

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

FINANCIAL REPORT

For the Year Ended June 30, 2022



12700 SW 72nd Ave.
Tigard, OR 97223

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

BOARD OF DIRECTORS 2021-22

Mike Blanchard, Chair	June 30, 2023
Matt Posey, Vice Chair	June 30, 2023
Lu Ann Meyer	June 30, 2023
Rob Olgilvie	June 30, 2023
Jonathan Woods	June 30, 2025

ADMINISTRATION

Andy Bellando, Superintendent
Tami Montague, Director of Fiscal Services

Board members receive mail at the District address listed below.

Dallas School District
111 SW Ash Street
Dallas, Oregon 97338

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

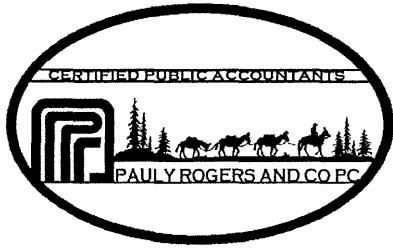
T A B L E O F C O N T E N T S

	<u>PAGE</u>
Independent Auditors' Report	i
Required Supplementary Information:	
Management's Discussion and Analysis	iv
Basic Financial Statements:	
Government-wide Basic Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Basic Financial Statements:	
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities and Changes in Net Position	6
Notes to Basic Financial Statements	7
Required Supplementary Information:	
Schedule of Funding Progress and Employer Contributions – Health Care Plan	36
Schedule of Proportionate Share of the Net Pension Liability – PERS	37
Schedule of Contributions – PERS	37
Schedule of Proportionate Share of the Net Pension Liability – RHIA	38
Schedule of Contributions – RHIA	38
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget – Budgetary Basis:	
Major Funds:	
General Fund	39
Special Grants and Projects Fund	40
Supplementary Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget – Budgetary Basis:	
Major Funds:	
PERS Pension Bond Fund	41
Capital Projects Fund	42
Debt Service – GO Bonds Fund	43
Combining Balance Sheet – Non-major Governmental Funds	44
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual- Non-major Governmental Funds	45

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

T A B L E O F C O N T E N T S (CONTINUED)

	<u>PAGE</u>
Supplementary Information (Continued):	
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget – Budgetary Basis:	
Student Activity Fund	46
Food Service Fund	47
Debt Service Fund – Full Faith and Credit	48
Schedule of Property Tax Transactions and Balances of Taxes Uncollected – General Fund	49
Schedule of Property Tax Transactions and Balances of Taxes Uncollected – Debt Service Fund	50
Other Financial Schedules:	
Supplemental Information – Form 3211-C, 2021-2022	51
2021-2022 District Revenue Summary	52
2021-2022 District Expenditure Summaries:	
General Fund	53
Special Revenue Funds	54
Debt Service Fund	55
Capital Projects Fund	56
Reports on Legal and Other Regulatory Requirements:	
Independent Auditors’ Report Required by Oregon State Regulations	57
<u>GRANT COMPLIANCE REVIEW</u>	
Schedule of Expenditures of Federal Awards (Supplementary Information)	59
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance With Government Auditing Standards	61
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	63
Schedule of Findings and Questioned Costs	66



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

December 20, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dallas School District
Polk County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas School District, (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dallas School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas School District's ability to continue as a going concern for twelve months beyond the basic financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

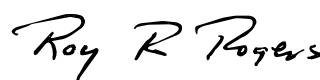
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 20, 2022 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 the effectiveness of the internal control over financial reporting or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT NO. 2 MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Dallas School District No. 2, Dallas, Oregon, we offer readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the basic financial statements to enhance their understanding of the district's financial performance.

FINANCIAL HIGHLIGHTS

- At June 30, 2022, the district's total fund balances equaled \$5,152,565.
- The General Fund ending balance of \$2,636,441 represents 6.88% of general fund revenues and is available for general operations.
- The district's net position increased by \$7,301,003 mainly due to issuance of PERS pension bonds and the corresponding establishment of a side account in trust with PERS.
- The district had \$33,998,516 in capital assets, net of depreciation at June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis is intended to serve as an introduction to the district's financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves. These reports are designed to show information for the district as a whole, its funds, and its fiduciary responsibilities. Fund statements also may provide insight into the district's overall financial health. Fund financial statements report the district's operations in more detail than the government-wide financial statements by providing information about the district's major funds, the general fund and the debt service fund.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide information about the activities of the district and present a longer-term view of the district's finances in a similar manner to the private sector. One of the most important questions asked about the district is, "Is the district better off or worse off financially as a result of the year's activities." These statements report information on the district as a whole and its activities in a way that helps answer this question:

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the district owns (assets), what it owes (liabilities), and the net difference between the two reported as net position. Capital Assets are included in this report. Over time increases or decreases in net position may serve as a useful indication of whether the district's financial position is improving or deteriorating.

The Statement of Activities shows revenues, expenses, and the change in net position for the district as a whole. Revenues and expenses attributable to specific functions are segregated from general revenues to display the extent to which general revenues support each function. This statement presents information showing how the district's net position changed during the most recent fiscal year.

All of the district's basic functions are shown here, such as regular and special education, administration, and facility acquisition and construction. These activities are considered "governmental" and primarily financed through property

tax, Oregon’s State School Fund and other intergovernmental revenues. To assess the overall health of the district you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements can be found on pages 1 and 2 of this report.

FUND FINANCIAL STATEMENTS

Fund Financial Statements provide more detailed information about the same functions as reported in the government-wide financial statements, focusing on how money flows in and out of funds and the balances left at year end that are available for spending. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Dallas School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund statements are reported using the accounting method called “modified accrual” accounting, which measures cash and all other financial assets that can readily be converted to cash. This information is essential for preparation of and compliance with annual budgets. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations following the governmental funds statements.

The Fund Basic Financial Statements can be found on pages 3 through 6 of this report.

Notes to Basic Financial Statements provide additional context that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Notes to Basic Financial Statement can be found on pages 7 through 35 of this report.

Supplemental and Other Information is included in this report beginning on page 36 and contains both required and non-required schedules and reports which provide detailed information as a context for understanding the information in the financial statements, note disclosures, and overall financial health. In these sections the reader can find the PERS and Other Post Employment Benefit (OPEB) schedules detailing ten years of (assets)/liabilities and contributions.

Supplemental and Other Information can be found on pages 36 through 50.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net position over time may serve as a useful indicator of a government’s financial position. The district’s cash and cash equivalents increased by \$858,602 while total assets increased by \$40,629,753. In August 2021 the district participated in a cooperative bond issuance with 22 other Oregon school districts to issue over \$39 million in bonds at the total interest cost of 2.45%. This sale and corresponding establishment of a PERS “side account” offsets the district’s portion of the PERS system’s long-term unfunded liability.

The most notable change in the Statement of Activities is the continuation of federal and state grants for emergency COVID 19 pandemic relief and recovery activities. The district will continue to receive emergency relief funds through the end of 2023-2024. However, the long-term impact of the pandemic on public education remains the district’s greatest unknown. The overall cost of addressing staff and student social and emotional health, student learning loss, disruption in the national supply chain, and staffing shortages remains to be fully understood. In 2021-22 total revenues and resources increased \$8,661,102 while expenditures increased only \$181,475 over the prior year which resulted in a favorable \$7,301,003 change in the district’s net position.

Statement of Net Position: Total assets, liabilities and net assets as of June 30, 2021 and June 30, 2022 are as follows (details on page 1):

	2021	2022	Difference	%
Assets				
Current and other assets	\$ 7,403,057	\$ 8,261,659	\$ 858,602	11.6%
Net Pension Asset (GASB 68)	16,308,835	56,129,999	39,821,164	244.2%
Capital assets (net)	34,048,529	33,998,516	(50,013)	-0.1%
Right to Use Asset, Net of Deprec	-	967,727	967,727	
Total assets	57,760,421	99,357,901	40,629,753	70.3%
Liabilities				
Other liabilities	6,084,013	5,910,556	(173,457)	-2.9%
Long-term liabilities	49,349,933	67,606,469	18,256,536	37.0%
Total liabilities	55,433,946	73,517,025	18,083,079	32.6%
Net Pension Related Deferrals	4,386,552	20,599,950	16,213,398	369.6%
Net Position				
Investment in capital assets, net of related debt	27,347,774	32,402,533	5,054,759	18.5%
Net assets: restricted	1,924,461	2,955,021	1,030,560	53.6%
Net assets: unrestricted	(31,372,312)	(30,116,628)	1,255,684	-4.0%
Total net position	\$ (2,060,077)	\$ 5,240,926	\$ 7,341,003	

Statement of Activities: The district's revenues and expenses for fiscal year 2021-2022, as compared to fiscal year 2020-2021 are as follows (details on page 2):

	2021	2022	Difference	%
Revenues				
Charges for Services	\$ 24,706	\$ 87,919	\$ 63,213	255.9%
Operating Grants	6,040,081	10,947,794	4,907,713	81.3%
General Revenues				
Property Taxes	11,181,305	11,692,641	511,336	4.6%
State Revenue Sharing	26,180,675	26,059,923	(120,752)	-0.5%
Miscellaneous	1,765,403	5,064,995	3,299,592	186.9%
Total Revenues	\$ 45,192,170	\$ 53,853,272	\$ 8,661,102	19.2%
Expenses				
Instruction	30,212,815	29,625,441	\$ (587,374)	-1.9%
Support Services	14,754,465	15,094,132	339,667	2.3%
Community Services	1,006,108	1,125,303	119,195	11.8%
Facilities Acq/Construction	-	-	-	
Interest on Long-Term Debt	397,406	707,393	309,987	78.0%
Total Expenses	\$ 46,370,794	\$ 46,552,269	\$ 181,475	0.4%
Change in Net Position	(1,178,624)	7,301,003	8,479,627	-719.5%
Beginning Net Position	(881,453)	(2,060,077)	(1,178,624)	133.7%
Ending Net Position	\$ (2,060,077)	\$ 5,240,926	\$ 7,301,003	-354.4%

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Unreserved fund balance measures the district's net resources available for appropriation in the next fiscal year. As of June 30, 2022, total fund balance of the governmental funds was \$5,3901,655. These amounts are available to use, in accordance with applicable restrictions for district expenditures.

