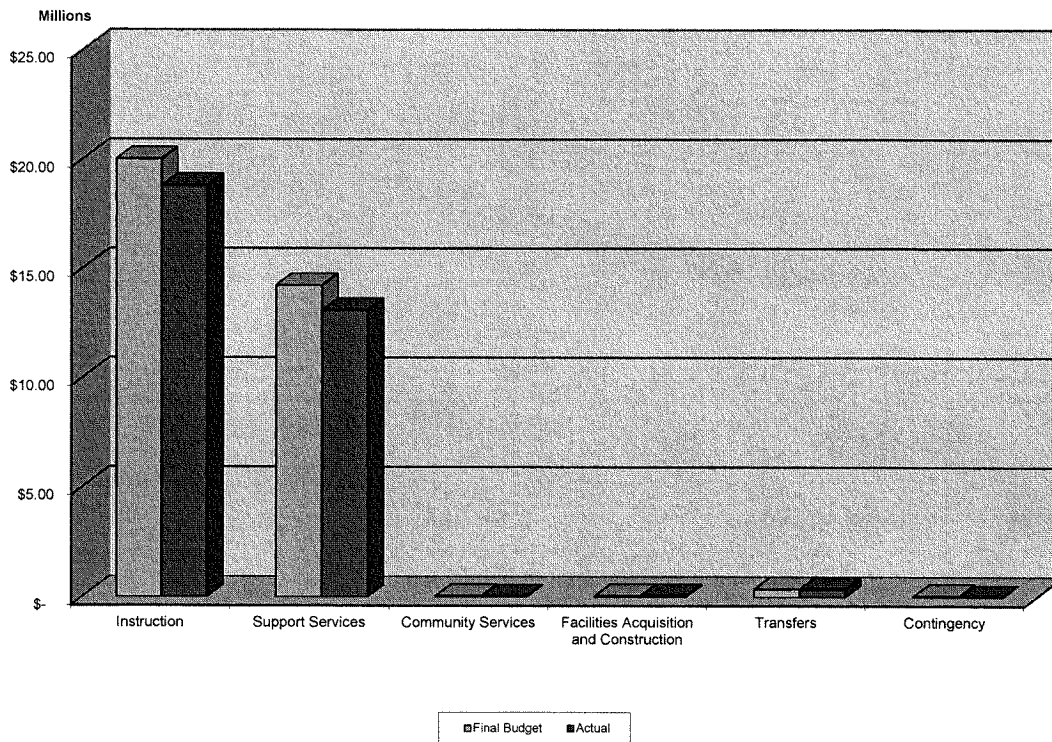
The District's budget is prepared according to Oregon law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the 2020-21 fiscal year, the Board adopted resolutions that affected the general fund budget.

For the General Fund, the final budgeted revenue was \$33,171,395. The actual amount of revenue received was \$34,117,080.

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, 2021

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, 2021 the District had invested approximately \$26.2MM 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
	<u>2021</u>	<u>2020</u>	(Decrease) from
			<u>Fiscal 2020</u>
Land	\$ 563,110	\$ 563,110	\$ -
Construction in progress	14,141	382,226	(368,085)
Buildings & building improvements	37,130,306	35,547,192	1,583,114
Vehicles and equipment	6,586,328	6,211,644	374,684
Accumulated depreciation	(18,074,802)	(16,990,653)	(1,084,149)
TOTAL	<u><u>\$ 26,219,083</u></u>	<u><u>\$ 25,713,519</u></u>	<u><u>\$ 505,564</u></u>

Debt administration. At the end of the current fiscal year, the District had total bonded debt outstanding of \$24.9MM, 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 \$665K. The decrease was due to the payment made on the 2011 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, 2021, the State School Fund – General Support, provided 56.5% of the District's program resources which is a slight reduction of the overall percentage due to the additional federal grants received for the COVID-19 pandemic. In addition, PERS contribution rates continue to be a concern for the district. Beginning July 1, 2021, the rate of contribution that the district pays did decrease somewhat, but that may be temporary relief because the PERS Board has voted to reduce the assumed rate of return for the PERS investments. 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.

The District has received federal ESSER funds to help with the district's response to challenges created by COVID pandemic. These funds have been 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.

ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

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, 2021

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets			
Cash and investments	\$ 14,646,636	\$ 12,382	\$14,659,018
Receivables			
Taxes	285,268	-	285,268
Accounts	3,513,641	1,143	3,514,784
Prepaid expenses	98,997	-	98,997
Restricted cash	11,031,424	-	11,031,424
Long-term assets			
Inventory	112,613	-	112,613
Net OPEB Asset - RHIA	451,715	-	451,715
Capital assets			
Non-depreciable assets			
Land	563,110	-	563,110
Construction in progress	14,141	-	14,141
Depreciable assets			
Buildings and building improvements	37,130,306	-	37,130,306
Equipment and vehicles	6,586,328	-	6,586,328
Accumulated depreciation	(18,074,802)	-	(18,074,802)
Total assets	<u>56,359,376</u>	<u>13,525</u>	<u>56,372,902</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals - PERS	10,158,433	-	10,158,433
OPEB related deferrals - RHIA	51,814	-	51,814
OPEB related deferrals - Health insurance	378,577	-	378,577
Pension related deferrals - Stipends	118,911	-	118,911
Total deferred outflows	<u>10,707,735</u>	<u>-</u>	<u>10,707,735</u>
LIABILITIES			
Current liabilities			
Accounts payable	602,564	-	602,564
Accrued liabilities			
Payroll, payroll taxes, insurance	3,310,359	3,164	3,313,523
Bonds payable - due within one year	720,000	-	720,000
Long-term liabilities			
Pension liability - Stipends	552,803	-	552,803
OPEB Liability - Health insurance	1,914,704	-	1,914,704
Due in more than one year	24,225,000	-	24,225,000
Net pension liability-PERS	28,060,373	-	28,060,373
Total liabilities	<u>59,385,804</u>	<u>3,164</u>	<u>59,388,967</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred unearned grant income	3,012	-	3,012
Pension related deferrals - PERS	1,470,998	-	1,470,998
OPEB related deferrals - RHIA	162,823	-	162,823
OPEB related deferrals - Health insurance	69,017	-	69,017
Pension related deferrals - Stipends	39,903	-	39,903
Total deferred inflows	<u>1,745,753</u>	<u>-</u>	<u>1,745,753</u>
NET POSITION			
Invested in capital assets, net of related debt	6,378,045	-	6,378,045
Net OPEB Asset - RHIA	451,715	-	451,715
Restricted for debt service (expendable)	12,372,462	-	12,372,462
Restricted for special programs (expendable)	2,347,897	-	2,347,897
Unrestricted	(15,614,564)	10,361	(15,604,203)
Total net position	<u>\$ 5,935,555</u>	<u>\$ 10,361</u>	<u>\$ 5,945,916</u>

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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	Business-Type Activities	Total
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions			
GOVERNMENTAL ACTIVITIES							
Regular programs	\$ 13,157,518	\$ 189	\$ -	\$ 1,121,057	\$ (12,036,271)	\$ -	\$ (12,036,271)
Special programs	10,127,764	56,659	-	3,333,107	(6,737,998)	-	(6,737,998)
Summer school programs	468,508	-	-	458,771	(9,736)	-	(9,736)
Students	2,120,879	-	-	679,681	(1,441,198)	-	(1,441,198)
Instructional staff	1,113,102	-	-	356,909	(756,193)	-	(756,193)
General administration	1,156,936	-	-	549,389	(607,548)	-	(607,548)
School administration	3,150,593	-	-	21,285	(3,129,308)	-	(3,129,308)
Business services	5,973,625	-	-	788,920	(5,184,705)	-	(5,184,705)
Central activities	2,629,539	1,185,404	-	1,036,681	(407,454)	-	(407,454)
Supplemental retirement program	60,546	-	-	-	(60,546)	-	(60,546)
Enterprise & community services	2,060,988	100	-	2,334,473	273,585	-	273,585
Facilities acquisition & construction	44,319	-	-	8,965	(35,354)	-	(35,354)
Debt service-interest & amortization	1,417,112	-	-	919,378	(497,734)	-	(497,734)
Total governmental activities	43,481,428	1,242,352	-	11,608,616	(30,630,462)	-	(30,630,462)
BUSINESS-TYPE ACTIVITIES							
Teen parent program	32,589	22,470	-	-	-	(10,119)	(10,119)
Tiger Shoppe & O+ Store	-	129	-	-	-	129	129
Total business-type activities	32,589	22,599	-	-	-	(9,990)	(9,990)
	\$ 43,514,017	\$ 1,264,951	\$ -	\$ 11,608,616	(30,630,462)	(9,990)	(30,640,452)
GENERAL REVENUES							
Property taxes for general purposes					4,533,339	-	4,533,339
Property taxes for debt service					1,221,945	-	1,221,945
State school fund-general support					25,505,991	-	25,505,991
State school fund-restricted					17,654	-	17,654
County school fund					1,160	-	1,160
Common school fund					227,730	-	227,730
Earnings on investments					203,920	-	203,920
Miscellaneous					626,317	-	626,317
Total general revenues					32,338,056	-	32,338,056
Gain (loss) on sale of capital assets					1,140	-	1,140
Transfers in (out)					(20,000)	20,000	-
Change in net position					1,688,734	10,010	1,698,744
Net position - June 30, 2020					4,246,821	351	4,247,172
Total net position - June 30, 2021					\$ 5,935,555	\$ 10,361	\$ 5,945,916

