

Board of Directors Meeting  
School District 4J, Lane County  
Hybrid Meeting (virtual and  
in-person)  
200 North Monroe Street  
Eugene, Oregon 97402  
Wednesday, January 22, 2025

**NOTICE:** The Board Work Session will be open to the public to attend in person, via live broadcast on KRVM 1280-AM and 98.7 FM, on the internet at <https://icecast.4j.lane.edu/board> and via Zoom Webinar at <https://4j-lane-edu.zoom.us/j/91225128314>, Webinar ID 912 2512 8314

Board Meeting Request Forms to provide public comment regarding Fiscal Year (FY) 2024 Audit:  
Sign up to provide public comment on the topic above, only: [www.4j.lane.edu/board/publiccomment](http://www.4j.lane.edu/board/publiccomment)

The board will hear public testimony on FY 2024 Audit in person or via Zoom from community members who sign up in advance. Up to 10 people will be scheduled to provide public comment at this Board Work Session. Priority will be given to residents who have not recently provided public comment in a board meeting. Requests to provide public comment must be submitted no later than 5 p.m. on the Monday before the meeting. Comments on topics other than FY 2024 Audit will not be heard.

Each employee group is invited to speak for up to 3 minutes, focused on a consent, action, or information agenda topic below, and may choose - at the recognition of the Chair - to speak during this scheduled time, or alternatively, after one of the presentations of an agenda item.

**6:00 PM  
Board Work Session**

- I. Call Work Session to Order, Roll Call
- II. Agenda Approval
- III. Receive Public Comment on Fiscal Year (FY) 2024 Audit  
The board will hear public testimony on the FY 2024 Audit. Comments will be received in person or via Zoom from community members who sign up in advance. Up to 10 people will be scheduled to provide public comment on the topic. Requests to provide public comment on the FY 2024 Audit must be submitted no later than 5 p.m. on the Monday before the meeting. Public comment will not be heard for any topic, other than FY 2024 Audit.
- IV. Comments by Employee Groups  
Employee groups are invited to speak for up to 3 minutes, focused on a consent, action, future action, or information agenda topic below, and may choose – at the recognition of the Chair – to speak during this scheduled time, or alternatively, after one of the presentations of an agenda item.
  - EEA (Eugene Education Association)
  - OSEA (Oregon School Employees Association)
  - MAPS (Managers, Administrators, Professionals & Supervisors)
- V. **Consent Group — Items for Action**
  - 1. Approve Draft Minutes for Board Work Session held on January 8, 2025 3
- VI. **Items for Information**  
None
- VII. **Items for Action**
  - 1. Approve Fiscal Year (FY) 2024 Audit (Second Read) 11  
Presenter: Matthew Brown, Director of Finance

- 5 Minutes
2. Consider Support for State Capital (Lottery) Funds for Local Projects Benefiting Students 118  
 Presenter: Jenny Jonak, Board Chair  
 10 Minutes  
*Moved from Item for Action at a Future Meeting to Item for Action during meeting's Agenda Approval process*
3. Approve Resolution #2025-01 Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students and Staff (Second Read) 122  
 Presenter: Carmen Xiomara Urbina, Chief of Staff  
 5 Minutes
4. Approve Revisions to Policy JBC – Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students (1st Read) 128  
 Presenter: Carmen Xiomara Urbina, Chief of Staff  
 5 Minutes
5. Approve new Policy GBAA—Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Staff (1st Read) 132  
 Presenter: Carmen Xiomara Urbina, Chief of Staff  
 5 Minutes
6. Approve Support for House Bill 2992 – The "Students See Clearly Act" creating a Statewide Program designed to provide Optometric Services and Prescription Eyeglasses at no cost to the Students or their Families 135  
 Presenters: Judy Newman, Board Director, Legislative Committee; Colt Gill, Interim Superintendent  
 5 Minutes
- VIII. **Items for Action at a Future Meeting**
1. Consider for Approval the Proposed Revisions to Board Policy DI—Financial Management Policies 137  
 Presenters: Matt Brown, Director of Financial Services; Colt Gill, Interim Superintendent  
 60 Minutes
2. Consider for Approval: Revisions to Policy CBC—Superintendent Contract 163  
 Presenter: Colt Gill, Interim Superintendent  
 10 Minutes
- IX. Adjourn Work Session

THIS MEETING WILL BE BROADCAST OVER KRVM-AM (1280)

INFORMATION FOR THE DEAF AND HARD OF HEARING:  
 Closed Captioning is available during Board meetings through a zoom live feed which is also displayed at in-person meetings.