Summary of Ending Fund Balances for 2021 and 2022 are as follows (details on page 5):

General Fund	\$	2,786,533	\$	2,636,441
Capital Projects Fund		390,621		9,189
Other Governmental Funds		320,487		646,039
PERS Pension Fund		-		1,198,338
Debt Service Fund		563,372		662,558
	<u>\$</u>	<u>4,061,013</u>	<u>\$</u>	<u>5,152,565</u>

CAPITAL ASSETS

Capital assets are those items that have an initial, individual cost of \$5,000 or more. Total capital assets were valued as follows on June 30, 2021 and June 30, 2022 (details on page 16):

	<u>6/30/2021</u>	<u>6/30/2022</u>
Land and land improvements	\$ 121,067	\$ 121,067
Buildings	42,583,410	46,108,939
Equipment	6,212,601	6,362,911
Construction in Progress	3,579,454	1,393,665
Accumulated Depreciation	<u>(18,448,003)</u>	<u>(19,988,066)</u>
	<u>\$ 34,048,529</u>	<u>\$ 33,998,516</u>

As of June 30, 2022, the district had \$33,998,516 invested in a broad range of capital assets, including land, buildings, and equipment. Ongoing projects include a seismic mitigation project at LaCreole Middle School. Additional bonds issued in September 2022 will be used to fund facility needs across the district.

DEBT ADMINISTRATION

As of June 30, 2022, the district had \$42,249,983 in debt obligation outstanding, increasing due to a PERS Pension bond issuance in August of 2021. An initial deposit of \$39,575,000 into a PERS trust account from which future payments debt payments will be issued. Please see Notes to the Basic Financial Statements (beginning on pages 16) for debt maturity details.

The district currently maintains an "AA+" long-term rating from Standard & Poor's for general obligation debt due to participation in the Oregon School Bond Guarantee Program and an underlying rating of "A+".

OTHER LONG-TERM OBLIGATIONS

Beginning on page 18 of this document, the district's participation in the Oregon PERS plan is described and associated adjustments to assets and liabilities related to the plan are reported in the government-wide analysis reports on pages 1 through 4 as required by GASB 68. The district's liability for the present value of projected future postemployment benefits is described beginning on page 25 under Required Supplementary Information. An actuarial study of Postemployment Benefits Other Than Pensions is completed every two years.

CAPITAL LEASES- GASB 87

New for 2021-22 is the implementation of GASB 87 which requires municipalities to report on outstanding future capital lease obligations. The district defines a capital lease as any lease with an initial value of at least \$5,000 and spans more than one fiscal year. The district currently maintains eight lease agreements with four different lessors and has a total outstanding obligation of \$934,527 as of June 30, 2022. Details about these leases can be found starting on page 32.

REQUESTS FOR INFORMATION

This financial report is designed to provide our stakeholders, investors, and creditors with an overview of the district's finances. If you have any questions about this report or need any clarification of information please contact the Business Office at Dallas School District No. 2, 111 SW Ash St., Dallas, Oregon 97338.

Respectfully submitted,

Tami Montague
Director of Fiscal Services

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

**STATEMENT OF NET POSITION
June 30, 2022**

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 4,866,347
Receivables:	
Accounts and Grants	3,020,405
Property Taxes	306,398
Supplies Inventories	64,204
Prepaid Assets	4,305
Net OPEB Asset - RHIA	503,101
Capital Assets - Nondepreciable	1,514,732
Capital Assets - Depreciable, Net of Depreciation	32,483,784
Right-to-use-asset, net of amortization	967,727
Total Assets	43,731,003
DEFERRED OUTFLOWS OF RESOURCES:	
PERS Escrow Account	39,575,000
OPEB Related Deferrals - Health Care	895,123
Pension Related Deferrals - PERS	15,021,380
OPEB Related Deferrals - RHIA	135,395
Total Deferred Outflows	55,626,898
Total Assets and Pension Related Deferrals	99,357,901
LIABILITIES:	
Current Liabilities:	
Accounts Payable	1,145,397
Accrued Salaries and Benefits	1,527,112
Current Lease Liability	390,918
Unearned Revenue	173,637
Long-Term Liabilities Due within one year	2,673,492
Non Current Liabilities:	
Accrued Vacation Payable	66,070
Interest Payable	5,475
Long-Term Liabilities Due in more than one year	39,576,491
Long-Term Lease Liability	543,609
Net Pension Liability - PERS	22,788,798
OPEB - Health Care	4,626,026
Total Liabilities	73,517,025
DEFERRED INFLOWS OF RESOURCES:	
OPEB Related Deferrals - Health Care	584,572
Pension Related Deferrals - PERS	19,827,568
OPEB Related Deferrals - RHIA	187,810
Total Liabilities and Pension Related Deferrals	94,116,975
NET POSITION:	
Net Investment in Capital Assets	32,402,533
Restricted for:	
Capital Projects	9,189
Student Activity	332,398
OPEB-RHIA Asset	503,101
Food Service	249,437
Debt Service	1,860,896
Unrestricted	(30,116,628)
Total Net Position	\$ 5,240,926

See accompanying notes to the basic financial statements.

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Functions/Programs	Expense	PROGRAM REVENUES		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 29,627,795	\$ -	\$ 6,084,538	\$ (23,543,257)
Support Services	15,091,690	87,792	3,011,594	(11,992,304)
Community Services	1,125,391	127	1,851,662	726,398
Interest on Long-Term Debt	707,393	-	-	(707,393)
Total Governmental Activities	\$ 46,552,269	\$ 87,919	\$ 10,947,794	(35,516,556)
GENERAL REVENUES:				
Property Taxes, General Fund				8,469,053
Property Taxes, Debt Service				3,223,588
State Sources				26,059,923
Other Local Sources				4,300,629
Other Intermediate Sources				697,081
Other Federal Sources				3,493
Investment Earnings				63,792
Total General Revenues				42,817,559
Changes in Net Position				7,301,003
Net Position - Beginning				(2,060,077)
Net Position - Ending				\$ 5,240,926

See accompanying notes to the basic financial statements.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	PERS PENSION BOND	CAPITAL PROJECTS FUND	DEBT SERVICE GO BOND FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:							
Cash and Investments	\$ 2,500,542	\$ -	\$ 1,198,338	\$ -	\$ 650,534	\$ 516,933	\$ 4,866,347
Inventory	-	-	-	-	-	64,204	64,204
Due from Other Funds	1,152,459	-	-	-	-	-	1,152,459
Receivables							
Accounts and Grants	82,782	8,515	-	8,984	-	1,504	101,785
Property Taxes	222,051	-	-	-	84,347	-	306,398
Intergovernmental Accounts	717,312	1,484,493	-	650,090	-	66,725	2,918,620
Prepaid Expenses	4,305	-	-	-	-	-	4,305
Total Assets	\$ 4,679,451	\$ 1,493,008	\$ 1,198,338	\$ 659,074	\$ 734,881	\$ 649,366	\$ 9,414,118
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$ 288,973	\$ 843,300	\$ -	\$ 9,797	\$ -	\$ 3,327	\$ 1,145,397
Accrued Salaries and Benefits	1,527,112	-	-	-	-	-	1,527,112
Due To Other Funds	-	512,371	-	640,088	-	-	1,152,459
Unearned Revenue	36,300	137,337	-	-	-	-	173,637
Total Liabilities	1,852,385	1,493,008	-	649,885	-	3,327	3,998,605
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes	190,625	-	-	-	72,323	-	262,948
Total Deferred Inflows of Resources	190,625	-	-	-	72,323	-	262,948
Fund Balances (Deficit):							
Non-spendable	4,305	-	-	-	-	64,204	68,509
Restricted for:							
Capital Projects	-	-	-	9,189	-	-	9,189
Student Activity	-	-	-	-	-	332,398	332,398
Food Service	-	-	-	-	-	249,437	249,437
Debt Service	-	-	1,198,338	-	662,558	-	1,860,896
Committed for Facilities and Maintenance	190,406	-	-	-	-	-	190,406
Unassigned	2,441,730	-	-	-	-	-	2,441,730
Total Fund Balances (Deficit)	2,636,441	-	1,198,338	9,189	662,558	646,039	5,152,565
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,679,451	\$ 1,493,008	\$ 1,198,338	\$ 659,074	\$ 734,881	\$ 649,366	\$ 9,414,118

See accompanying notes to the basic financial statements.

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2022**

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS	\$	5,152,565
<p>Capital assets are not financial resources and therefore are not reported in the governmental funds.</p>		
Cost	\$	53,986,582
Accumulated Depreciation		<u>(19,988,066)</u>
		33,998,516
<p>The Net Pension Asset is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
Net Pension Liability - PERS		(22,788,798)
Net OPEB Asset - RHIA		503,101
OPEB Liability - Health Care		(4,626,026)
<p>Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.</p>		
<p>Deferred Inflows and Outflows:</p>		
PERS Escrow Account		39,575,000
Deferred Inflows - PERS		(19,827,568)
Deferred Inflows - OPEB RHIA		(187,810)
Deferred Inflows - OPEB Health Care		(584,572)
Deferred Outflows - PERS		15,021,380
Deferred Outflows - OPEB RHIA		135,395
Deferred Outflows - OPEB Health Care		<u>895,123</u>
		35,026,948
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.</p>		
<p>Long term Liabilities:</p>		
Accrued Vacation Payable		(66,070)
Bond Interest Payable		(5,475)
Legal Settlement Obligation		(120,000)
Loans Payable		(959,000)
Bond Premium		(200,983)
Bonds Payable		<u>(40,970,000)</u>
		(42,321,528)
<p>A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.</p>		
Unavailable Revenue Related To Property Taxes.		262,948
<p>Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.</p>		
Right-to-use asset, Net		967,727
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, both current and long-term, are reported in the statements of Net Position</p>		
Lease Payable		<u>(934,527)</u>
TOTAL NET POSITION	\$	<u>5,240,926</u>

See accompanying notes to the basic financial statements.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