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Federal Programs	Debt Service	Nonmajor Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS					
Cash and investments	\$ 9,173,126	\$ -	\$ 869,016	\$ 4,261,680	\$ 14,303,822
Receivables					
Property tax	225,319	-	59,949	-	285,268
Grants	1,377,559	1,053,991	-	418,953	2,850,503
Other	172,366	-	460,018	-	632,384
Interfund loan receivable	1,074,716	-	-	-	1,074,716
Prepaid expenses	98,997	-	-	-	98,997
Restricted assets					
Cash	-	-	11,031,424	-	11,031,424
Total assets	12,122,083	1,053,991	12,420,408	4,680,633	30,277,114
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 12,122,083</u>	<u>\$ 1,053,991</u>	<u>\$ 12,420,408</u>	<u>\$ 4,680,633</u>	<u>\$ 30,277,114</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 472,813	\$ 7,466	\$ -	\$ 122,285	\$ 602,564
Accrued liabilities	2,872,739	220,493	-	217,128	3,310,360
Interfund loan payable	-	825,437	-	249,279	1,074,716
Total liabilities	3,345,552	1,053,396	-	588,692	4,987,640
Deferred inflows					
Deferred revenues	-	595	-	2,416	3,012
Unavailable property taxes	180,799	-	47,946	-	228,745
Total deferred inflows	180,799	595	47,946	2,416	231,756
Fund balances					
Nonspendable	98,997	-	-	-	98,997
Spendable					
Restricted	-	-	12,372,462	2,347,897	14,720,359
Assigned	-	-	-	1,741,628	1,741,628
Unassigned	8,496,735	-	-	-	8,496,735
Total fund balances	8,595,732	-	12,372,462	4,089,525	25,057,719
Total liabilities and fund balances	<u>\$ 12,122,083</u>	<u>\$ 1,053,991</u>	<u>\$ 12,420,408</u>	<u>\$ 4,680,633</u>	<u>\$ 30,277,115</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances		\$ 25,057,719
Capital assets are not financial resources and therefore, are not reported in the governmental funds.		
Cost	\$ 44,293,885	
Accumulated depreciation	<u>(18,074,802)</u>	26,219,083
Certain delinquent property taxes not collected for several months after year end is not considered available revenue and is deferred in the governmental funds.		228,745
Internal service fund		373,567
Inventory not consumed within sixty days is not included in the fund financial statements.		112,613
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		(24,945,000)
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	(552,803)	
OPEB Liability - Health Insurance	(1,914,704)	
Net Pension Liability - PERS	<u>(28,060,373)</u>	(30,527,880)
The OPEB - RHIA Asset is not reported as an asset in the governmental funds.		451,715
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	10,158,433	
Outflows - OPEB Related Deferrals - RHIA	51,814	
Outflows - OPEB Related Deferrals - Health Insurance	378,577	
Outflows - Pension Related Deferrals - Stipends	118,911	
Inflows - Pension Related Deferrals - PERS	(1,470,998)	
Inflows - OPEB Related Deferrals - RHIA	(162,823)	
Inflows - OPEB Related Deferrals - Health Insurance	(69,017)	
Inflows - Pension Related Deferrals - Stipends	<u>(39,903)</u>	<u>8,964,994</u>
Total net position		<u>\$ 5,935,555</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, 2021

	General	Federal Programs	Debt Service	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 4,544,000	\$ -	\$ 1,174,000	\$ -	\$ 5,718,000
Local sources	412,583	-	1,272,798	156,569	1,841,950
Intermediate sources	876,275	-	-	-	876,275
State sources	25,756,762	-	-	1,935,572	27,692,334
Federal sources	2,251,589	3,044,236	919,378	2,532,109	8,747,312
Total revenues	33,841,209	3,044,236	3,366,176	4,624,250	44,875,871
Expenditures					
Instruction					
Regular programs	11,284,432	-	-	654,363	11,938,795
Special programs	7,525,850	1,725,009	-	275,211	9,526,070
Summer school programs	-	378,818	-	79,953	458,771
Support services					
Students	1,282,778	527,909	-	142,420	1,953,107
Improvement of instruction	659,508	203,528	-	145,856	1,008,892
General administration	1,107,633	-	-	-	1,107,633
School administration	2,798,290	-	-	5,145	2,803,435
Business services	4,733,414	-	-	617,124	5,350,538
Central activities	2,457,955	95,195	1	39,600	2,592,751
Supplemental retirement program	60,546	-	-	-	60,546
Food services	-	-	-	2,267,684	2,267,684
Community services	22,267	113,776	-	-	136,043
Facilities acquisition and construction	59,954	-	-	242,231	302,185
Debt service					
Principal	-	-	665,000	-	665,000
Interest	-	-	1,417,112	-	1,417,112
Total expenditures	31,992,627	3,044,236	2,082,113	4,469,587	41,588,563
Excess of revenues over (under) expenditures	1,848,582	-	1,284,063	154,663	3,287,308
Other financing sources (uses)					
Grant indirect charges	275,871	-	-	-	275,871
Sale of assets	-	-	-	1,140	1,140
Transfers in (out)	(374,000)	-	-	354,000	(20,000)
Total other financing sources (uses)	(98,129)	-	-	355,140	257,011
Net change in fund balances	1,750,453	-	1,284,063	509,803	3,544,319
Available fund balances, July 1	6,845,279	-	11,088,399	3,579,722	21,513,400
Available fund balances, June 30	\$ 8,595,732	\$ -	\$ 12,372,462	\$ 4,089,525	\$ 25,057,719

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, 2021

Net change in fund balance		\$ 3,544,319
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	\$ 1,589,713	
Less current year depreciation	<u>(1,084,149)</u>	505,564
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		665,000
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.		
		37,285
Inventory not consumed within sixty days is not included in the fund financial statements.		
		10,450
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		(23,174)
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.		
		(3,124,823)
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.		
		(62,099)
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.		
		14,327
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>121,885</u>
CHANGE IN NET POSITION		<u><u>\$ 1,688,734</u></u>

PROPRIETARY FUNDS
FINANCIAL STATEMENTS

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ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF FUND NET POSITION
Proprietary Funds
June 30, 2021

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	Totals June 30, 2021	Internal Service Funds
ASSETS				
Current assets				
Cash and investments	\$ 448	\$ 11,934	\$ 12,382	\$ 342,813
Receivables				
Accounts	-	1,143	1,143	30,754
Total assets	<u>448</u>	<u>13,077</u>	<u>13,525</u>	<u>373,567</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	-	-	-	-
Accrued liabilities				
Payroll, payroll taxes, insurance	-	3,164	3,164	-
Total liabilities	<u>-</u>	<u>3,164</u>	<u>3,164</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Unrestricted	448	9,913	10,361	373,567
Total net position	<u>\$ 448</u>	<u>\$ 9,913</u>	<u>\$ 10,361</u>	<u>\$ 373,567</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, 2021

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	Totals June 30, 2021	Internal Service Funds
Operating revenue				
Charges for services	\$ 129	\$ 22,470	\$ 22,599	\$ -
Operating grants	-	-	-	-
Total operating revenue	<u>129</u>	<u>22,470</u>	<u>22,599</u>	<u>-</u>
Operating expenses				
Salaries and benefits	-	28,794	28,794	23,174
Supplies	-	3,795	3,795	-
Total operating expenses	<u>-</u>	<u>32,589</u>	<u>32,589</u>	<u>23,174</u>
Operating income	129	(10,119)	(9,990)	(23,174)
Nonoperating income				
Transfers in	-	20,000	20,000	-
Total nonoperating income	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Change in net position	129	9,881	10,010	(23,174)
Total net position - beginning	319	32	351	396,741
Total net position - ending	<u>\$ 448</u>	<u>\$ 9,913</u>	<u>\$ 10,361</u>	<u>\$ 373,567</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2021

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	June 30, 2021	Internal Service Funds
Cash flows from operating activities				
Receipts from interfund services provided	\$ -	\$ -	\$ -	\$ -
Receipts for services	129	21,327	21,456	(30,754)
Payments for employee salaries and benefits	-	(25,630)	(25,630)	(37,410)
Payments for supplies	-	(3,795)	(3,795)	-
Net cash provided/(used) by operating activities	<u>129</u>	<u>(8,098)</u>	<u>(7,969)</u>	<u>(68,164)</u>
Cash flows from noncapital financing activities				
Transfer in to pay employee benefits	-	20,000	20,000	-
Cash flows from investing activities				
Interest received	-	-	-	-
Net increase in cash and cash equivalents	<u>129</u>	<u>11,902</u>	<u>12,031</u>	<u>(68,164)</u>
Cash and cash equivalents - beginning	<u>319</u>	<u>32</u>	<u>351</u>	<u>410,977</u>
Cash and cash equivalents - ending	<u><u>\$ 448</u></u>	<u><u>\$ 11,934</u></u>	<u><u>\$ 12,382</u></u>	<u><u>\$ 342,813</u></u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 129	\$ (10,119)	\$ (9,990)	\$ (23,174)
(Increase) decrease in accounts receivable	-	(1,143)	(1,143)	(30,754)
Increase (decrease) in accounts payable	-	-	-	(14,236)
Increase (decrease) in payroll liabilities	-	3,164	3,164	-
Net cash provided/(used) by operating activities	<u><u>\$ 129</u></u>	<u><u>\$ (8,098)</u></u>	<u><u>\$ (7,969)</u></u>	<u><u>\$ (68,164)</u></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, 2021

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, 2021, 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 property taxes collected for the purpose.

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.

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.

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

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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 OHS Teen Parent Program – Instruction which was over-expended by \$3,793.

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 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.

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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)
- 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)

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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 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.

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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.
- *Assigned*—Includes items assigned for specific uses, authorized by the district's superintendent and/or Director of Finance.

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- *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, 2021:

Deposits with banks	\$ 2,645,249
Investments	23,044,023
Cash on hand	1,170
	<u>\$ 25,690,442</u>

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

Statement of Net Position	
Cash and investments	\$ 14,659,018
Restricted cash	11,031,424
	<u>\$ 25,690,442</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	\$ 23,044,023	\$ 23,044,023	\$ -
Total	<u>\$ 23,044,023</u>	<u>\$ 23,044,023</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, 2021. 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.

At June 30, 2021 the carrying amount of the district's deposits (cash and certificates of deposit) in various financial institutions was \$2,645,249 and the bank balances were \$3,042,430. Of these deposits, not all were covered by federal depository insurance. The insurance and collateral requirements for deposits are

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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, 2021 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, 2021, the district held \$23,044,023 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.

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

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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, 2021, 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, 2021:

Fund	Revenue Source	Amount
General Fund	Common school fund	\$ 113,865
General Fund	Grants	1,374,396
General Fund	Miscellaneous	61,664
Federal Programs	Federal grants	1,053,991
Bond Debt Service	Federal subsidy	460,018
Non major funds	Grants	418,953
OHS Teen Parent Program	Miscellaneous	1,143
Internal Service Fund	Refund	30,754
Total Accounts Receivable		<u>\$ 3,514,784</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	\$ 11,000	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	240,000	To fund future building improvements
Nonmajor fund	Nonmajor Proprietary fund	20,000	To fund Teen Parent program
Total		<u>\$ 374,000</u>	

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Interfund loan receivables and payables consist of the following at June 30, 2021:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Federal Programs Fund	\$ 825,437
General Fund	Nonmajor Funds	249,279
Total		<u>\$ 1,074,716</u>

Note 5. Capital Assets

Capital assets activity for the year was as follows:

Governmental Activities

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 563,110	\$ -	\$ -	\$ 563,110
Construction in progress	382,226	14,141	(382,226)	14,141
Total capital assets not being depreciated	<u>945,336</u>	<u>14,141</u>	<u>(382,226)</u>	<u>577,251</u>
Capital assets being depreciated				
Buildings and improvements	35,547,192	1,583,114	-	37,130,306
Equipment	2,907,574	143,169	-	3,050,743
Vehicles	3,304,070	231,515	-	3,535,585
Total capital assets being depreciated	<u>41,758,836</u>	<u>1,957,798</u>	<u>-</u>	<u>43,716,634</u>
Less accumulated depreciation	(16,990,653)	(1,084,149)	-	(18,074,802)
Total capital assets being depreciated, net	<u>24,768,183</u>	<u>873,649</u>	<u>-</u>	<u>25,641,832</u>
Total capital assets, net	<u>\$ 25,713,519</u>	<u>\$ 887,790</u>	<u>\$ (382,226)</u>	<u>\$ 26,219,083</u>

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

Central activities \$1,084,149

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 7/1/20	\$ 6,445,000
Additions	-
Payments & deletions	-
Balance 6/30/21	<u>\$ 6,445,000</u>
Current portion	\$ 720,000

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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
2022	\$ 720,000	\$ 356,708	5.49%
2023	810,000	317,252	5.49%
2024	910,000	272,783	5.55%
2025	1,020,000	222,278	5.55%
2026	1,135,000	165,668	5.55%
2027-2028	1,850,000	135,420	5.55%
Total	<u>\$ 6,445,000</u>	<u>\$ 1,470,108</u>	

Interest expense for the year ended June 30, 2021 was \$391,633.