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

	GENERAL FUND	SPECIAL GRANTS AND REVENUES FUND	PERS PENSION BOND	CAPITAL PROJECTS	DEBT SERVICE GO BOND FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Local Sources	\$ 9,275,136	\$ 96,635	\$ 2,894,281	\$ 2,203	\$ 3,232,563	\$ 648,787	\$ 16,149,605
Intermediate Sources	39,039	658,042	-	-	-	-	697,081
State Sources	26,537,143	4,299,588	-	768,955	-	25,535	31,631,221
Federal Sources	2,465,831	1,503,899	-	-	553	1,384,307	5,354,590
Total Revenues	38,317,149	6,558,164	2,894,281	771,158	3,233,116	2,058,629	53,832,497
EXPENDITURES:							
Current:							
Instruction	24,231,661	5,540,074	-	-	-	589,216	30,360,951
Support Services	14,166,407	937,474	-	-	-	-	15,103,881
Community Services	-	9,380	-	-	-	1,143,861	1,153,241
Facilities Acquisition	22,887	-	-	1,161,574	-	-	1,184,461
Capital Outlay	-	-	-	-	-	-	-
Debt Service	-	-	1,695,943	-	3,133,930	117,522	4,947,395
Total Expenditures	38,420,955	6,486,928	1,695,943	1,161,574	3,133,930	1,850,599	52,749,929
Revenues Over (Under) Expenditures	(103,806)	71,236	1,198,338	(390,416)	99,186	208,030	1,082,568
OTHER FINANCING SOURCES (USES)							
Debt Proceeds	-	-	-	8,984	-	-	8,984
Transfer In	71,236	-	-	-	-	117,522	188,758
Transfer Out	(117,522)	(71,236)	-	-	-	-	(188,758)
Total Other Financing Sources (Uses)	(46,286)	(71,236)	-	8,984	-	117,522	8,984
Net Change in Fund Balance	(150,092)	-	1,198,338	(381,432)	99,186	325,552	1,091,552
Beginning Fund Balance	2,786,533	-	-	390,621	563,372	320,487	4,061,013
Ending Fund Balance	\$ 2,636,441	\$ -	\$ 1,198,338	\$ 9,189	\$ 662,558	\$ 646,039	\$ 5,152,565

See accompanying notes to the basic financial statements.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2022

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS **\$ 1,091,552**

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 expense in the current period.

Expenditures for capital assets, Net	\$ 1,490,050	
Less current year depreciation, Net	<u>(1,540,063)</u>	(50,013)

The PERS Pension Expense and RHIA Pension Income represent the changes in Net Pension Liability and Net Pension Asset, respectively, from year to year due to changes in total pension liability and changes in total pension asset and the fair value of pension plan net position available to pay pension benefits.

PERS Escrow Account	39,575,000	
PERS Income	1,953,195	
RHIA Income	<u>63,127</u>	41,591,322

Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities, these liabilities are recognized as an expenditure when earned. (6,385)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Bonds Payments	3,749,280	
Loan Payments	96,000	
Issuance of Bonds	(39,575,000)	
Legal Settlement Obligation	40,000	
Premium	<u>100,492</u>	(35,589,228)

Change in net OPEB liability (Health Care) 209,780

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 11,630

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. 9,145

Payment on Lease Liability decreases liabilities in the Statement of Net Position.

Payment on Lease Liability		518,866
----------------------------	--	---------

Amortization Expense increases the expenses on the Statement of Activities.

Amortization Expense		<u>(485,666)</u>
----------------------	--	------------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 7,301,003**

See accompanying notes to the basic financial statements.

DALLAS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

Dallas School District (the District) is a municipal corporation governed by an elected Board of Directors. Administration officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. As required by generally accepted accounting principles, all activities have been included in these basic financial statements.

The District was organized for the purpose of educating children residing within the boundaries of the District in assuring excellent and equitable educational opportunities and outcomes for all students. In carrying out this mission, the District provides programs and services that reflect documented educational needs and that are most cost-effectively delivered on a regional basis.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide services. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements, in accordance with GASB 61.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and Statement of Activities display information as a whole.

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

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

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities. The accounts are organized and operated on the basis of funds. A fund is an independent self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period which is 60 days. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and compensated absences, claims and judgments, and pension and OPEB expenses, which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

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

Financial operations are accounted for in the following major funds:

1. General Fund

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund. Expenditures in this fund are made for instruction, supporting services, community services and interest.

Basic financial statements must report as Special Revenue funds only those which have a substantial portion of revenue inflows from restricted or committed revenue sources. The following fund is combined into the General Fund because the primary revenue source is transfers from the General Fund or there is no revenue to report.

Facilities Maintenance and Repair Fund

This fund was established for the purpose of accumulating funds to pay for maintenance and repair of capital assets. It is funded by transfers from the General Fund and Special Revenue Fund, interest earned on investments, and sale of District property.

2. Special Grants and Revenues Fund

This fund accounts for revenue and expenditures restricted for specific education projects or programs. The principal revenue source is federal grants and other local sources.

3. PERS Pension Bond Fund

This fund provides for the payment of principal and interest on the pension bonds.

4. Capital Projects Fund

This fund provides the capital construction expenditures related to the bond. The principal revenue source is bond proceeds.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Debt Service GO Bond Fund

This fund provides for the payment of principal and interest on general obligation bonded debt. The principal revenue source is property taxes

6. Other Governmental Funds

The Other Governmental Funds account for the aggregate of all non-major governmental funds.

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

Governmental funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included in their balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

The government-wide basic 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund basic financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pensions are recorded only when payment is due.

Property taxes associated with the current fiscal period, are considered to be susceptible to accrual, if received in cash by the District or a County collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available.

D. Assets, Liabilities, and Net Position

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of ninety days or less from the date of acquisition. At June 30, 2022, short-term investments consist of the local government investment pool. Investments are stated at cost, which approximates market. The local government investment pool operates in accordance with appropriate state laws and regulations.

Property Taxes

Property taxes are levied on all taxable property as of July 1, the beginning of the fiscal year, and become a lien on that date. Property taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 15 are considered delinquent and interest is assessed.

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established by management. The balance of taxes receivable is recorded as unavailable revenue because it is not deemed available to finance operations of the current period.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide basic financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital outlays that significantly extend the useful life of capital assets are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is not depreciated. Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	100
Building Improvements	15-50
Vehicle Equipment	4-10
Film, Equipment and Video	5-10
Office Equipment	5
Computer Equipment	5

Compensated Absences

It is policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is not a policy to pay any amounts when an employee separates from service. All vacation pay is accrued when incurred in the government-wide basic financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Policy permits employees who work a twelve-month schedule and at least one-half time on either a weekly or monthly basis, and employees that work 9 months to earn vacation.

Long Term Obligations

In the government-wide basic financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund basic financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022, there were deferred outflows representing PERS pension related deferrals, OPEB-Health Care related deferrals and OPEB-RHIA related deferrals in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first, unavailable revenue, is in the governmental funds balance sheet for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2022, there also were deferred inflows representing PERS pension related deferrals, OPEB-Health Care related deferrals and OPEB-RHIA related deferrals in the Statement of Net Position.

Retirement Plans

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

Net Position

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

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

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other amounts that are not included in the other categories previously mentioned.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions is followed. The objective of this statement is to enhance the usefulness of the fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned.

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

There are no assigned fund balances at June 30, 2022.

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

Use of Estimates

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

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:

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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)

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law.

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

- Instruction
- Support Services
- Community Services
- Facilities Acquisition and Construction
- Interfund Transactions
- Debt Service
- Operating Contingency

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the budgetary basic financial statements reflect the final budget. Expenditures of the various funds were within authorized appropriations.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary (modified accrual) basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exceptions that capital outlay expenditures are expensed when purchased, depreciation is not calculated, property taxes are recorded as revenue when received instead of when levied, OPEB and compensated absences expenses are recorded when paid instead of when incurred, inventories of supplies are expensed when purchased, pension costs are not recorded until paid, and principal payments and proceeds on long term debt are recorded as revenues when received and expenditures when paid.

4. CASH AND INVESTMENTS

Cash management policies are governed by state statutes. Statutes authorize investing in banker's acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments or amounts Due to Other Funds.

In addition, cash is separately held by some of the funds.

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:

Demand Deposits	\$ 2,017,274
Investments	<u>2,849,073</u>
Total Cash and investments	<u><u>\$ 4,866,347</u></u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the treasury. The total bank balance per the bank statements as of June 30, 2022 was \$3,494,298 of which \$640,294 is covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Deposits

In the case of deposits, there is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. All deposits were either FDIC insured or collateralized.

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it *materially approximates fair value.*

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund’s audited financial report. As of June 30, 2022, the fair value of the position in the *LGIP is 98.98%* of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized.

The 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.

At year-end, investment balances were as follows:

Investment Type	Investment Maturities (In Months)			
	Fair Value	Less Than 3	3-18	18-59
State Treasurer's Local Government Investment Pool	\$ 2,849,073	\$ 2,849,073	\$ -	\$ -
Total	<u>\$ 2,849,073</u>	<u>\$ 2,849,073</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk- Investments

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

Credit Risk – Investments

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

Concentration of Credit Risk

At June 30, 2022, 100% of total investments were in the State Treasurer’s Investment Pool. State statutes do not limit the percentage of investments in this instrument.