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 were met on June 30, 2021 are as follows:

	PERS UAL Refunded Bonds Payable
Balance 7/1/20	\$ 665,000
Additions	-
Payments & deletions	(665,000)
Balance 6/30/21	<u>\$ -</u>

Interest expense for the year ended June 30, 2021 was \$27,365.

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, 2021 are as follows:

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	<u>Bonds Payable</u>
Balance 7/1/20	\$ 18,500,000
Additions	-
Payments & deletions	-
Balance 6/30/21	<u>\$ 18,500,000</u>
Current portion	\$ -

Fiscal Year Ending June 30,	Deposit Requirement	Interest	Federal Subsidy for Interest	Principal Due	Total
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	1,310,000	1,033,040	(974,950)	-	1,368,090
2027	1,340,000	1,033,040	(1,949,900)	18,500,000	423,140
Total	<u>\$ 7,555,000</u>	<u>\$ 6,198,240</u>	<u>\$ (6,824,650)</u>	<u>\$ 18,500,000</u>	<u>\$ 6,928,590</u>

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

At June 30, 2021, the Local Government Investment Pool account dedicated for the deposit of the set aside requirements had a balance of \$11,031,424,. The required balance to be reserved was \$10,945,000.

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.

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 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

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.

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, 2021 were \$4,117,990, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 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, 2021, the District reported a liability of \$28,060,373 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The District's proportion of the net pension liability was based on 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, 2020 measurement date, the District's proportion was 0.1286 percent, which was decreased from its proportion of 0.1291 percent measured as of June 30, 2019.

For the year ended June 30, 2021, the District's recognized pension expense (income) of 3,124,823. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,234,996	\$ -
Changes of assumptions	1,505,912	52,764
Net difference between projected and actual earnings on investments	3,299,535	633,259
Changes in proportion	-	786,839
Differences between employer contribution and proportionate share of contributions	-	631,395
Total (prior to post-MD contributions)	6,040,443	1,470,998
Contributions subsequent to the MD	4,117,990	
Total	<u>\$ 10,158,433</u>	<u>\$ 1,470,998</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

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

Year ending June 30,	
2022	\$ 818,722
2023	1,342,704
2024	1,392,309
2025	1,024,556
2026	(8,846)
Total	<u>\$ 4,569,445</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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

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Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

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

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at 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 (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
Assumed Inflation - Mean		2.50%

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

Discount Rate

The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2020 and 2019 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

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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:

	<u>1% Decrease (6.2%)</u>	<u>Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
District's proportionate share of the net pension liability (asset)	\$ 41,667,337	\$ 28,060,373	\$ 16,650,304

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, 2020 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

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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, 2019, 2020, and 2021 were \$64,910, \$15,831 and \$1,580, respectively, which equaled the required contributions each year.

At June 30, 2021, the district reported a net OPEB liability/(asset) of \$(451,715) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020 and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), district's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2020 and 2019, the district's was 0.222% and 0.131%, respectively. OPEB income for the year ended June 30, 2021 was \$121,885.

Components of OPEB Expense/(Income)

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (72,654)
Net amortization of employer-specific deferred amounts from:	
-Changes in proportionat share (per paragraph 64 of GASB 75)	(49,231)
-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>\$ (121,885)</u>

Components of Deferred Outflows/Inflows of Resources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 46,178
Changes of assumptions	-	24,011
Net difference between projected and actual earnings on investments	50,234	-
Changes in proportionate share	-	92,634
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal - Amortized deferrals (below)	50,234	162,823
District contributions subsequent to measurement date	1,580	-
Deferred outflow (inflow) of resources	<u>\$ 51,814</u>	<u>\$ 162,823</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, 2022.

Subtotal amounts related to OPEB as deferred inflows of resources, (\$111,009), will be recognized in OPEB income as follows:

Year ending June 30,	
2022	\$ (93,855)
2023	(53,150)
2024	18,570
2025	15,846
2026	-
Total	<u>\$ (112,589)</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 5, 2021, and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.20.pdf

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Valuation Date	December 31, 2018
Experience Study Report	2018, published July 24, 2019
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: 32% Disabled retirees: 20%
Healthcare Cost Trend Rate	Not Applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even-numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2020 and 2019, 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB 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 May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at 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.

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Asset Class	Target	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
Assumed Inflation - Mean		2.50%

Source: June 30, 2020 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)	\$ (364,684)	\$ (451,715)	\$ (526,130)

Changes Subsequent to the Measurement Date

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

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.

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Employees Covered

There are 22 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, 2021, the district reported a liability of \$552,803 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, 2021	Fiscal Year ended June 30, 2020
Increase / (Decrease) in Total Pension Liability		
Balance at Beginning of Year	\$ 527,337	\$ 531,906
Service Cost	32,363	30,926
Interest on Total Pension Liability	18,426	20,715
Effect of economic/demographic gains or losses	-	437
Effect of assumption changes or inputs	41,719	(1,005)
Benefit payments	(67,042)	(55,642)
Total	<u>\$ 552,803</u>	<u>\$ 527,337</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.

For the year ended June 30, 2021, the district's recognized pension expense of \$14,327. At June 30, 2021, 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	\$ (20,464)	\$ 327
Changes of assumptions or inputs	(19,439)	53,126
Benefit payments	-	65,458
Total	<u>\$ (39,903)</u>	<u>\$ 118,911</u>

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

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Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Year ending June 30,		
2022	\$	342
2023		342
2024		342
2025		(538)
2026		3,210
Thereafter		9,852
Total	\$	<u>13,550</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, 2020
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	2.21 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 2.21 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 2.21 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
District's proportionate share of the net pension liability (asset)	\$ 586,211	\$ 552,803	\$ 521,000

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2020 measurement date.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes during the June 30, 2020 measurement date.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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 58.

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the July 1, 2020 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 2.21% 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 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, 2020, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,914,704, 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or beneficiaries currently receiving benefits	328
Active employees	31
	<hr/>
	359

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Total OPEB Liability

The District's total OPEB liability of \$1,914,704 was measured as of June 30, 2020, 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, 2020
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	2.21 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, 2021	Fiscal Year ended June 30, 2020
Increase / (Decrease) in Total Pension Liability		
Balance at Beginning of Year	\$ 1,748,052	\$ 1,578,615
Service Cost	162,637	118,059
Interest on Total Pension Liability	63,795	63,225
Effect of economic/demographic gains or losses	-	(16,690)
Effect of assumption changes or inputs	117,676	131,939
Benefit payments	(177,456)	(127,096)
Total	<u>\$ 1,914,704</u>	<u>\$ 1,748,052</u>

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:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 2,038,167	\$ 1,914,704	\$ 1,797,545

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

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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:

	1% Decrease	Current Healthcare Trend Rates	1% Increase
Total OPEB Liability	\$ 1,735,780	\$ 1,914,704	\$ 2,126,208

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

For the year ended June 30, 2021, the district recognized OPEB expense of \$62,099 in the government wide Statement of Activities. At June 30, 2021, the district reported deferred inflows and outflows of resources related to the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (12,298)	\$ -
Changes of assumptions or inputs	(56,719)	199,411
Benefit payments	-	179,166
Total	<u>\$ (69,017)</u>	<u>\$ 378,577</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,	
2022	\$ 14,833
2023	14,833
2024	14,833
2025	22,732
2026	29,290
Thereafter	33,873
Total	<u>\$ 130,394</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.

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, 2021, the district recognized lease expenditures of \$86,015.

Operating leases include:

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

<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	39 months	5,700	February, 2025
Early Learning Classroom	30 months	1,000	June, 2024

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>	
2022	\$ 90,590
2023	89,740
2024	51,900
Total	<u>\$ 232,230</u>

Note 14. Tax Abatements

As of June 30, 2021, 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 continues for the next four succeeding tax years if, as of January 1 of each year, the certified M&E remains qualified.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

<u>Tax Abatement Program</u>	Amount of Taxes Abated during the Fiscal Year
Food Processor	\$ 323,917
Enterprise Zone	111,510
	<u>\$ 435,428</u>

Note 15. Fund Balance Classifications

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

Fund Balances	<u>General Fund</u>	<u>Debt Service</u>	Nonmajor <u>Funds</u>	<u>Total</u>
<u>Nonspendable</u>				
Prepaid expenses	\$ 98,997	\$ -	\$ -	\$ 98,997
	<u>98,997</u>	<u>-</u>	<u>-</u>	<u>98,997</u>
<u>Restricted</u>				
Education - Grants	-	-	698,045	698,045
Debt Service	-	12,372,462	-	12,372,462
Food Service	-	-	1,649,852	1,649,852
	<u>-</u>	<u>12,372,462</u>	<u>2,347,897</u>	<u>14,720,359</u>
<u>Committed to:</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Assigned to:</u>				
Building repairs and maint.	-	-	1,376,583	1,376,583
Equipment reserve	-	-	80,995	80,995
Technological equipment	-	-	71,901	71,901
Student body use	-	-	212,149	212,149
	<u>-</u>	<u>-</u>	<u>1,741,628</u>	<u>1,741,628</u>
<u>Unassigned</u>	<u>8,496,735</u>	<u>-</u>		<u>8,496,735</u>
TOTAL FUND BALANCES	<u>\$ 8,595,732</u>	<u>\$ 12,372,462</u>	<u>\$ 4,089,525</u>	<u>\$ 25,057,719</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. Commitments and Contingencies

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. The ultimate impact on the District financials is not determinable.