5. RECEIVABLES

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible at year end.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Adjustments	Additions	Deletions	Balance June 30, 2022
Governmental Activities:					
Capital Assets Not being Depreciated:					
Land	\$ 121,067	\$ -	\$ -	\$ -	\$ 121,067
Construction in Progress	3,579,454	(3,027,987)	842,198	-	1,393,665
Total Capital Assets Not Being Depreciated	3,700,521	(3,027,987)	842,198	-	1,514,732
Capital Assets Being Depreciated:					
Buildings and Improvements	42,583,410	3,027,987	497,542	-	46,108,939
Machinery and Equipment	6,212,601	-	150,310	-	6,362,911
Total Capital Assets Being Depreciated	48,796,011	3,027,987	647,852	-	52,471,850
Accumulated Depreciation:					
Buildings and Improvements	12,543,263		1,473,338	-	14,016,601
Machinery and Equipment	5,904,740	-	66,725	-	5,971,465
Total Accumulated Depreciation	18,448,003	-	1,540,063	-	19,988,066
Governmental Activities					
Capital Assets, Net	<u>\$ 34,048,529</u>				<u>\$ 33,998,516</u>

Adjustments are due to the completion of construction projects for buildings and improvements in the fiscal year. Depreciation expense was charged to functions/programs of the primary government for governmental activities as follows:

Governmental Activities	
Instruction	\$ 1,006,115
Support Services	495,731
Community Services	38,217
Total Depreciation Expense	<u>1,540,063</u>
Governmental Activities	<u>\$ 1,540,063</u>

7. LONG-TERM OBLIGATIONS

The following are changes in long-term obligations during the year ended June 30, 2022:

	Interest Rates	Original Issue	Outstanding July 1, 2021	Issued	Matured and Redeemed	Outstanding June 30, 2022	Due within one year
Bonds Payable:							
2021A Pension Bond	.18-2.89%	\$ 39,575,000	\$ -	\$ 39,575,000	\$ 990,000	\$ 38,585,000	\$ 1,285,000
2017 GO Bond	3 - 4%	7,303,000	3,855,000	-	1,470,000	2,385,000	1,150,000
2015 GO Bond	1.01 - 2.27%	9,696,340	1,289,280	-	1,289,280	-	-
			5,144,280	39,575,000	3,749,280	40,970,000	2,435,000
Direct Borrowing:							
Full Faith & Credit Series 2019	2.04%	1,249,000	1,055,000	-	96,000	959,000	98,000
Other:							
Legal Settlement Obligation	0%	240,000	160,000	-	40,000	120,000	40,000
Premium Related to GO Bonds							
Premium		-	301,475	-	100,492	200,983	100,492
Total Long term obligations			<u>\$ 6,660,755</u>	<u>\$ 39,575,000</u>	<u>\$ 3,985,772</u>	<u>\$ 42,249,983</u>	<u>\$ 2,673,492</u>

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. The General obligation bonds pledge the full faith and credit of the District. The bonds were issued in 2017 and 2015 with interest plus principal payments due each year. The 2015 GO Bond was paid off during 2021-22.

Pension Bonds & PERS Escrow Account

Certain Oregon school districts are issuing Full Faith and Credit Pension Bonds, the proceeds of which will be used to finance a portion of the estimated unfunded actuarial liability for the District with the Oregon Public Employees Retirement System (PERS). The bond was issued for \$39,575,000 in 2021 with interest plus principal payments due each year. Since bond proceeds were set aside in an escrow account for payment to PERS, a deferred outflow called PERS escrow account was recorded in the Statement of Net Position to reflect the future offsetting of the PERS liability. The offset will be reflected in future actuarial reports.

Future maturities of bonds payable are as follows:

Fiscal Year Ending June 30	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	2,435,000	910,767
2024	2,580,000	860,758
2025	1,425,000	803,396
2026	1,515,000	790,941
2027	1,610,000	774,215
2028-2032	9,730,000	3,454,665
2033-2037	13,290,000	2,298,160
2038-2040	8,385,000	444,238
	<u>\$ 40,970,000</u>	<u>\$ 10,337,140</u>

Full Faith and Credit Obligation

Full Faith and Credit obligation was issued to finance the redevelopment of the Dallas High School track, including demolition of the existing track, development of a new track and related equipment and site improvements. The loan pledges the full faith and credit of the District. The loan was issued in September 2019 with interest plus principal payments due each year.

Future maturities of loans payable are as follows:

Fiscal Year Ending June 30	<u>Full Faith and Credit</u>	
	<u>Principal</u>	<u>Interest</u>
2023	98,000	19,564
2024	100,000	17,564
2025	102,000	15,524
2026	104,000	13,444
2027	107,000	11,322
2028-2031	448,000	23,054
	<u>\$ 959,000</u>	<u>\$ 100,472</u>

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM OBLIGATIONS – (CONTINUED)

Legal Settlement Obligation

The District was determined by the Administrative Law Judge (ALJ) to have been in violation of state and federal law in litigation settled in a previous year. The District proposed and Complainant accepted a settlement of \$240,000 paid out in yearly installments of \$40,000 beginning October 2019, with the final payment ending on October 30, 2024.

Future maturities of the settlement payable are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Settlement Payable</u> <u>Principal</u>
2023	40,000
2024	40,000
2025	40,000
	<u>\$ 120,000</u>

There are no significant default clauses noted in any of the long-term obligation agreements that would impact the financial statements or require disclosure under GASB 88.

8. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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

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

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- iii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iv. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- v. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$4,926,669, excluding amounts to fund employer specific liabilities. In addition approximately \$1,167,550 in employee contributions were paid or picked up by the District in fiscal 2022.

Pension Asset or Liability – The District reported a net pension liability of \$22,788,798 at June 30, 2022 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District’s proportion was .19 percent and .19 percent, respectively. Pension income for the year ended June 30, 2022 was \$1,953,195.

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 26.83%
- (2) OPSRP general services – 23.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,133,180	\$ -
Changes in assumptions	5,704,722	59,975
Net difference between projected and actual earnings on pension plan investments		16,870,371
Net changes in proportionate share	681,484	2,897,222
Differences between District contributions and proportionate share of contributions	1,575,325	-
Subtotal - Amortized Deferrals (below)	10,094,711	19,827,568
District contributions subsequent to measurement date	4,926,669	-
Deferred outflow (inflow) of resources	<u>\$ 15,021,380</u>	<u>\$ 19,827,568</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, 2023.

Subtotal amounts related to pension as deferred outflows of resources \$10,094,711, or deferred inflows of resources, (\$19,827,568), net to (\$9,732,857) and will be recognized in pension income as follows:

Year ending June 30,	Amount
2023	\$ (1,711,874)
2024	(1,929,335)
2025	(2,767,986)
2026	(3,968,725)
2027	645,063
Thereafter	-
Total	<u>\$ (9,732,857)</u>

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 1, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

Assumed Asset Allocation:

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

(Source: June 30, 2021 PERS 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 June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

(Source: June 30, 2021 PERS CAFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 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 the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 44,751,748	\$ 22,788,798	\$ 4,413,780

Changes Subsequent to the Measurement Date

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

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

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive 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.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN – (CONTINUED)

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2022.

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

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

9. OTHER POST-EMPLOYMENT BENEFIT PLAN - RHIA

Plan Description:

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

Funding Policy:

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

A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included in PERS contributions for all reporting years and equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB liability/(asset) of (\$503,101) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .15 percent and .25 percent, respectively. OPEB income for the year ended June 30, 2022 was \$63,127.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (82,281)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	23,497
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	\$ (58,784)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 13,997
Changes in assumptions	9,899	7,484
Net difference between projected and actual earnings on pension plan investments	-	119,563
Net changes in proportionate share	125,496	46,766
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	135,395	187,810
District contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 135,395	\$ 187,810

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2023.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Subtotal amounts related to OPEB as deferred outflows of resources, \$135,395, and deferred inflows of resources, (\$187,810), net to (\$52,415) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (14,827)
2024	27,477
2025	(27,297)
2026	(37,768)
2027	-
Thereafter	-
Total	<u>\$ (52,415)</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, 2021. That independently audited report was dated March 1, 2022 and can be found at:

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Discount rate	6.90 percent (reduced from 7.20 percent)
Projected salary increase	3.40 percent (reduced from 3.50 percent)
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Discount Rate:

The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 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 the plan members and those of the 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 June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

(Source: June 30, 2021 PERS CAFR; p. 74)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (444,919)	\$ (503,101)	\$ (552,802)

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Changes Subsequent to the Measurement Date

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

10. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postretirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The plan covers both active and retired participants. As of the actuarial valuation date, there were 372 active participants and 50 retirees in the ORS allowed plan 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

Funding Policy

The District has not established a trust fund to finance the cost of Post-employment Health Care Benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you go basis in all funds. There is no obligation on the part of the District to fund these benefits in advance.

Net Other Post-employment Benefit Liability

The net other post-employment benefit liability (NOL) was measured as of June 30, 2021, and the total other post-employment benefit liability was determined by an actuarial valuation as of July 1, 2019.

At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Active employees	<u>372</u>
	<u>422</u>

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2021 using the Entry age normal, level percent of salary Actuarial Cost Method.

The total other post-employment benefit liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal, level percent of salary
Investment return assumption (Interest discount)	3.50% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of the date of this report)
Plan participation	100% assumed will elect coverage at retirement if eligible for District paid insurance; 75% assumed if only eligible for self-pay insurance
Medical premium annual trend rate	3.5% in 2022 and fluctuating between 6.0% and 4.0% thereafter
Dental premiums annual trend rate	3% increase in all future years
Vision premiums annual trend rate	3% increase in all future years
Inflation rate	2.0% per year
Annual salary rate increase	3.0% per year
Health care premium	
Beginning in 2018 a 40% excise tax will be imposed under the affordable care act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Mortality rates were based on the Pub-2010 teachers table, separate Employee/Healthy Annuitant, sex distinct, generational. Improvement scale was Unisex Social Security Data Scale (60 year average), Active employee/retiree adjustments was set back 12 months for males, no setback for females.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age.

Retirement rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by age and years of service. Of the active employees potentially eligible to receive District-paid health benefits, 100% of those currently enrolled and 75% of those currently waiving coverage are assumed to be enrolled at retirement and 70% of those retirees are assumed to cover a spouse, as well. Of the active employees not eligible to receive District-paid health benefits, 75% of those currently enrolled are assumed to remain enrolled in retirement. Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled. There was an assumption of no impact of dependent children on the implicit subsidy.

The discount rate used to measure the total pension and total other post-employment benefit liabilities was 2.50%, based on all years discounted at the municipal bond rate.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net Other Post-employment Benefit Liability

Changes of assumptions: Interest Discount, the investment return assumption was decreased from 3.75% to 2.50%. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

	Total OPEB Liability
Total OPEB Liability Balance 6/30/2021	\$ 4,846,678
Changes for the Year:	
Service Cost	195,811
Interest	118,182
Changes of benefit terms	-
Differences between expected and actual experience	747,609
Changes of Assumptions or other input	(651,812)
Benefit payments	(630,442)
Net Change in total OPEB Liability	(220,652)
Total OPEB Liability Balance 6/30/2022	\$ 4,626,026

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

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

	1% Lower 2.50%	Current Discount Rate 3.50%	1% Higher 4.50%
Total OPEB Liability	\$ 4,874,932	\$ 4,626,026	\$ 4,391,076

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the trend rate of 5.0 percent graded up to 6 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (2.5 percent graded up to 3.5%) or 1- percentage-point higher (4.5 percent graded up to 7.0%) than the current rate:

	1% Lower	Current Healthcare Trend Rates	1% Higher
Total OPEB Liability	\$ 4,284,939	\$ 4,626,026	\$ 5,014,232

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

For the year ended June 30, 2022, the District recognized Other Post-employment Benefit income of \$209,780.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

At June 30, 2022, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits from the following sources:

Deferral Source	Deferred outflow of resources	Deferred inflows of resources
Differences between expected & actual experience	\$ 654,158	\$ 14,237
Changes of assumptions or other inputs	240,965	570,335
Totals	\$ 895,123	\$ 584,572

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Subtotal amounts reported as deferred outflows \$895,123, and deferred inflows of resources (\$584,572), related to Other Post-employment benefits net to \$310,551, and will be recognized in Other Post-employment benefit income as follows:

Year ended June 30:	
2023	\$ 106,669
2024	106,668
2025	30,641
2026	30,646
2027	11,974
Thereafter	23,953
Total	\$ 310,551

11. PROPERTY TAX LIMITATION

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. School operations include community colleges, local school districts, and education service districts.