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,125,000	\$ 4,125,000	\$ 4,544,000	\$ 419,000
Local sources	303,100	310,382	412,583	102,201
Intermediate sources	825,000	825,000	876,275	51,275
State sources	25,326,972	25,578,972	25,756,762	177,790
Federal sources	-	2,156,041	2,251,589	95,548
Total revenues	30,580,072	32,995,395	33,841,209	845,814
Expenditures				
Instruction				
Regular programs	12,151,525	12,193,007	11,284,432	908,576
Special programs	7,559,457	7,824,239	7,525,850	298,390
Total Instruction	19,710,982	20,017,246 (1)	18,810,281	1,206,965
Support services				
Students	1,472,116	1,473,616	1,282,778	190,838
Improvement of instruction	768,382	768,382	659,508	108,874
General administration	536,003	1,206,003	1,107,633	98,370
School administration	2,825,416	2,982,416	2,798,290	184,126
Business services	4,976,591	5,413,972	4,733,414	680,559
Central activities	1,602,074	2,316,252	2,457,955	(141,703)
Supplemental retirement program	68,827	68,827	60,546	8,281
Total Support Services	12,249,410	14,229,469 (1)	13,100,124	1,129,345
Community services	-	50,000 (1)	22,267	27,733
Facilities acquisition and construction	60,000	60,000 (1)	59,954	46
Contingency	70,000	70,000 (1)	-	70,000
Total expenditures	32,090,392	34,426,715	31,992,627	2,434,088
Excess of revenues over (under) expenditures	(1,510,320)	(1,431,320)	1,848,582	3,279,903
Other financing sources (uses)				
Grant indirect charges	175,000	175,000	275,871	100,871
Sale of assets	1,000	1,000	-	(1,000)
Transfers in (out)	(295,000)	(374,000) (1)	(374,000)	-
Total other financing sources (uses)	(119,000)	(198,000)	(98,129)	99,871
Net change in fund balance	(1,629,320)	(1,629,320)	1,750,453	3,379,773
Available fund balance, July 1	4,850,000	4,850,000	6,845,279	1,995,279
Available fund balance, June 30	\$ 3,220,680	\$ 3,220,680	\$ 8,595,732	\$ 5,375,052

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Federal sources	\$ 3,624,012	\$ 3,624,012	\$ 3,044,236	\$ (579,776)
Total revenues	<u>3,624,012</u>	<u>3,624,012</u>	<u>3,044,236</u>	<u>(579,776)</u>
Expenditures				
Instruction				
Special programs	2,196,581	2,196,581	1,725,009	471,573
Summer school programs	380,820	380,820	378,818	2,001
Total Instruction	<u>2,577,400</u>	<u>2,577,400</u>	(1) <u>2,103,827</u>	<u>473,574</u>
Support services				
Students	627,528	627,528	527,909	99,619
Improvement of instruction	183,576	183,576	203,528	(19,952)
School administration	750	750	-	750
Central activities	111,393	111,393	95,195	16,198
Total Support Services	<u>923,247</u>	<u>923,247</u>	(1) <u>826,632</u>	<u>96,614</u>
Community services	<u>123,365</u>	<u>123,365</u>	(1) <u>113,776</u>	<u>9,588</u>
Total expenditures	<u>3,624,012</u>	<u>3,624,012</u>	<u>3,044,236</u>	<u>579,776</u>
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

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

For the Year Ended

June 30, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,100,045	\$ 1,100,045	\$ 1,174,000	\$ 73,955
Local sources	1,259,098	1,259,098	1,272,798	13,700
Federal sources	908,000	908,000	919,378	11,378
Total revenues	<u>3,267,143</u>	<u>3,267,143</u>	<u>3,366,176</u>	<u>99,034</u>
Expenditures				
Business services	5	5 (1)	-	5
Central activities	100	100 (1)	1	99
Debt service				
Principal	665,000	665,000 (1)	665,000	-
Interest	<u>1,452,038</u>	<u>1,452,038 (1)</u>	<u>1,417,112</u>	<u>34,926</u>
Total expenditures	<u>2,117,143</u>	<u>2,117,143</u>	<u>2,082,113</u>	<u>35,030</u>
Net change in fund balance	1,150,000	1,150,000	1,284,063	134,063
Available fund balance, July 1	<u>9,795,000</u>	<u>9,795,000</u>	<u>11,088,399</u>	<u>1,293,399</u>
Available fund balance, June 30	<u>\$ 10,945,000</u>	<u>\$ 10,945,000</u>	<u>\$ 12,372,462</u>	<u>\$ 1,427,462</u>

(1) Appropriation Level

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Multnomah County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC RETIREMENT SYSTEM
For the Last Eight 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
2021	0.12857906%	\$ 28,060,373	\$ 16,755,745	167.47%	75.80%
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
2021	\$ 4,117,990	\$ 4,117,990	\$ -	\$ 17,184,134	23.96%
2020	3,900,046	3,900,046	-	16,755,745	23.28%
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 been compiled, information is presented only for the years for which the required supplementary information is available.

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
2021	22.16894200%	\$ (451,715)	\$ 16,755,745	-2.70%	150.10%
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
2021	N/A	N/A	\$ -	\$ 17,184,134	0.00%
2020	N/A	N/A	-	16,755,745	0.00%
2019	N/A	N/A	-	16,051,696	0.00%
2018	N/A	N/A	-	15,187,443	0.00%
2017	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.
- 3 All statutorily required contributions were made and are included within PERS contributions

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	2021
Total Pension Liability					
Service Cost	\$ 24,817	\$ 29,269	\$ 30,534	\$ 30,926	\$ 32,363
Interest on Total Pension Liability	23,982	18,183	19,797	20,715	18,426
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)	41,719
Benefit payments	(78,712)	(74,724)	(61,977)	(55,642)	(67,042)
Net change in Total Pension Liability	8,735	(92,651)	(21,267)	(4,569)	25,466
Total Pension Liability, beginning	637,089	645,824	553,173	531,906	527,337
Total Pension Liability, ending	<u>\$ 645,824</u>	<u>\$ 553,173</u>	<u>\$ 531,906</u>	<u>\$ 527,337</u>	<u>\$ 552,803</u>

Covered payroll **

Total Pension Liability as a % of covered payroll

The amounts presented for each fiscal year were actuarial determined at July 1, 2019 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	2021
Total Pension Liability				
Service Cost	\$ 123,395	\$ 116,855	\$ 118,059	\$ 162,637
Interest on Total OPEB Liability	48,115	58,206	63,225	63,795
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	117,676
Benefit payments	(146,697)	(143,512)	(127,096)	(177,456)
Net change in Total Pension Liability	(57,560)	(1,526)	169,437	166,652
Total Pension Liability, beginning	1,637,701	1,580,141	1,578,615	1,748,052
Total Pension Liability, ending	<u>\$ 1,580,141</u>	<u>\$ 1,578,615</u>	<u>\$ 1,748,052</u>	<u>\$ 1,914,704</u>

Covered payroll **

Total Pension Liability as a % of covered payroll

The amounts presented for each fiscal year were actuarial determined at July 1, 2019 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, 2021

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.

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OTHER SUPPLEMENTARY INFORMATION

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

		Special Revenue				
		State and Local Grant Programs	Student Investment Account Fund	Early Childhood Equity Grant	Medicaid Reimbursement Fund	Student Body
ASSETS						
Cash		\$ 28,195	\$ 198,201	\$ -	\$ 498,709	\$ 212,149
Receivables						
Taxes		-	-	-	-	-
Other		340,834	-	32,999	-	-
Total assets		<u>\$ 369,029</u>	<u>\$ 198,201</u>	<u>\$ 32,999</u>	<u>\$ 498,709</u>	<u>\$ 212,149</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable		\$ 35,590	\$ 1,820	\$ 80	\$ 1,073	\$ -
Accrued liabilities		57,081	40,957	11,430	1,167	-
Interfund payable		229,444	-	19,835	-	-
Deferred revenue		762	-	1,654	-	-
Total liabilities		<u>322,877</u>	<u>42,777</u>	<u>32,999</u>	<u>2,240</u>	<u>-</u>
Fund balances						
Nonspendable		-	-	-	-	-
Spendable						
Restricted		46,152	155,424	-	496,469	-
Committed		-	-	-	-	-
Assigned		-	-	-	-	212,149
Unassigned		-	-	-	-	-
Total fund balances		<u>46,152</u>	<u>155,424</u>	<u>-</u>	<u>496,469</u>	<u>212,149</u>
Total liabilities and fund balances		<u>\$ 369,029</u>	<u>\$ 198,201</u>	<u>\$ 32,999</u>	<u>\$ 498,709</u>	<u>\$ 212,149</u>

Special Revenue	Capital Projects					Totals June 30, 2021
Food Services	Equipment Replacement	Technology	Chromebook Reserve	Building Improvement		
\$ 1,723,188	\$ 128,653	\$ 54,324	\$ 10,117	\$ 1,408,144		\$ 4,261,680
-	-	-	-	-		-
37,660	-	-	7,460	-		418,953
<u>\$ 1,760,848</u>	<u>\$ 128,653</u>	<u>\$ 54,324</u>	<u>\$ 17,577</u>	<u>\$ 1,408,144</u>		<u>\$ 4,680,633</u>
\$ 4,503	\$ 47,658	\$ -	\$ -	\$ 31,561		\$ 122,285
106,493	-	-	-	-		217,128
-	-	-	-	-		249,279
-	-	-	-	-		2,416
<u>110,996</u>	<u>47,658</u>	<u>-</u>	<u>-</u>	<u>31,561</u>		<u>591,108</u>
-	-	-	-	-		-
1,649,852	-	-	-	-		2,347,897
-	-	-	-	-		-
-	80,995	54,324	17,577	1,376,583		1,741,628
-	-	-	-	-		-
<u>1,649,852</u>	<u>80,995</u>	<u>54,324</u>	<u>17,577</u>	<u>1,376,583</u>		<u>4,089,525</u>
<u>\$ 1,760,848</u>	<u>\$ 128,653</u>	<u>\$ 54,324</u>	<u>\$ 17,577</u>	<u>\$ 1,408,144</u>		<u>\$ 4,680,633</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, 2021