The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The State voters passed ballot measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available for the 1998-99 fiscal year and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts. The ultimate impact to the District as a result of the measure has been greater reliance on state funding and less reliance on local funding.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is purchased. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Also, the amounts of any settlements have not exceeded insurance coverage for any of the past three fiscal years.

13. COMMITMENTS AND CONTINGENCIES

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

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

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

The District in the course of normal operations is involved in litigation. As of the financial statement issuance date there are pending litigation cases. Any potential financial responsibility of the District is not determinable.

14. INTERFUND TRANSFERS & INTERFUND RECEIVABLE/PAYABLE

Amounts were comprised of the following:

	Transfers Out	Transfers In	Interfund Receivable	Interfund Payable
General Fund	\$ 117,522	\$ 71,236	\$ 1,152,459	\$ -
Special Revenue Fund	71,236	-	-	512,371
Capital Projects Fund	-	-	-	640,088
Other Governmental Funds	-	117,522	-	-
	<u>\$ 188,758</u>	<u>\$ 188,758</u>	<u>\$ 1,152,459</u>	<u>\$ 1,152,459</u>

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

15. LEASE LIABILITY

On 03/01/2020 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$537,062. As of 06/30/2022, the value of the lease liability is \$360,842. The District is required to make an annual fixed advance payment of \$190,089. The lease has an interest rate of 5.25%. The value of the right to use asset as of 06/30/2022 is \$679,628 with accumulated amortization of \$297,337.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. LEASE LIABILITY (CONTINUED)

On 06/01/2021 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$133,429. As of 06/30/2022, the value of the lease liability is \$94,920. The District is required to make an annual fixed advance payment of \$39,144. The lease has an interest rate of 5.25%. The value of the right to use asset as of 06/30/2022 is \$139,953 with accumulated amortization of \$40,820.

On 10/1/2021 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$197,196. As of 06/30/2022, the value of the lease liability is \$151,234. The District is required to make an annual fixed advance payment of \$41,366. The lease has an interest rate of 5.25%. The value of the right to use asset as of 06/30/2022 is \$197,196 with accumulated amortization of \$41,082.

On 6/1/2022 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$107,735. As of 06/30/2022, the value of the lease liability is \$105,224. The District is required to make an annual fixed advance payment of \$30,133. The lease has an interest rate of 5.25%. The value of the right to use asset as of 06/30/2022 is \$107,735 with accumulated amortization of \$2,244.

On 03/01/2022 the District entered into a 48 month lease as Lessee for the use of technology equipment. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$35,075. As of 06/30/2022, the value of the lease liability is \$30,988. The District is required to make an annual fixed advance payment of \$9,810. The lease has an interest rate of 5.25%. The value of the right to use asset as of 06/30/2022 is \$35,075 with accumulated amortization of \$3,654.

On 7/1/2020, the District entered into a 60 month lease as Lessee for the use of copy machines. An initial lease liability was recorded in 2021-2022 with the implementation of GASB 87 in the amount of \$140,561. As of 06/30/2022, the value of the lease liability is \$104,035. The District is required to make monthly fixed payments of \$3,087. The lease has an interest rate of 2.61%. The value of the right to use asset as of 06/30/2022 is \$140,561 with accumulated amortization of \$35,140 and is included with Copiers on the Lease Class activities table found below.

On 6/1/2019, the District entered into a 60 month lease as Lessee for the use of a maintenance shop facility. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$ 71,491. As of 06/30/2022, the value of the lease liability is \$46,942. The District is required to make monthly payments starting at \$1950 then increasing over the life of the lease to \$2150. The lease has an interest rate of 2.61%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 is \$71,491 with accumulated amortization of \$24,511 and is included with Buildings on the Lease Class activities table found below.

On 7/1/2020, the District entered into a 24 month lease as Lessee for the use of classroom space at the PADTC facility. An initial lease liability was recorded in 2021-22 with the implementation of GASB 87 in the amount of \$ 81,754. As of 06/30/2022, the value of the lease liability is \$40,343. The District is required to make monthly fixed payments of \$3500. The lease has an interest rate of 2.62%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 is \$81,754 with accumulated amortization of \$40,877 and is included with Buildings on the Lease Class activities table found below.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. LEASE LIABILITY (CONTINUED)

	Outstanding 7/1/2021	Issued	Matured and Redeemed	Outstanding 7/1/2022	Due Within One Year
Equipment					
Pacific Office Automation	-	140,561	36,526	104,035	35,586
InSight 9427-1	-	537,062	176,220	360,842	165,178
InSight 9427-2	-	133,429	38,509	94,920	35,043
InSight 9427-3	-	197,196	45,962	151,234	50,683
InSight 9427-4	-	107,735	2,511	105,224	29,889
InSight 9427-6	-	35,075	4,088	30,988	9,413
Building					
TRT Investments	-	71,491	24,549	46,942	24,784
Polk Adolescent Day Treatment	-	81,754	41,411	40,343	40,343
Total	-	<u>1,304,303</u>	<u>369,776</u>	<u>934,527</u>	<u>390,919</u>

Principal and Interest requirements to Maturity
Governmental Activities
Equipment

Fiscal Year Ending June 30.	Principal Payments	Interest Payments
2023	\$ 325,791	35,583.01
2024	\$ 308,384	52,990.57
2025	\$ 178,403	33,881.10
2026	\$ 34,664	7,873.02
2027	\$ -	-
Thereafter	\$ -	-
	<u>\$ 847,242</u>	<u>\$ 130,328</u>

Principal and Interest requirements to Maturity
Governmental Activities
Buildings

Fiscal Year Ending June 30.	Principal Payments	Interest Payments
2023	\$ 65,127	2,673.00
2024	\$ 22,158	1,492.00
2025	\$ -	-
2026	\$ -	-
2027	\$ -	-
Thereafter	\$ -	-
	<u>\$ 87,285</u>	<u>\$ 4,165</u>

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

16. RIGHT TO USE ASSET

The right-to-use assets apply to the lease disclosures in Note 15.

Amount of Lease Assets by Major Classes of Underlying Asset (Right to Use Asset)				
	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Right-to-Use Asset				
Equipment				
Pacific Office Automation	-	140,561	-	140,561
InSight 9427-1	-	679,628	-	679,628
InSight 9427-2	-	139,953	-	139,953
InSight 9427-3	-	\$197,196	-	197,196
InSight 9427-4	-	\$107,735	-	107,735
InSight 9427-6	-	\$35,075	-	35,075
Buildings				
TRT Investments	-	71,491	-	71,491
Polk Adolescent Day Treatment	-	81,754	-	81,754
Total	-	1,453,393	-	1,453,393
Accumulated Amortization				
Equipment				
Pacific Office Automation	-	\$35,140	-	35,140
InSight 9427-1	-	\$297,337	-	297,337
InSight 9427-2	-	\$40,820	-	40,820
InSight 9427-3	-	\$41,082	-	41,082
InSight 9427-4	-	\$2,245	-	2,245
InSight 9427-6	-	\$3,654	-	3,654
Buildings				
TRT Investments	-	\$24,511	-	24,511
Polk Adolescent Day Treatment	-	\$40,877	-	40,877
Total	-	485,666	-	485,666
Net Right-to-Use Assets	-			967,727

17. TAX ABATEMENTS

As of June 30, 2022, the District had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2022 is deemed by management to be immaterial.

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
June 30, 2022**

Annual OPEB Cost and Net OPEB Obligation relating to Healthcare Plan

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Differences Between Expected and Actual	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2022	\$ 4,846,678	\$ 195,811	\$ 118,182	\$ -	\$ (651,812)	\$ 747,609	\$ (630,442)	\$ 4,626,026	\$ 18,953,244	24%
2021	5,028,855	189,189	124,256	-	-	-	(495,622)	4,846,678	17,009,652	28%
2020	5,074,518	163,272	186,552	-	155,591	(24,917)	(526,161)	5,028,855	16,434,446	31%
2019	4,938,790	157,751	192,690	-	456,167	-	(670,880)	5,074,518	16,495,454	31%
2018	5,237,475	167,050	187,293	-	-	-	(653,028)	4,938,790	15,937,637	31%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit.

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.

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.19 %	\$ 22,788,798	\$ 17,932,337	127.1 %	87.6 %
2021	0.19	40,761,482	17,958,464	227.0	75.8
2020	0.22	37,502,663	16,867,258	222.3	80.2
2019	0.21	32,328,540	14,252,450	226.8	82.1
2018	0.22	29,490,920	15,682,430	188.1	83.1
2017	0.23	34,801,961	15,057,790	231.1	80.5
2016	0.25	14,612,853	13,294,508	109.9	91.9
2015	0.25	(5,706,465)	14,230,204	(40.1)	103.6
2014	0.25	12,847,192	12,002,814	107.0	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 4,926,669	\$ 4,926,669	\$ -	\$ 19,387,615	25.4 %
2021	5,151,030	5,151,030	-	17,932,337	28.7
2020	5,256,814	5,256,814	-	17,958,464	29.3
2019	3,967,663	3,967,663	-	16,867,258	23.5
2018	3,598,480	3,598,480	-	14,252,450	25.2
2017	3,187,340	3,187,340	-	15,682,430	20.3
2016	3,028,015	3,028,015	-	15,057,790	20.1
2015	2,979,578	2,979,578	-	13,294,508	22.4
2014	2,792,926	2,792,926	-	14,230,204	19.6

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

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

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

OPEB - RHIA

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/(liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/(liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.1465 %	\$ 503,101	\$ 17,932,337	2.81 %	183.9 %
2021	0.2487	506,723	17,958,464	2.82	150.1
2020	0.1519	293,444	16,867,258	1.74	144.4
2019	0.1594	177,942	14,252,450	1.25	124.0
2018	0.1487	62,055	15,682,430	0.40	108.9
2017	0.1507	(40,912)	15,057,790	(0.27)	90.0

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

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

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

SCHEDULE OF CONTRIBUTIONS FOR RHIA

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ N/A	\$ N/A	\$ N/A	\$ 19,387,615	N/A %
2021	N/A	N/A	N/A	17,932,337	N/A
2020	N/A	N/A	N/A	17,958,464	N/A
2019	N/A	N/A	N/A	16,867,258	N/A
2018	N/A	N/A	N/A	14,252,450	N/A
2017	N/A	N/A	N/A	15,682,430	N/A

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

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

All statutorily required contributions were made and are included within PERS contributions (see p. 37).