	Special Revenue				
	State and Local Grant Programs	Student Investment Account Fund	Early Childhood Equity Grant	Medicaid Reimbursement Fund	Student Body
Revenues					
Local sources	\$ 45,731	\$ -	\$ -	\$ -	\$ 56,659
State sources	1,157,555	676,618	65,546	-	-
Federal sources	-	-	-	351,791	-
Total revenues	1,203,286	676,618	65,546	351,791	56,659
Expenditures					
Instruction					
Regular programs	303,997	284,820	65,546	-	-
Special programs	202,438	-	-	829	71,944
Summer school programs	79,953	-	-	-	-
Support services					
Students	18,800	109,872	-	13,748	-
Improvement of instruction	144,856	1,000	-	-	-
School administration	5,145	-	-	-	-
Business services	447,387	106,494	-	13,507	-
Central activities	75	19,008	-	-	-
Food services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,202,651	521,194	65,546	28,084	71,944
Excess of revenues over (under) expenditures	635	155,424	-	323,707	(15,285)
Other financing sources (uses)					
Sale of assets	-	-	-	-	-
Transfers in (out)	11,000	-	-	-	-
Total other financing sources (uses)	11,000	-	-	-	-
Net change in fund balances	11,635	155,424	-	323,707	(15,285)
Available fund balances, July 1	34,517	-	-	172,762	227,434
Available fund balance, June 30	\$ 46,152	\$ 155,424	\$ -	\$ 496,469	\$ 212,149

Special Revenue	Capital Projects				Totals June 30, 2021
Food Service	Equipment Replacement	Technology	Chromebook Reserve	Building Improvement	
\$ 4,323	\$ -	\$ -	\$ 9,856	\$ 40,000	\$ 156,569
35,853	-	-	-	-	1,935,572
2,180,318	-	-	-	-	2,532,109
2,220,494	-	-	9,856	40,000	4,624,250
-	-	-	-	-	654,363
-	-	-	-	-	275,211
-	-	-	-	-	79,953
-	-	-	-	-	-
-	-	-	-	-	142,420
-	-	-	-	-	145,856
-	-	-	-	-	5,145
-	49,736	-	-	-	617,124
-	-	17,838	2,679	-	39,600
2,267,684	-	-	-	-	2,267,684
-	-	-	-	242,231	242,231
-	-	-	-	-	-
-	-	-	-	-	-
2,267,684	49,736	17,838	2,679	242,231	4,469,587
(47,190)	(49,736)	(17,838)	7,177	(202,231)	154,663
1,140	-	-	-	-	1,140
-	40,000	63,000	-	240,000	354,000
1,140	40,000	63,000	-	240,000	355,140
(46,050)	(9,736)	45,162	7,177	37,769	509,803
1,695,902	90,731	9,162	10,400	1,338,814	3,579,722
\$ 1,649,852	\$ 80,995	\$ 54,324	\$ 17,577	\$ 1,376,583	\$ 4,089,525

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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 - STATE AND LOCAL GRANT PROGRAMS (BUDGET BASIS)**

For the Year Ended

June 30, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 58,322	\$ 58,322	\$ 45,731	\$ (12,591)
Intermediate sources	-	-	-	-
State sources	822,150	1,323,998	1,157,555	(166,443)
Total revenues	880,472	1,382,320	1,203,286	(179,034)
Expenditures				
Instruction				
Regular programs	271,276	283,926	303,997	(20,071)
Special programs	101,743	101,743	202,438	(100,695)
Summer school programs	-	293,735	79,953	213,782
Total Instruction	373,019	679,403 (1)	586,388	93,016
Support services				
Students	20,000	20,000	18,800	1,200
Improvement of instruction	171,542	171,542	144,856	26,685
School administration	1,500	1,500	5,145	(3,645)
Business services	333,514	528,977	447,387	81,590
Central activities	2,161	2,161	75	2,086
Total Support Services	528,717	724,180 (1)	616,263	107,917
Total expenditures	901,736	1,403,584	1,202,651	200,931
Excess of revenues over (under) expenditures	(21,263)	(21,263)	635	21,898
Other financing sources (uses)				
Transfers in (out)	2,000	2,000	11,000	9,000
Total other financing sources (uses)	2,000	2,000	11,000	9,000
Net change in fund balance	(19,263)	(19,263)	11,635	30,898
Available fund balance, July 1	19,263	19,263	34,517	15,254
Available fund balance, June 30	\$ -	\$ -	\$ 46,152	\$ 46,152

(1) Appropriation Level

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

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

For the Year Ended

June 30, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ -	\$ 676,618	\$ 676,618	\$ -
Total revenues	-	676,618	676,618	-
Expenditures				
Instruction				
Regular programs	-	420,786 (1)	284,820	135,966
Support services				
Students	-	106,900	109,872	(2,972)
Improvement of instruction	-	25,000	1,000	24,000
Business services	-	104,750	106,494	(1,744)
Central activities	-	19,182	19,008	175
Total Support Services	-	255,832 (1)	236,374	19,458
Total expenditures	-	676,618	521,194	155,424
Net change in fund balance	-	-	155,424	155,424
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ 155,424	\$ 155,424

(1) Appropriation Level

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EARLY CHILDHOOD EQUITY GRANT (BUDGET BASIS)**

For the Year Ended

June 30, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ -	\$ 67,200	\$ 65,546	\$ (1,654)
Total revenues	-	67,200	65,546	(1,654)
Expenditures				
Instruction				
Regular programs	-	67,200 (1)	65,546	1,654
Total expenditures	-	67,200	65,546	1,654
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Federal sources	-	-	351,791	351,791
Total revenues	100,000	100,000	351,791	251,791
Expenditures				
Instruction				
Special programs	50,000	50,000 (1)	829	49,171
Support services				
Students	45,000	45,000	13,748	31,252
Improvement of instruction	60,000	60,000	-	60,000
Business services	-	-	13,507	(13,507)
Total Support Services	105,000	105,000 (1)	27,255	77,745
Total expenditures	155,000	155,000	28,084	126,916
Net change in fund balance	-	-	323,707	378,707
Available fund balance, July 1	55,000	55,000 -	172,762	117,762
Available fund balance, June 30	\$ -	\$ -	\$ 496,469	\$ 496,469

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 325,000	\$ 325,000	\$ 56,659	\$ (268,341)
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>56,659</u>	<u>(268,341)</u>
Expenditures				
Instruction				
Special programs	325,000	325,000 (1)	71,944	253,056
Total expenditures	<u>325,000</u>	<u>325,000</u>	<u>71,944</u>	<u>253,056</u>
Net change in fund balance	-	-	(15,285)	(15,285)
Available fund balance, July 1	<u>140,000</u>	<u>140,000</u>	<u>227,434</u>	<u>87,434</u>
Available fund balance, June 30	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 212,149</u>	<u>\$ 72,149</u>

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 30,000	\$ 30,000	\$ 4,323	\$ (25,677)
State sources	23,500	23,500	35,853	(2) 12,353
Federal sources	2,030,000	2,030,000	2,180,318	150,318
Total revenues	2,083,500	2,083,500	2,220,494	136,995
Expenditures				
Food services	3,383,500	3,383,500 (1)	2,267,684	1,115,816
Total expenditures	3,383,500	3,383,500	2,267,684	1,115,816
Excess of revenues over (under) expend	(1,300,000)	(1,300,000)	(47,190)	1,252,811
Other financing sources (uses)				
Sale of assets	-	-	1,140	1,140
Total other financing sources (uses)	-	-	1,140	1,140
Net change in fund balance	(1,300,000)	(1,300,000)	(46,050)	1,253,951
Available fund balance, July 1	1,600,000	1,600,000	1,695,902	95,902
Available fund balance, June 30	\$ 300,000	\$ 300,000	\$ 1,649,852	\$ 1,349,852

(1) Appropriation level

(2) 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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Expenditures				
Support services				
Business services	130,000	130,000 (1)	49,736	80,264
Total expenditures	130,000	130,000	49,736	80,264
Excess of revenues over (under) expenditures	(130,000)	(130,000)	(49,736)	80,264
Other financing sources (uses)				
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	(90,000)	(90,000)	(9,736)	80,264
Available fund balance, July 1	90,000	90,000	90,731	731
Available fund balance, June 30	\$ -	\$ -	\$ 80,995	\$ 80,995

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Expenditures				
Supporting services				
Central activities	72,100	72,100 (1)	17,838	54,262
Total expenditures	72,100	72,100	17,838	54,262
Excess of revenues over (under) expenditures	(72,100)	(72,100)	(17,838)	54,262
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	(9,100)	(9,100)	45,162	54,262
Available fund balance, July 1	9,100	9,100	9,162	62
Available fund balance, June 30	\$ -	\$ -	\$ 54,324	\$ 54,324

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ 9,856	\$ 9,856
Total revenues	-	-	9,856	9,856
Expenditures				
Supporting services				
Central activities	12,000	12,000 (1)	2,679	9,321
Total expenditures	12,000	12,000	2,679	9,321
Excess of revenues over (under) expenditures	(12,000)	(12,000)	7,177	19,176
Net change in fund balance	(12,000)	(12,000)	7,177	19,177
Available fund balance, July 1	12,000	12,000	10,400	(1,600)
Available fund balance, June 30	\$ -	\$ -	\$ 17,577	\$ 17,577

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ 40,000	\$ 40,000
Total revenues	-	-	40,000	40,000
Expenditures				
Facilities acquisition and construction	1,540,000	1,540,000 (1)	242,231	1,297,769
Total expenditures	1,540,000	1,540,000	242,231	1,297,769
Excess of revenues over (under) expenditures	(1,540,000)	(1,540,000)	(202,231)	1,337,769
Other financing sources (uses)				
Transfers in (out)	190,000	190,000	240,000	50,000
Total other financing sources (uses)	190,000	190,000	240,000	50,000
Net change in fund balance	(1,350,000)	(1,350,000)	37,769	1,387,769
Available fund balance, July 1	1,350,000	1,350,000	1,338,814	(11,186)
Available fund balance, June 30	\$ -	\$ -	\$ 1,376,583	\$ 1,376,583

(1) Appropriation Level

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

For the Year Ended
 June 30, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,100,045	\$ 1,100,045	\$ 1,174,000	\$ 73,955
Local sources	175,000	175,000	83,534	(91,466)
Federal sources	908,000	908,000	919,378	11,378
Total revenues	<u>2,183,045</u>	<u>2,183,045</u>	<u>2,176,912</u>	<u>(6,133)</u>
Expenditures				
Support services				
Business services	5	5 (1)	0	5
Debt service				
Interest	<u>1,033,040</u>	<u>1,033,040 (1)</u>	<u>1,033,040</u>	<u>-</u>
Total expenditures	<u>1,033,045</u>	<u>1,033,045</u>	<u>1,033,040</u>	<u>5</u>
Net change in fund balance	1,150,000	1,150,000	1,143,872	(6,128)
Available fund balance, July 1	<u>9,795,000</u>	<u>9,795,000</u>	<u>10,359,574</u>	<u>564,574</u>
Available fund balance, June 30	<u>\$ 10,945,000</u>	<u>\$ 10,945,000</u>	<u>\$ 11,503,446</u>	<u>\$ 558,446</u>