DALLAS, OREGON

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

GENERAL FUND

	<u>BUDGET (2)</u>		<u>ACTUAL GENERAL FUND</u>	<u>FACILITY REPAIR & MAINTENANCE FUND</u>	<u>COMBINED ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUES:						
Local Sources	\$ 9,322,600	\$ 9,322,600	\$ 9,261,113	\$ 14,023	\$ 9,275,136	\$ (47,464)
Intermediate Sources	50,000	50,000	39,039	-	39,039	(10,961)
State Sources	25,532,351	25,532,351	26,537,143	-	26,537,143	1,004,792
Federal Sources	3,577,383	3,577,383	2,465,831	-	2,465,831	(1,111,552)
Total Revenue	38,482,334	38,482,334	38,303,126	14,023	38,317,149	(165,185)
EXPENDITURES:						
Instruction	24,267,615	24,267,615 (1)	24,231,661	-	24,231,661	35,954
Support Services	14,105,731	14,105,731 (1),(3)	14,099,544	66,863	14,166,407	(60,676)
Facilities Acquisition	100,000	100,000 (1)	-	22,887	22,887	77,113
Operating Contingencies	1,918,988	1,918,988 (1)	-	-	-	1,918,988
Total Expenditures	40,392,334	40,392,334	38,331,205	89,750	38,420,955	1,971,379
Revenues Over (Under) Expenditures	<u>(1,910,000)</u>	<u>(1,910,000)</u>	<u>(28,079)</u>	<u>(75,727)</u>	<u>(103,806)</u>	<u>1,806,194</u>
OTHER FINANCING SOURCES, (USES)						
Transfers In	80,000	80,000	-	71,236	71,236	(8,764)
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u> (1)	<u>(117,522)</u>	<u>-</u>	<u>(117,522)</u>	<u>82,478</u>
Total Other Financing Sources, (Uses)	(120,000)	(120,000)	(117,522)	71,236	(46,286)	73,714
Net Change in Fund Balance	(2,030,000)	(2,030,000)	(145,601)	(4,491)	(150,092)	1,879,908
Beginning Fund Balance	2,050,000	2,050,000	2,591,636	194,897	2,786,533	736,533
Ending Fund Balance	\$ 20,000	\$ 20,000	\$ 2,446,035	\$ 190,406	\$ 2,636,441	\$ 2,616,441

(1) Appropriation Level

(2) The General Fund and Facilities Repair and Maintenance Fund were budgeted together

(3) Due to the implementation of GASB 87, two payments for certain leases were expensed in 2021-22, which was not anticipated during the budgeting process

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

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

SPECIAL GRANTS AND PROJECTS FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 180,000	\$ 180,000	\$ 96,635	\$ (83,365)
Intermediate Sources	633,889	633,889	658,042	24,153
State Sources	4,980,227	4,980,227	4,299,588	(680,639)
Federal Sources	1,739,983	1,739,983	1,503,899	(236,084)
Total Revenue	<u>7,534,099</u>	<u>7,534,099</u>	<u>6,558,164</u>	<u>(975,935)</u>
EXPENDITURES:				
Instruction	5,888,903	5,888,903 (1)	5,540,074	348,829
Support Services	1,539,008	1,539,008 (1)	937,474	601,534
Community Services	26,188	26,188 (1)	9,380	16,808
Total Expenditures	<u>7,454,099</u>	<u>7,454,099</u>	<u>6,486,928</u>	<u>967,171</u>
Revenues Over (Under) Expenditures	<u>80,000</u>	<u>80,000</u>	<u>71,236</u>	<u>(8,764)</u>
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(80,000)</u>	<u>(80,000) (1)</u>	<u>(71,236)</u>	<u>8,764</u>
Total Other Financing Sources, (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(71,236)</u>	<u>8,764</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

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

PERS PENSION BOND

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 2,584,000	\$ 2,584,000	\$ 2,894,281	\$ 310,281
Total Revenues	2,584,000	2,584,000	2,894,281	310,281
EXPENDITURES:				
Debt Service	2,484,000	2,484,000 (1)	1,695,943	788,057
Total Expenditures	2,484,000	2,484,000	1,695,943	788,057
Net Change in Fund Balance	100,000	100,000	1,198,338	(477,776)
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ 100,000	\$ 100,000	\$ 1,198,338	\$ 1,098,338

(1) Appropriation Level

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

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

CAPITAL PROJECTS FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE TO
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ -	\$ -	\$ 2,203	\$ 2,203
State Sources	2,000,000	2,000,000	768,955	(1,231,045)
Total Revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>771,158</u>	<u>(1,228,842)</u>
EXPENDITURES:				
Construction	2,100,000	2,100,000 (1)	1,161,574	938,426
Total Expenditures	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,161,574</u>	<u>938,426</u>
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	-	-	8,984	8,984
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>8,984</u>	<u>8,984</u>
Net Change in Fund Balance	(100,000)	(100,000)	(381,432)	(281,432)
Beginning Fund Balance	<u>100,000</u>	<u>100,000</u>	<u>390,621</u>	<u>290,621</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,189</u>	<u>\$ 9,189</u>

(1) Appropriation Level

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

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

DEBT SERVICE - GO BONDS FUND

	BUDGET		ACTUAL	VARIANCE TO
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 2,934,000	\$ 2,934,000	\$ 3,232,563	\$ 298,563
Federal Sources	-	-	553	553
Total Revenues	2,934,000	2,934,000	3,233,116	299,116
EXPENDITURES:				
Debt Service	3,134,000	3,134,000 (1)	3,133,930	70
Total Expenditures	3,134,000	3,134,000	3,133,930	70
Net Change in Fund Balance	(200,000)	(200,000)	99,186	299,046
Beginning Fund Balance	300,000	300,000	563,372	263,372
Ending Fund Balance	\$ 100,000	\$ 100,000	\$ 662,558	\$ 562,558

(1) Appropriation Level

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2022

	<u>STUDENT ACTIVITY</u>	<u>FOOD SERVICE</u>	<u>FULL FAITH AND CREDIT</u>	<u>TOTAL OTHER GOVERNMENTAL FUNDS</u>
ASSETS:				
Cash and Investments	\$ 332,398	\$ 184,535	\$ -	\$ 516,933
Inventory	-	64,204	-	64,204
Receivables:				
Accounts and Grants	-	1,504	-	1,504
Intergovernmental Account:	-	66,725	-	66,725
Total Assets	<u>332,398</u>	<u>316,968</u>	<u>-</u>	<u>649,366</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	-	3,327	-	3,327
Total Liabilities	<u>-</u>	<u>3,327</u>	<u>-</u>	<u>3,327</u>
Fund Balances:				
Nonspendable	-	64,204	-	64,204
Restricted	332,398	249,437	-	581,835
Total Fund Balances	<u>332,398</u>	<u>313,641</u>	<u>-</u>	<u>646,039</u>
Total Liabilities and Fund Balances	<u>\$ 332,398</u>	<u>\$ 316,968</u>	<u>\$ -</u>	<u>\$ 649,366</u>

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGETARY (NON-GAAP) BASIS
ALL OTHER GOVERNMENTAL
For the Year Ended June 30, 2022**

	STUDENT ACTIVITY	FOOD SERVICE	FULL FAITH AND CREDIT	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES:				
Local Sources	\$ 638,735	\$ 10,052	\$ -	\$ 648,787
State Sources	-	25,535	-	25,535
Federal Sources	-	1,384,307	-	1,384,307
Total Revenues	638,735	1,419,894	-	2,058,629
EXPENDITURES:				
Instruction	589,216	-	-	589,216
Community Services	-	1,143,861	-	1,143,861
Debt Service	-	-	117,522	117,522
Total Expenditures	589,216	1,143,861	117,522	1,850,599
OTHER FINANCING SOURCES:				
Transfers In	-	-	117,522	117,522
Total Other Financing Sources	-	-	117,522	117,522
Net Change in Fund Balance	49,519	276,033	-	325,552
Beginning Fund Balance	282,879	37,608	-	320,487
Ending Fund Balance	\$ 332,398	\$ 313,641	\$ -	\$ 646,039

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

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

STUDENT ACTIVITY FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE TO
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 850,000	\$ 850,000	\$ 638,735	\$ (211,265)
Total Revenue	<u>850,000</u>	<u>850,000</u>	<u>638,735</u>	<u>(211,265)</u>
EXPENDITURES:				
Instruction	<u>1,050,000</u>	<u>1,050,000 (1)</u>	<u>589,216</u>	<u>460,784</u>
Total Expenditures	<u>1,050,000</u>	<u>1,050,000</u>	<u>589,216</u>	<u>460,784</u>
Net Change in Fund Balance	(200,000)	(200,000)	49,519	249,519
Beginning Fund Balance	<u>300,000</u>	<u>300,000</u>	<u>282,879</u>	<u>(17,121)</u>
Ending Fund Balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 332,398</u>	<u>\$ 232,398</u>

(1) Appropriation Level

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

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

	<u>FOOD SERVICE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>BUDGET</u>		<u>ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources:	\$ 205,100	\$ 205,100	\$ 10,052	\$ (195,048)
State Sources	47,000	47,000	25,535 (2)	(21,465)
Federal Sources	810,000	810,000	1,384,307	574,307
Total Revenue	<u>1,062,100</u>	<u>1,062,100</u>	<u>1,419,894</u>	<u>357,794</u>
EXPENDITURES:				
Community Services	1,144,470	1,284,470 (1)	1,143,861	140,609
Total Expenditures	<u>1,144,470</u>	<u>1,284,470</u>	<u>1,143,861</u>	<u>140,609</u>
OTHER FINANCING SOURCES, (USES)				
Transfers In	82,370	222,370	-	(222,370)
Total Other Financing Sources, (Uses)	<u>82,370</u>	<u>222,370</u>	<u>-</u>	<u>(222,370)</u>
Net Change in Fund Balance	-	-	276,033	276,033
Beginning Fund Balance	<u>10,000</u>	<u>10,000</u>	<u>37,608</u>	<u>27,608</u>
Ending Fund Balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 313,641</u>	<u>\$ 303,641</u>

(1) Appropriation Level

(2) This amount includes the state revenue match of \$9,331 for National School Lunch Program support.