(1) Appropriation Level

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

For the Year Ended
June 30, 2021

	Original Budget	Final Budget		Actual	Variance Final Budget Positive (Negative)
Revenues					
Local sources	\$ 1,084,098	\$ 1,084,098	#	\$ 1,189,264	\$ 105,166
Total revenues	<u>1,084,098</u>	<u>1,084,098</u>		<u>1,189,264</u>	<u>105,166</u>
Expenditures					
Support services					
Central activities	100	100	(1)	1	98
Debt service					
Principal	665,000	665,000	(1)	665,000	-
Interest	418,998	418,998	(1)	384,072	34,926
Total expenditures	<u>1,084,098</u>	<u>1,084,098</u>		<u>1,049,073</u>	<u>35,024</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>		<u>140,191</u>	<u>140,191</u>
Net change in fund balance	-	-		140,191	140,190
Available fund balance, July 1	<u>-</u>	<u>-</u>		<u>728,825</u>	<u>728,825</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 869,016</u>	<u>\$ 869,016</u>

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 9,000	\$ 9,000	\$ 129	\$ (8,871)
Total revenues	9,000	9,000	129	(8,871)
Expenditures				
Support services				
School administration	2,200	2,200 (1)	-	2,200
Central activities	7,100	7,100 (1)	-	7,100
Total expenditures	9,300	9,300	-	9,300
Net change in fund balance	(300)	(300)	129	429
Available fund balance, July 1	300	300	319	19
Available fund balance, June 30	\$ -	\$ -	\$ 448	\$ 448

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes				
Local sources	\$ 9,700	\$ 9,700	\$ 22,470	\$ 12,770
State sources	2,600	2,600	-	(2,600)
Total revenues	12,300	12,300	22,470	10,170
Expenditures				
Instruction				
Special programs	28,795	28,795 (1)	32,589	(3,793)
Total expenditures	28,795	28,795	32,589	(3,793)
Excess of revenues over (under) expenditures	(16,495)	(16,495)	(10,119)	614
Other financing sources (uses)				
Transfers in (out)	-	-	20,000	-
Total other financing sources (uses)	-	-	20,000	-
Net change in fund balance	(16,495)	(16,495)	9,881	26,376
Available fund balance, July 1	16,495	16,495	32	(16,463)
Available fund balance, June 30	\$ -	\$ -	\$ 9,913	\$ 9,913

(1) Appropriation Level

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, 2021

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Support services	410,000	410,000 (1)	23,174	386,826
Total expenditures	410,000	410,000	23,174	386,826
Net change in fund balance	(410,000)	(410,000)	(23,174)	386,826
Available fund balance, July 1	410,000	410,000	396,741	(13,259)
Available fund balance, June 30	\$ -	\$ -	\$ 373,567	\$ 373,567

(1) Appropriation Level

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF CASH, CASH ITEMS, INVESTMENTS, AND COLLATERAL SECURITY
June 30, 2021

	All Funds	Total
Cash and cash items		
Umpqua Bank		
Demand accounts	\$ 2,558,395	
Total Umpqua Bank		\$ 2,558,395
Bank of the West		
Demand accounts	2,000	
Total Bank of the West		2,000
Washington Federal		
Demand accounts	41,350	
Total Washington Federal		41,350
JP Morgan Chase Bank		
Demand accounts	29,857	
Total JP Morgan Chase Bank		29,857
U.S. Bank, N.A.		
Demand accounts	13,647	
Total U.S. Bank, N.A.		13,647
Total cash with banks		2,645,249
Cash-on-hand		1,170
Total cash and cash items		2,646,419
Investments		
Oregon State Treasury Local Government Investment Pool***		23,044,023
Total net investments		23,044,023
Total cash, cash items and investments		\$ 25,690,442

(Continued on next page)

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF CASH, CASH ITEMS, INVESTMENTS, AND COLLATERAL SECURITY
 June 30, 2021

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, 2021

	Migrant Title IC	Migrant Summer School	Migrant Preschool Program	Title IA Grant	Title III
Revenues					
Federal sources	\$ 657,647	\$ 246,761	\$ 64,859	\$ 1,579,199	\$ 21,688
Other sources					
Total revenues	<u>657,647</u>	<u>246,761</u>	<u>64,859</u>	<u>1,579,199</u>	<u>21,688</u>
Expenditures					
Instruction					
Regular programs	-	-	-	-	-
Special programs	207,123	-	64,859	1,327,201	410
Adult / continuing ed programs	-	-	-	-	-
Summer school programs	6,561	246,761	-	87,127	9,420
Support services					
Students	363,745	-	-	122,810	-
Improvement of instruction	1,325	-	-	-	11,858
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Central activities	-	-	-	7,779	-
Supplemental retirement program	-	-	-	-	-
Food services	-	-	-	-	-
Community services	78,892	-	-	34,282	-
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>657,647</u>	<u>246,761</u>	<u>64,859</u>	<u>1,579,199</u>	<u>21,688</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
\$ 125,416	\$ 30,946	\$ 29,296	\$ 155,624	\$ 132,800	\$ 3,044,236
<u>125,416</u>	<u>30,946</u>	<u>29,296</u>	<u>155,624</u>	<u>132,800</u>	<u>3,044,236</u>
-	-	-	-	-	-
125,416	-	-	-	-	1,725,009
-	-	-	-	-	-
-	-	908	-	28,041	378,818
-	-	27,787	-	13,567	527,909
-	30,946	-	155,624	3,775	203,528
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	87,417	95,195
-	-	-	-	-	-
-	-	-	-	-	-
-	-	602	-	-	113,776
-	-	-	-	-	-
<u>125,416</u>	<u>30,946</u>	<u>29,296</u>	<u>155,624</u>	<u>132,800</u>	<u>3,044,236</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2021

	Bond Debt Service	PERS Bond Debt Service	Totals
Revenues			
Taxes	\$ 1,174,000	\$ -	\$ 1,174,000
Local sources	83,534	1,189,264	1,272,798
Federal sources	919,378	-	919,378
Total revenues	<u>2,176,912</u>	<u>1,189,264</u>	<u>3,366,176</u>
Expenditures			
Support services			
Business services	-	-	-
Central activities	-	1	1
Debt Service	<u>1,033,040</u>	<u>1,049,072</u>	<u>2,082,112</u>
Total expenditures	<u>1,033,040</u>	<u>1,049,073</u>	<u>2,082,113</u>
Net change in fund balances	1,143,872	140,191	1,284,063
Available fund balances, July 1	<u>10,359,574</u>	<u>728,825</u>	<u>11,088,399</u>
Available fund balances, June 30	<u>\$ 11,503,446</u>	<u>\$ 869,016</u>	<u>\$ 12,372,462</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, 2021

	Activities	Outdoor School Grant	ELL HB3499 Grant	SMILE
Revenues				
Local sources	\$ 1	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-
State sources	-	47,629	202,438	-
Federal sources	-	-	-	-
Other sources	-	-	-	-
Total revenues	<u>1</u>	<u>47,629</u>	<u>202,438</u>	<u>-</u>
Expenditures				
Instruction				
Regular programs	3,840	47,629	-	-
Special programs	-	-	202,438	-
Summer school programs	-	-	-	-
Support services				
Students	-	-	-	-
Improvement of instruction	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Central activities	-	-	-	-
Total expenditures	<u>3,840</u>	<u>47,629</u>	<u>202,438</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(3,839)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in (out)	-	-	-	11,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
Net change in fund balances	(3,839)	-	-	11,000
Available fund balances, July 1	<u>3,839</u>	<u>-</u>	<u>-</u>	<u>(4,202)</u>
Available fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,798</u>

<u>ASPIRE</u>	<u>Measure 98 High School Success Grant</u>	<u>Goldman Sachs Philanthropic Fund</u>	<u>NW Health Foundation Grant</u>	<u>State Summer School Grants</u>	<u>Oregon Response to Intervention</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,058
-	-	-	-	-	-
-	773,630	-	-	79,953	-
-	-	-	-	-	-
-	-	-	-	-	-
-	773,630	-	-	79,953	36,058
-	196,823	-	-	-	-
-	-	-	-	-	-
-	-	-	-	79,953	-
-	18,800	-	-	-	-
-	110,619	-	-	-	34,237
-	-	-	-	-	-
-	447,387	-	-	-	-
-	-	-	-	-	-
-	773,630	-	-	79,953	34,237
-	-	-	-	-	1,821
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,821
8,417	-	150	3,953	-	16,200
<u>\$ 8,417</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 3,953</u>	<u>\$ -</u>	<u>\$ 18,021</u>

OSBA Promise Scholarship	Career Technical Education Grants	Family Services	Aiken PBIS Funds	Totals
\$ -	\$ -	\$ 500	\$ 9,172	\$ 45,731
-	-	-	-	-
-	53,905	-	-	1,157,555
-	-	-	-	-
-	-	-	-	-
-	53,905	500	9,172	1,203,286
-	53,905	-	1,800	303,998
-	-	-	-	202,438
-	-	-	-	79,953
-	-	-	-	18,800
-	-	-	-	144,856
-	-	-	5,145	5,145
-	-	-	-	447,387
-	-	75	-	75
-	53,905	75	6,945	1,202,652
-	-	425	2,227	635
-	-	-	-	11,000
-	-	-	-	11,000
-	-	425	2,227	11,635
6,000	-	160	-	34,517
\$ 6,000	\$ -	\$ 586	\$ 2,227	\$ 46,152

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the year Ended
June 30, 2021

2020-21	Assessed valuation of taxable property	\$ 1,221,434,716
	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
2020-21	\$ 665,000	\$ 1,452,038	\$ 2,117,038	\$ 32,366,628	6.54%

Ratio of net bonded debt to assessed value:

	Assessed Valuation	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value
2020-21	\$ 1,221,434,716	\$ 13,913,576	1.14%

(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	\$ 113,550,522	9.30%
Fry Foods Inc.	25,914,568	2.12%
Walmart Real Est Busuness Trs	12,140,000	0.99%
Americold Realty Inc	10,895,900	0.89%
Murakami Farms Inc	9,587,152	0.78%
CenturyLink	9,023,994	0.74%
HD Development of Maryland Inc	7,034,030	0.58%
HIE Ontario LLC	6,141,050	0.50%
Public utilities		
Idaho Power Co.	51,387,984	4.21%
Union Pacific Railroad Co.	8,543,007	0.70%
All other taxpayers	967,216,509	79.19%
Total assessed value	<u><u>\$ 1,221,434,716</u></u>	100.00%

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the year Ended
June 30, 2021

Summary of General Fund Oregon State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2020-21	\$ 25,756,762	76.11%	\$ 33,841,210

Computation of legal debt margin:

Real market value	\$ 1,641,103,210
Allowable portion	0.0795
Debt limit: 7.95% of real market value (1)	<u>130,467,705</u>

Amount of debt applicable to debt limit:

Bonded debt	24,945,000
Less amount available in debt service funds	<u>(11,031,424)</u>
Amount of debt applicable to debt limit	<u>13,913,576</u>

Legal debt margin 116,554,129

(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, 2021

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600
Revenue from Local Sources						
1110 Ad Valorem Taxes	\$ 4,543,332	\$ -	\$ 1,173,828	\$ -	\$ -	\$ -
1120 Local Option Taxes	-	-	-	-	-	-
1190 Penalties and Interest	668	-	172	-	-	-
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	116,526	1	87,394	-	-	-
1600 Food Services	-	100	-	-	-	-
1700 Extracurricular Activities	189	56,659	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	888	-	-	-	-	-
1920 Contributions and Donations	12	500	-	-	-	-
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	-	-	1,185,404	-	-	-
1980 Fees Charged to Grants	275,871	-	-	-	-	-
1990 Miscellaneous	294,968	49,453	-	49,856	22,599	-
Total Revenue from Local Sources	5,232,454	106,713	2,446,798	49,856	22,599	-
Revenue from Intermediate Sources						
2101 County School Funds	1,160	-	-	-	-	-
2102 ESD Apportionment	-	-	-	-	-	-
2105 Natural Gas, Oil and Mineral Receipts	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-
2200 Restricted Revenue Intermediate Sources	875,115	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-
2900 Revenue for/on Behalf of District	-	-	-	-	-	-
Total Revenue from Intermediate Sources	876,275	-	-	-	-	-
Revenue from State Sources						
3101 State School Fund - General Support	25,505,991	-	-	-	-	-
3102 State School Fund - Lunch Match	-	17,654	-	-	-	-
3103 Common School Fund	227,730	-	-	-	-	-
3104 State Managed Timber	-	-	-	-	-	-
3199 Other Unrestricted Grants - State	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-
3222 SSSF Transportation	-	-	-	-	-	-
3299 Other Restricted Grants - State	23,041	1,917,918	-	-	-	-
3800 State Revenue in Lieu of Taxes	-	-	-	-	-	-
3900 State Revenue for/on Behalf of District	-	-	-	-	-	-
Total Revenue from State Sources	25,756,762	1,935,572	-	-	-	-
Revenue from Federal Sources						
4200 Unrestricted Revenue from the Federal Government Through the State	-	351,791	-	-	-	-
4300 Restricted Revenue Direct from Federal Government	-	-	-	-	-	-
4500 Restricted Revenue from Federal Government Through the State	2,251,589	5,090,071	919,378	-	-	-
4900 Revenue for/on Behalf of the District	-	134,483	-	-	-	-
Total Revenue from Federal Sources	2,251,589	5,576,345	919,378	-	-	-
Revenue from Other Sources						
5100 Long-term Debt Financing	-	-	-	-	-	-
5200 Interfund Transfers	-	11,000	-	343,000	20,000	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	1,140	-	-	-	-
5400 Beginning Fund Balance	6,845,279	2,130,615	11,088,399	1,449,107	351	396,741
Total Revenue from Other Sources	6,845,279	2,142,755	11,088,399	1,792,107	20,351	396,741
Grand Totals	\$ 40,962,359	\$ 9,761,385	\$ 14,454,575	\$ 1,841,963	\$ 42,949	\$ 396,741

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
GENERAL FUND
For the Year Ended
June 30, 2021

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	\$ 3,418,219	\$ 2,121,894	\$ 32,885	\$ 322,319	\$ -	\$ -	\$ -	\$ 5,895,317
1113 Elementary extracurricular	-	-	90	168	-	-	-	257
1121 Middle and junior high programs	1,088,247	660,618	9,954	17,857	-	-	-	1,776,676
1122 Middle and junior high school extracurricular	23,973	10,237	-	42,759	-	-	-	76,969
1131 High school programs	1,804,721	1,092,369	20,729	96,304	-	2,901	-	3,017,024
1132 High school extracurricular	290,190	102,869	44,933	64,400	-	15,796	-	518,190
1210 Programs for talented and gifted	3,529	200	35	2,782	-	-	-	6,546
1226 Home instruction	-	-	-	-	-	-	-	-
1250 Resource rooms	1,652,131	1,149,638	360,463	21,477	-	-	-	3,183,710
1283 Alternative programs	105,037	60,663	-	1,532	-	-	-	167,232
1284 District alternative programs	-	-	-	-	-	-	-	-
1288 Charter School	-	-	3,546,479	-	-	-	-	3,546,479
1291 English second language programs	328,221	183,466	3,080	4,989	-	-	-	519,755
1292 Teen parent programs	69,689	32,438	-	-	-	-	-	102,127
Total 1000 instruction	8,783,958	5,414,395	4,018,647	574,585	-	18,697	-	18,810,282
2000 Support services								
2115 Student safety	-	-	99,770	-	-	-	-	99,770
2119 Other attendance services	32,164	26,357	-	-	-	-	-	58,520
2122 Counseling services	480,151	300,836	1,552	786	-	288	-	783,613
2134 Nurse services	-	-	509	-	-	-	-	509
2139 Other health services	-	-	-	1,294	-	-	-	1,294
2190 Student direction support	192,014	108,963	5,925	32,169	-	-	-	339,072
2213 Curriculum development	11,950	6,561	-	-	-	-	-	18,511
2222 Library media center	127,023	139,283	56	7,097	-	26	-	273,485
2230 Assessment and testing	143,564	93,289	5,280	-	-	-	-	242,133
2240 Instructional staff development	66,694	34,707	18,817	5,162	-	-	-	125,379
2310 Board of education	393,750	155,639	159,230	5,582	-	13,838	-	728,039
2321 Office of the superintendent services	247,480	130,895	294	330	-	595	-	379,594
2410 Office of the principal	1,429,629	865,886	39,621	60,213	-	11,841	-	2,407,189
2490 Other support services-school administration	242,024	149,076	-	-	-	-	-	391,101
2521 Fiscal services	117,820	57,050	60,710	4,129	-	5,418	-	245,127
2524 Payroll services	53,829	22,172	-	-	-	-	-	76,000
2525 Financial accounting services	38,148	25,854	-	-	-	-	-	64,002
2541 Operation and maintenance of plant services	91,952	58,696	-	-	-	-	-	150,648
2542 Care and upkeep of building services	764,128	562,695	546,759	317,733	23,700	67,975	-	2,282,990
2543 Care and upkeep of grounds	107,353	86,029	19,983	34,924	-	208	-	248,497
2551 Student transportation services	117,046	77,370	-	-	-	-	-	194,416
2552 Vehicle operation services	508,906	372,804	11,478	96,508	231,515	205,134	-	1,426,345
2559 Other student transportation services	-	-	1,785	-	-	-	-	1,785
2573 Warehouse and distribution	25,380	18,224	-	-	-	-	-	43,604
2630 Information services	85,410	80,265	13,033	778	-	-	-	179,486
2633 Public information services	48,602	31,680	2,313	11,484	-	-	-	94,080
2640 Staff services	-	-	330	-	-	-	-	330
2641 Staff services-service area direction	152,574	86,142	1,882	2,376	-	1,084	-	244,057
2660 Technology services	334,401	219,220	228,921	884,038	271,112	320	-	1,938,013
2680 Other support services	1,449	540	-	-	-	-	-	1,989
2700 Supplemental retirement program	59,750	796	-	-	-	-	-	60,546
Total 2000 support services	5,873,189	3,711,029	1,218,249	1,464,603	526,327	306,727	-	13,100,124
3000 Enterprise and community services								
3300 Community services	-	-	-	22,267	-	-	-	22,267
Total 3000 enterprise and community	-	-	-	22,267	-	-	-	22,267
4000 Facilities acquisition and construction								
4150 Building acquisition, construction and improvement services	-	-	29,016	-	30,938	-	-	59,954
Total 4000 facilities acquisition and construction	-	-	29,016	-	30,938	-	-	59,954
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	-	-	-
5120 Short-term debt retirement	-	-	-	-	-	-	-	-
5200 Transfer of funds	-	-	-	-	-	-	374,000	374,000
Total 5000 other uses	-	-	-	-	-	-	374,000	374,000
6000 Contingencies								
6110 Operating contingency	-	-	-	-	-	-	-	-
Total 6000 contingencies	-	-	-	-	-	-	-	-
Total expenditures	\$ 14,657,147	\$ 9,125,424	\$ 5,265,912	\$ 2,061,455	\$ 557,265	\$ 325,424	\$ 374,000	\$ 32,366,627

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
SPECIAL REVENUE FUNDS
For the Year Ended
June 30, 2021

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	\$ 88,511	\$ 55,090	\$ 101,146	\$ 17,366	\$ -	\$ 24,819	\$ -	\$ 286,932
1121 Middle and junior high programs	-	-	12,320	-	-	-	-	12,320
1131 High school programs	69,878	40,945	121,441	48,564	-	1,967	-	282,795
1132 High school extracurricular	1,804	677	450	3,840	-	-	-	6,771
1140 Pre-kindergarten programs	32,418	24,237	488	5,096	-	3,307	-	65,546
1250 Resource rooms	80,843	39,173	-	-	-	6,229	-	126,245
1272 Title I	687,001	470,150	1,105	3,743	-	77,724	-	1,239,723
1288 Charter school	-	-	87,476	-	-	-	-	87,476
1291 English second language programs	57,974	35,466	102,708	676	-	6,700	-	203,524
1293 Migrant	49,833	33,083	19,453	132,629	-	36,309	-	271,307
1299 Other programs	-	-	-	71,944	-	-	-	71,944
1400 Summer school	237,539	83,185	76,445	43,820	-	17,782	-	458,771
Total 1000 instruction	1,305,801	782,006	523,032	327,678	-	174,837	-	3,113,354
2000 Support services								
2110 Social services	105,990	64,713	1,124	13,301	-	-	-	185,128
2112 Attendance service	-	-	18,800	-	-	-	-	18,800
2117 Identification and recruitment	109,945	80,114	2,312	-	-	-	-	192,371
2120 Guidance services	-	-	624	-	-	-	-	624
2121 Service area direction	-	-	-	-	-	-	-	-
2122 Counseling services	36,825	24,673	1,400	-	-	1,480	-	64,378
2130 Health services	67,159	41,313	-	-	-	-	-	108,472
2190 Student direction support	56,573	30,004	7,890	6,090	-	-	-	100,557
2213 Curriculum development	-	-	-	563	-	-	-	563
2219 Improvement of instruction services	175,370	106,544	-	-	-	7,550	-	289,464
2230 Assessment and testing	-	-	-	-	-	-	-	-
2240 Instructional staff development	23,708	12,741	15,604	2,590	-	4,715	-	59,358
2410 Office of the principal	15	-	-	5,131	-	-	-	5,146
2490 Other support services - school administration	-	-	-	-	-	-	-	-
2542 Care and upkeep of building services	-	-	13,507	-	553,882	-	-	567,389
2550 Student transportation services	-	-	-	-	-	-	-	-
2630 Parent center coordinator	1,044	401	192	6,217	-	-	-	7,854
2640 Staff services	-	-	-	-	-	-	-	-
2660 Technology services	51,709	33,518	-	19,008	-	2,190	-	106,425
Total 2000 support services	628,338	394,021	61,453	52,900	553,882	15,935	-	1,706,529
3000 Enterprise and community services								
3110 Food services director	116,116	67,292	1,151	-	-	-	-	184,559
3120 Food preparation	403,768	297,628	24,851	739,841	447,575	85,099	-	1,998,762
3130 Food delivery	45,090	38,480	792	-	-	-	-	84,362
3300 Community services	57,015	26,418	739	29,604	-	-	-	113,776
Total 3000 enterprise and community	621,989	429,818	27,533	769,445	447,575	85,099	-	2,381,459
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	-	-	-	-	-	-	-	-
Total 5000 other uses	-	-	-	-	-	-	-	-
6000 Contingencies								
6110 Operating contingency	-	-	-	-	-	-	-	-
Total 6000 contingencies	-	-	-	-	-	-	-	-
Total expenditures	\$ 2,556,128	\$ 1,605,845	\$ 612,018	\$ 1,150,023	\$ 1,001,457	\$ 275,871	\$ -	\$ 7,201,342

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
DEBT SERVICE FUNDS
For the Year Ended
June 30, 2021

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	-	-	1	-	-	-	-	1
Total 2000 support services	-	-	1	-	-	-	-	1
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	2,082,112	-	2,082,112
Total 5000 other uses	-	-	-	-	-	2,082,112	-	2,082,112
Total expenditures	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 2,082,112	\$ -	\$ 2,082,113

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
CAPITAL PROJECTS FUNDS
For the Year Ended
June 30, 2021

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	\$ -	\$ -	\$ -	\$ -	\$ 49,736	\$ -	\$ 49,736
2660 Technology services	-	-	-	2,678	17,838	-	20,516
Total 2000 support services	-	-	-	2,678	67,574	-	70,252
4000 Facilities acquisition and construction							
4150 Building acquisition, construction and improvement services	-	-	-	-	242,232	-	242,232
Total 4000 facilities acquisition and construction	-	-	-	-	242,232	-	242,232
Total expenditures	\$ -	\$ -	\$ -	\$ 2,678	\$ 309,806	\$ -	\$ 312,484

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
PROPRIETARY FUND
For the Year Ended
June 30, 2021

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	\$ 20,878	\$ 7,916	\$ -	\$ 3,795		\$ -	\$ 32,589
Total 1000 instruction	<u>20,878</u>	<u>7,916</u>	<u>-</u>	<u>3,795</u>	<u>-</u>	<u>-</u>	<u>32,589</u>
2000 Support services							
2410 Office of the principal	-	-	-	-	-	-	-
2633 Public information services	-	-	-	-	-	-	-
Total 2000 support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 20,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,589</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
INTERNAL SERVICE FUND
For the Year Ended
June 30, 2021

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	\$ -	\$ 23,174	\$ -	\$ -	\$ -	\$ -	\$ 23,174
Total 2000 support services	<u>-</u>	<u>23,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,174</u>
Total expenditures	<u>\$ -</u>	<u>\$ 23,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,174</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, 2021

SUPPLEMENTAL INFORMATION, 2020-2021

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

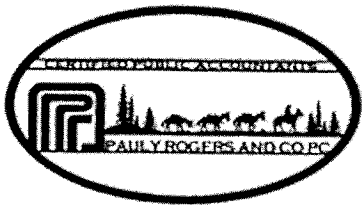
	Objects 325 & 326 & *327
Function 2540	\$376,282
Function 2550	\$345

- 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

\$270,012

**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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November 30, 2021

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, 2021, and have issued our report thereon dated November 30, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe 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.

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

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

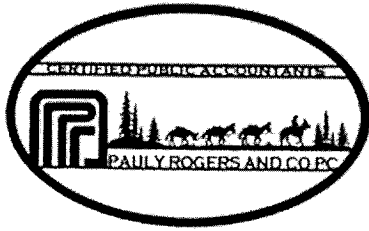
Federal Grantor/Pass-through Grants/ Program Title	Federal AL Number	Subgrant Number	Receipts				Expenditures
			Reverse PY Deferal	PY Accrual / CY Collections	CY Accrual / Deferal	Net	
U.S. Department of Agriculture							
Passed through Oregon Department of Education							
National School Lunch Program, School Breakfast	10.553	N/A	-	0	-	-	-
National School Lunch Program, Sec 4 and 11	10.555	N/A	-	0	-	-	-
Child Nutrition Programs-Commodity Distribution	10.555	N/A	-	134,483	-	134,483	134,483
Summer Food Service Program	10.559	N/A	-	1,767,361	38,589	1,805,951	1,805,951
Summer Food Service Program - COVID-19	10.559	N/A	(410,384)	562,889	-	152,505	152,505
Total Child Nutrition Cluster			(410,384)	2,464,733	38,589	2,092,938	2,092,938
Fresh Fruit and Vegetable Program	10.582	N/A	-	87,380	-	87,380	87,380
State Administrative Expenses for Child Nutrition	10.560	N/A	-	0	-	-	-
Total Department of Agriculture			(410,384)	2,552,113	38,589	2,180,318	2,180,318
U.S. Department of Education							
Passed through Oregon Department of Education							
Elementary and Secondary Education Act - Title IA	84.010	58330	-	708,087	518,093	1,226,181	1,226,181
Elementary and Secondary Education Act - Title IA	84.010	53334	(567,309)	850,975	-	283,666	283,666
Elementary and Secondary Education Act - Title IA	84.010	50453	(8,734)	78,086	-	69,352	69,352
Elementary and Secondary Education Act - Title IA	84.010		(576,043)	1,637,148	518,093	1,579,199	1,579,199
Elementary and Secondary Education Act - Migrant Education	84.011	57320	(40,658)	263,569	-	222,911	222,911
Elementary and Secondary Education Act - Migrant Education	84.011	66115	-	-	23,851	23,851	23,851
Elementary and Secondary Education Act - Migrant Education	84.011	49217	(8,215)	67,882	3,399	63,066	63,066
Elementary and Secondary Education Act - Migrant Education	84.011	44990	-	204,343	114,131	318,474	318,474
Elementary and Secondary Education Act - Migrant Education	84.011	53727	(132,250)	293,943	114,414	276,107	276,107
Elementary and Secondary Education Act - Migrant Education	84.011	53742	(15,567)	16,783	-	1,216	1,216
Elementary and Secondary Education Act - Migrant Education	84.011	58923	-	-	63,643	63,643	63,643
Elementary and Secondary Education Act - Migrant Education	84.011		(196,690)	846,519	319,438	969,267	969,267
Individuals with Disabilities Education Act, Part B	84.027	49930	(128,962)	128,962	-	-	-
Individuals with Disabilities Education Act, Part B	84.027	53805	(75,199)	160,389	38,192	123,381	123,381
Individuals with Disabilities Education Act, Part B	84.027		(204,161)	289,351	38,192	123,381	123,381
Individuals with Disabilities Education Act, Part B, Section 619	84.173	50224	(283)	283	2,035	2,035	2,035
Individuals with Disabilities Education Act, Part B, Section 619	84.173		(283)	283	2,035	2,035	2,035
State Personnel Development Grant	84.323	47589	(14,374)	21,940	23,381	30,946	30,946
State Personnel Development Grant	84.323		(14,374)	21,940	23,381	30,946	30,946
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358	60335	-	13,896	11,517	25,412	25,412
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358	55334	(11,008)	13,736	1,156	3,884	3,884
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358		(11,008)	27,631	12,673	29,296	29,296
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	53448	(933)	15,569	644	15,280	15,280
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	50275	(14,785)	21,193	-	6,408	6,408
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365		(15,718)	36,762	644	21,688	21,688
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	53596	(72,039)	81,049	8,821	17,831	17,831
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	49373	6,553	6,553	-	6,553	6,553
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	58822	-	73,076	58,164	131,240	131,240
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367		(65,486)	160,678	66,985	155,624	155,624
Student Support and Academic Enrichment Program	84.424		(49,452)	58,234	28,604	37,386	37,386
Student Support and Academic Enrichment Program	84.424		-	52,062	43,352	95,414	95,414
Student Support and Academic Enrichment Program	84.424		(49,452)	110,296	71,956	132,800	132,800
Education Stabilization Fund-COVID-19	84.425A	57877	(24,882)	748,697	511,768	1,235,582	1,235,582
Education Stabilization Fund-COVID-19	84.425C	64647	-	-	862,628	862,628	862,628
Education Stabilization Fund-COVID-19	84.425D	61005	-	153,379	-	153,379	153,379
Education Stabilization Fund -COVID-19	84.425		(24,882)	902,076	1,374,396	2,251,589	2,251,589
Total Department of Education			(1,158,097)	4,032,683	2,427,791	5,295,825	5,295,825
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	-	-	-
Total Environmental Protection Agency			(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	(902)	902	-	-	-
Total Department of health and human services			(902)	902	-	-	-
Total federal assistance			\$ (1,569,383)	\$ 6,585,698	\$ 2,466,380	\$ 7,476,143	\$ 7,476,143

* Denotes program tested as major program

See accompanying notes to schedule of expenditures of federal awards.

Reconciliation to Federal Revenue	
Total Federal Awards Expended, Above	\$ 7,476,143
QSCB Federal Interest Subsidy	919,378
Medicaid Reimbursements	351,791
Total Federal Revenue Recognized	\$ 8,747,312

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November 30, 2021

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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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.

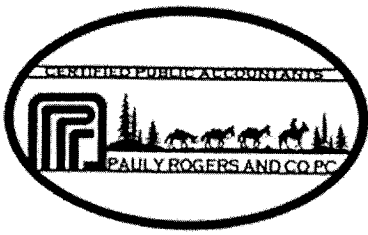
Compliance and Other Matters

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.

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



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November 30, 2021

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, 2021. 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, 2021.

Report on Internal Control Over Compliance

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

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

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

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

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

ONTARIO SCHOOL DISTRICT NO. 8C
ONTARIO, OREGON

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

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

CFDA NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

10.555/10.559

Child Nutrition Cluster

84.425A,84.425C,

Education Stabilization Fund and Elementary and Secondary School Emergency Relief Fund

84.425D

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, 2021

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.

ONTARIO SCHOOL DISTRICT NO. 8C
ONTARIO, OREGON

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

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

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