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

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

DEBT SERVICE - FULL FAITH AND CREDIT

	BUDGET			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES:				
Debt Service	\$ 117,630	\$ 117,630 (1)	\$ 117,522	\$ 108
Total Expenditures	117,630	117,630	117,522	108
OTHER FINANCING SOURCES, (USES)				
Transfers In	117,630	117,630	117,522	(108)
Total Other Financing Sources, (Uses)	117,630	117,630	117,522	(108)
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED

For the Year Ended June 30, 2022

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/21	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS		INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/22
<u>GENERAL FUND:</u>							
Current:							
2021-22	\$ 8,707,539	\$ 236,757	\$ (8,331)	\$ 3,333	\$ 8,340,651	\$ 125,133	
Prior Years:							
2020-21	122,492	5	(6,382)	5,568	72,651	49,022	
2019-20	53,886		(5,043)	4,915	26,785	26,973	
2018-19	27,748		(4,857)	4,730	16,412	11,209	
2017-18	9,171		(2,717)	2,603	7,428	1,629	
2016-17	2,690	-	(791)	674	1,293	1,280	
Prior Years:	<u>8,579</u>	<u>-</u>	<u>(1,341)</u>	<u>1,225</u>	<u>1,659</u>	<u>6,804</u>	
Total Prior	<u>224,566</u>	<u>5</u>	<u>(21,131)</u>	<u>19,715</u>	<u>126,228</u>	<u>96,918</u>	
Total General Fund	<u>\$ 8,932,105</u>	<u>\$ 236,762</u>	<u>\$ (29,462)</u>	<u>\$ 23,048</u>	<u>\$ 8,466,879</u>	<u>\$ 222,051</u>	
							<u>GENERAL FUND</u>
RECONCILIATION TO REVENUE:							
Cash Collections by County Treasurer Above						\$ 8,466,879	
Accrued at 6/30/21						(40,741)	
Accrued at 6/30/22						31,426	
Changes from Prior year Unavailable Revenue, see page 6						<u>11,489</u>	
Total Revenue						<u>\$ 8,469,053</u>	

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED

For the Year Ended June 30, 2022

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/21	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/22
<u>DEBT SERVICE FUND:</u>						
Current:						
2021-22	\$ 3,321,023	\$ 90,298	\$ (3,178)	\$ 1,271	\$ 3,181,093	\$ 47,725
Prior Years:						
2020-21	47,524	2	(2,476)	2,160	28,187	19,019
2019-20	20,614		(1,928)	1,880	10,247	10,319
2018-19	9,034		(1,582)	1,540	5,343	3,649
2017-18	3,784		(1,121)	1,074	3,065	672
2016-17	953	-	(280)	239	458	454
Prior Years:	<u>3,164</u>	<u>-</u>	<u>(495)</u>	<u>452</u>	<u>612</u>	<u>2,509</u>
Total Prior	<u>85,073</u>	<u>2</u>	<u>(7,882)</u>	<u>7,345</u>	<u>47,912</u>	<u>36,622</u>
Total Debt Svc Fund	<u>\$ 3,406,096</u>	<u>\$ 90,300</u>	<u>\$ (11,060)</u>	<u>\$ 8,616</u>	<u>\$ 3,229,005</u>	<u>\$ 84,347</u>

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 3,229,005
Accrued at 6/30/21	(15,095)
Accrued at 6/30/22	12,024
Changes from Prior year Unavailable Revenue, see page 6	(2,346)
Total Revenue	<u>\$ 3,223,588</u>

DALLAS SCHOOL DISTRICT

OTHER INFORMATION

This Page Intentionally Left Blank

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

**SUPPLEMENTAL INFORMATION
As Required by The Oregon Department of Education
For the Year Ended June 30, 2022**

A. Energy bills for heating, fuel, water and sewage - all funds:		<u>Objects 325, 326 and 327</u>
	Function 2540	\$ 398,427
	Function 2550	-

B. Replacement of equipment - General Fund: All General Fund expenditures in Object 542:		<u>Object 542</u>
--	--	-------------------

\$

These functions are Excluded:

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

2021-22 DISTRICT AUDIT REVENUE SUMMARY
Dallas School District

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$8,456,939		\$3,225,524				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes	\$625		\$409				
1200 Revenue from Local Govt Units Other Than							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$38,913	\$129	\$10,916	\$2,203			
1600 Food Service		\$127					
1700 Extracurricular Activities	\$86,691	\$638,735					
1800 Community Services Activities							
1910 Rentals	\$1,100						
1920 Sources		\$25,399					
1930 Contractors							
1940 Agencies	\$213,450						
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$1,907						
1970 Services Provided Other Funds			\$2,894,281				
1980 Fees Charged to Grants	\$330,924						
1990 Miscellaneous	\$144,584	\$81,032	\$10,860				
Total Revenue from Local Sources	\$9,275,134	\$745,422	\$6,141,990	\$2,203	\$0	\$0	\$0
Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$39,039						
2102 General ESD Revenue		\$650,762					
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue		\$7,280					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$39,039	\$658,042	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$25,644,897						
3102 State School Fund - School Lunch Match		\$9,331					
3103 Common School Fund	\$415,027						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$477,220	\$3,979					
3204 Driver Education							
3222 State School Fund (SSF) Transportation							
3299 Other Restricted Grants-in-Aid		\$4,311,814		\$768,954			
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$26,537,144	\$4,325,124	\$0	\$768,954	\$0	\$0	\$0
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State		\$2,940					
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government	\$2,460,426	\$2,803,724					
4700 Grants-In-Aid From the Federal Government							
4801 Federal Forest Fees	\$260						
4802 874)							
4899 Other Revenue in Lieu of Taxes	\$5,145		\$553				
4900 Revenue for/on Behalf of the District		\$81,542					
Total Revenue from Federal Sources	\$2,465,831	\$2,888,205	\$553	\$0	\$0	\$0	\$0
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources				\$8,984			
5200 Interfund Transfers	\$71,236		\$117,522				
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$2,786,533	\$320,487	\$563,372	\$390,621			
Total Revenue from Other Sources	\$2,857,769	\$320,487	\$680,894	\$399,606	\$0	\$0	\$0
Grand Totals	\$41,174,917	\$8,937,280	\$6,823,438	\$1,170,763	\$0	\$0	\$0

2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Dallas School District

Fund: 100 General Fund + 102 Facilities

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$6,515,089	\$4,080,777	\$2,141,452	\$206,659	\$86,201			
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$2,979,952	\$1,917,150	\$973,064	\$75,030	\$14,708			
1122 Middle/Junior High School Extracurricular	\$9,374	\$6,820	\$2,554					
1131 High School Programs	\$3,570,044	\$2,290,166	\$1,150,995	\$72,094	\$49,178	\$7,610		
1132 High School Extracurricular	\$825,403	\$501,082	\$213,428	\$71,459	\$26,125		\$13,310	
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$19,744	\$11,233	\$4,407		\$4,104			
1220 Restrictive Programs for Students with Disabilities	\$2,635,779	\$1,510,090	\$892,330	\$216,141	\$17,218			
1230 Tutoring	\$0							
1250 Special Education Programs for Students with Disabilities	\$1,955,079	\$1,063,930	\$622,749	\$257,733	\$10,667			
1260 Treatment and Habilitation	\$1,347			\$1,347				
1271 Remediation	\$134,140	\$88,712	\$44,246	\$1,182				
1272 Title I	\$0							
1280 Alternative Education	\$5,063,634	\$644,801	\$372,782	\$4,040,597	\$5,454			
1291 English Second Language Programs	\$239,300	\$153,753	\$80,887	\$1,492	\$3,168			
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$282,776	\$203,048	\$77,000	\$2,029	\$699			
Total Instruction Expenditures	\$24,231,660	\$12,471,563	\$6,575,893	\$4,945,762	\$217,522	\$7,610	\$13,310	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$6,219	\$815	\$348	\$4,035	\$1,021			
2120 Guidance Services	\$646,642	\$427,168	\$209,924	\$4,062	\$5,488			
2130 Health Services	\$606,608	\$289,455	\$183,282	\$123,648	\$10,223			
2140 Psychological Services	\$562,897	\$143,553	\$88,459	\$324,072	\$6,813			
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$487,226	\$308,399	\$155,754	\$10,627	\$1,382		\$11,065	
2210 Improvement of Instruction Services	\$242,047	\$154,829	\$84,119	\$1,045	\$988		\$1,065	
2220 Educational Media Services	\$475,487	\$298,774	\$144,829	\$17,551	\$14,333			
2230 Assessment & Testing	\$96,321	\$36,569	\$31,733	\$27,503	\$516			
2240 Instructional Staff Development	\$4,134			\$4,134				
2310 Board of Education Services	\$235,931			\$129,566	\$1,552		\$104,813	
2320 Executive Administration Services	\$335,589	\$246,122	\$84,925	\$1,631	\$146		\$2,765	
2410 Office of the Principal Services	\$2,297,732	\$1,530,380	\$708,570	\$41,309	\$7,789		\$9,685	
2490 Other Support Services - School Administration	\$1,800				\$1,800			
2520 Fiscal Services	\$653,090	\$412,399	\$187,293	\$35,061	\$14,578		\$3,760	
2540 Operation and Maintenance of Plant Services	\$3,057,331	\$1,202,403	\$727,802	\$650,917	\$312,586	\$30,484	\$133,139	
2550 Student Transportation Services	\$1,992,026	\$25,525	\$13,621	\$1,951,269	\$1,610			
2570 Internal Services	\$276,035	\$76,720	\$48,412	\$105,273	\$45,631			
2610 Direction of Central Support Services	\$52,215						\$52,215	
2620 Planning, Evaluation, Staff Training and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$360,281	\$178,092	\$127,963	\$36,295	\$16,177		\$1,754	
2660 Technology Services	\$1,353,241	\$469,885	\$234,865	\$539,783	\$108,409		\$300	
2670 Records Management Services	\$1,863	\$95	\$36	\$1,731				
2680 Interpretation & Translation Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$421,691		\$421,691					
Total Support Services Expenditures	\$14,166,405	\$5,801,183	\$3,453,625	\$4,009,511	\$551,043	\$30,484	\$320,560	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$22,887					\$22,887		
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$117,522							\$117,522
Total Facilities Acquisition and Construction	\$140,409	\$0	\$0	\$0	\$0	\$22,887	\$0	\$117,522
Other Uses Expenditures								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$38,538,474	\$18,272,745	\$10,029,518	\$8,955,273	\$768,565	\$60,981	\$333,870	\$117,522

**2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Dallas School District**

Fund: 200 Special Revenue Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$766,479	\$407,862	\$181,478	\$3,279	\$173,860			
1113 Elementary Extracurricular	\$74,038				\$74,038			
1121 Middle/Junior High Programs	\$136,181	\$48,711	\$34,678		\$52,793			
1122 Middle/Junior High School Extracurricular	\$31,257				\$31,257			
1131 High School Programs	\$853,343	\$493,789	\$265,786	\$31,306	\$60,667	\$1,795		
1132 High School Extracurricular	\$483,920				\$483,920			
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$1,113,777	\$619,218	\$315,824	\$170,697	\$8,039			
1250 Less Restrictive Programs for Students with Disabilities	\$650,480	\$433,016	\$208,839	\$5,178	\$3,447			
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$341,131	\$234,114	\$106,452		\$566			
1272 Title I	\$691,674	\$445,051	\$176,651	\$69,972				
1280 Alternative Education	\$358,289	\$63,735	\$34,488	\$260,066				
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$628,719	\$94,429	\$29,171	\$71,107	\$186,020	\$247,992		
Total Instruction Expenditures	\$6,129,289	\$2,839,923	\$1,353,368	\$611,605	\$1,074,606	\$249,787	\$0	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$4,010	\$3,100	\$910					
2120 Guidance Services	\$54,637	\$30,744	\$23,893					
2130 Health Services	\$4,361	\$1,782	\$1,158		\$1,422			
2140 Psychological Services	\$91,200			\$91,200				
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$192,491	\$99,530	\$89,725	\$2,101	\$1,135			
2210 Improvement of Instruction Services	\$202,754	\$96,439	\$49,041	\$57,173			\$101	
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$44,336	\$191	\$68	\$44,077				
2240 Instructional Staff Development	\$5,105			\$5,105				
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$44,361			\$44,361				
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$278,710						\$278,710	
2620 Planning, Evaluation, Grant Writing and Statistical Svcs	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$6,600				\$6,600			
2660 Technology Services	\$8,909			\$7,000	\$1,909			
2670 Records Management Services	\$0							
2680 Interpretation & Translation Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$937,474	\$231,785	\$164,795	\$251,018	\$11,066	\$0	\$278,810	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$1,143,861	\$435,137	\$269,343	\$28,662	\$407,839		\$2,880	
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$9,380			\$9,380				
Total Enterprise and Community Services	\$1,153,241	\$435,137	\$269,343	\$38,042	\$407,839	\$0	\$2,880	\$0
Other Uses Expenditures								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$71,236							\$71,236
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$71,236	\$0	\$0	\$0	\$0	\$0	\$0	\$71,236
Grand Total	\$8,291,240	\$3,506,845	\$1,787,505	\$900,665	\$1,493,511	\$249,787	\$281,690	\$71,236

2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Dallas School District

Fund: 300 Debt Service Funds

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$4,947,395						\$4,947,395	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$4,947,395	\$0	\$0	\$0	\$0	\$0	\$4,947,395	\$0
Grand Total	\$4,947,395	\$0	\$0	\$0	\$0	\$0	\$4,947,395	\$0

**2021-22 DISTRICT AUDIT EXPENDITURE SUMMARY
Dallas School District**

Fund: 400 Capital Projects Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$16,080	\$3,436	\$1,305	\$11,276	\$63			
4120 Site Acquisition and Development Services	\$82,239					\$82,239		
4150 Building Acquisition, Construction, and Improvement Services	\$1,063,255			\$108,916		\$954,338		
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$1,161,574	\$3,436	\$1,305	\$120,193	\$63	\$1,036,577	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$1,161,574	\$3,436	\$1,305	\$120,193	\$63	\$1,036,577	\$0	\$0

DALLAS SCHOOL DISTRICT

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

This Page Intentionally Left Blank

DALLAS SCHOOL DISTRICT

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

This Page Intentionally Left Blank



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

December 20, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Dallas School District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 20, 2022. 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 its 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 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 Dallas School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control 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 control over financial reporting.

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

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

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

DALLAS SCHOOL DISTRICT

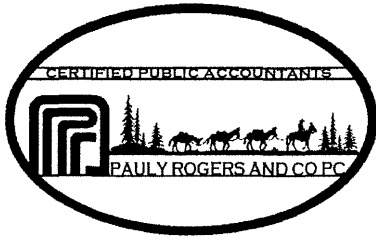
GRANT COMPLIANCE REVIEW

This Page Intentionally Left Blank

Dallas School District No. 2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2022

Program Title	Grant Fund	Pass Through Organization	Federal AL #	Pass Through Entity #	Expenditures	Pass Through To Subrecipients
U.S. DEPARTMENT OF EDUCATION						
Title I	257	Oregon Dept. of Education	84.010	66952	\$ 638,673	\$ -
	257.1	Oregon Dept. of Education	84.010	58242	38,890	
					677,563	
PADTC LTCT; Title I N & D	283	Oregon Dept. of Education	84.013	15609	12,102	
IDEA, Part B, Section 611	237	Oregon Dept. of Education	84.027	68601	556,322	
	ARP 237.22	Oregon Dept. of Education	84.027	68352	3,367	
	237.1	Oregon Dept. of Education	84.027	53834	12,613	
					572,302	
Pathways for Recovery and Return	205	Oregon Dept. of Education	84.027	61422	25,268	
IDEA Part B, Sec 611 Additional	234	Oregon Dept. of Education	84.027	56628	2,663	
PADTC LTCT; IDEA, Part B, 611	282	Oregon Dept. of Education	84.027	15609	838	
IDEA, Part B, Section 619	204	Oregon Dept. of Education	84.173	60484	3,597	
Total IDEA Cluster					604,668	
Title II A Improving Teacher Quality	277	Oregon Dept. of Education	84.367	67385	99,844	
	277.1	Oregon Dept. of Education	84.367	58737	14,687	
					114,531	
Title IV Student Support and Academic Enrichment	297	Oregon Dept. of Education	84.424	58557	50,367	
ESSER II	100/221	Oregon Dept. of Education	84.425D	64559	1,062,767	
ESSER III	100/221	Oregon Dept. of Education	84.425D	64864	1,178,484	219,175
					2,241,251	219,175
Total U.S. Department of Education					3,700,482	219,175
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Youth Transition Programs-Voc Rehab	213	Oregon Dept. of Human Resources	84.126A	160710	41,728	
Medicaid	240	Oregon Dept. of Human Services	93.778		2,940	
Total U.S. Department of Health & Human Services					44,668	
U.S. DEPARTMENT OF AGRICULTURE						
NSLP Supply Chain Assistance	203	Oregon Dept. of Education	10.550		60,045	
National School Lunch Program	203	Oregon Dept. of Education	10.555		978,523	
National School Lunch Program-Breakfast	203	Oregon Dept. of Education	10.553		273,396	
National School Lunch Summer Program	203	Oregon Dept. of Education	10.559		51,699	
Total Child Nutrition Cluster					1,363,663	
CACFP Food Service	203	Oregon Dept. of Education	10.558		13,163	
CACFP Food Service- Covid Sponsorship	203	Oregon Dept. of Education	10.558		4,417	
SNAP SNP	203	Oregon Dept. of Education	10.649		3,063	
Total U.S. Department of Agriculture					1,384,306	

Program Title	Grant Fund	Pass Through Organization	Federal AL #	Pass Through Entity #	Expenditures	Pass Through To Subrecipients
U.S. DEPARTMENT OF INTERIOR						
Revenue in Lieu of Taxes	100	Polk County Treasurer	15.605		5,698	
Federal Forest Fires	100	Polk County Treasurer	15.611		260	
Total Fish and Wildlife Cluster					5,958	
Total U.S. Department of Interior					5,958	
TOTALS					\$ 5,135,414	\$ 219,175



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

December 20, 2022

To the Board of Directors
Dallas School District
Polk County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas School District as of and for the year ended June 30, 2022 and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 20, 2022.

Report on 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.

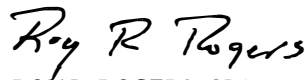
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

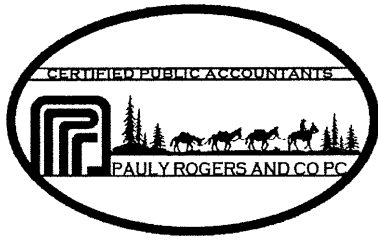
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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



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

December 20, 2022

To the Board of Directors
Dallas School District
Polk County, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dallas School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

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.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

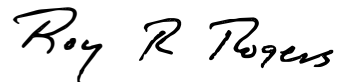
Report on Internal Control over Compliance

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" at the beginning.

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

This Page Intentionally Left Blank

**DALLAS SCHOOL DISTRICT
DALLAS, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Basic Financial Statements

Type of Auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses Yes None reported

Noncompliance material to basic financial statements noted? Yes No

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) 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 the Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number(s):</u>	<u>Name of Federal Program:</u>
84.425D	ESSER II, ESSER III

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

Auditee qualified as low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

None

DALLAS SCHOOL DISTRICT
DALLAS, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

1. **BASIS OF PRESENTATION**

The 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 the Oregon Department of Education, and thus are not allowed to use the de minimis rate.