**Eugene School District 4J**  
200 North Monroe Street  
Eugene, OR 97402-4295  
541-790-7700  
*www.4j.lane.edu*

---

**ITEM FOR ACTION–CONSENT AGENDA**

**Date of Meeting**

January 22, 2024

**Title**

Approve 4J School District Board Work Session Minutes Draft for 01/08/2025

**Background**

The board minutes listed above are in draft form. Once approved, the minutes will be uploaded to BoardBook and available to the public.

**MINUTES OF THE WORK SESSION  
OF THE BOARD OF DIRECTORS  
SCHOOL DISTRICT 4J, LANE COUNTY, OREGON**

**Date: January 8, 2025**

The Board of Directors (BOD) of School District No. 4J, Lane County, Oregon, held a work session at 6:00 p.m. in-person at the Education Center, 200 North Monroe Street in Eugene, Oregon, via live-stream and broadcast on KRVM. Notice of the meeting was emailed to the media and posted on the 4J website on January 3, 2025.

**ROLL CALL**

**BOARD MEMBERS PRESENT:**

Jenny Jonak, Chair  
Tom Di Liberto, Vice Chair  
Maya Rabasa  
Ericka Thessen  
Judy Newman  
Morgan Munro  
Rick Hamilton

**BOARD MEMBERS ABSENT:**

**STAFF:**

Interim Superintendent Colt Gill  
Carmen Xiomara Urbina, Chief of Staff  
Kelly McIver, Communications Director  
Brooke Wagner, Assistant Superintendent for Administrative Services  
Lisa Fjordbeck, Operations Coordinator for the Superintendent's Office  
Debbie McKim, Executive Assistant to the Interim Superintendent and Board

**STUDENT REPRESENTATIVES:**

None.

**EMPLOYEE GROUPS:**

Sabrina Gordon, Eugene Education Association (EEA)  
Bobbie Willis, Eugene Education Association (EEA)

**OTHER GUESTS:**

Hank Harris, Human Capital Enterprises (HCE) (online)  
Robyn Bean, Human Capital Enterprises (HCE)  
Christy Perry, Human Capital Enterprises (HCE)

**MEDIA:**

KRVM

**I. CALL TO ORDER, ROLL CALL AND LAND ACKNOWLEDGEMENT**

Chair Jonak called the work session to order at 6:01 p.m. She said the names of the board members who were present and read the land acknowledgement statement.

**II. AGENDA APPROVAL**

Chair Jonak requested adding a revision of the Board of Director's (BOD) working agreement to be consistent with Policy BDDC. The agenda was approved as amended.

**III. COMMENTS FROM THE AUDIENCE REGARDING THE NEXT SUPERINTENDENT CRITERIA**

Chair Jonak read the rules of engagement for public comment.

Alexander Aghdaei, community member and employee at the nonprofit Stand for Children, spoke virtually about the selection criteria for the next Eugene School District 4J superintendent. He was surprised that the criteria did not refer to academic achievement. He described Oregon school districts struggling to rebound academically after the pandemic; he specifically cited literacy and math. He mentioned the implementation of a number of new and effective programs supported by the State. He urged selecting a superintendent who will continue those programs and center academic achievement.

Anna Ingram, 4J parent, stated virtually that she was disappointed there was no mention of literacy in the selection criteria for the next 4J superintendent. She explained that the district has slowly been moving in the right direction regarding reading instruction. To keep the momentum going, she recommended a superintendent who will support good reading instruction based on The Science of Reading curriculum. She added that the superintendent should understand and support the role of academic coaches at the elementary level. Ms. Ingram highlighted the connection between literacy and Diversity, Equity and Inclusion.

**IV. COMMENTS BY EMPLOYEE GROUPS**

Bobbie Willis, Eugene Education Association (EEA) member and 4J educator, explained that she was part of a secondary educators focus group for the next 4J superintendent search. She offered the following criteria based on their focus group discussion: a superintendent who trusts educators, understands the ripple effects of the pandemic, possesses a clear leadership structure, stands for educators as educators stand for students, and is fun and joyful, thereby raising morale.

**V. CONSENT GROUP – ITEMS FOR ACTION**

**1. APPROVE BOARD MEETING DRAFT MINUTES FOR: NOVEMBER 20, 2024**

## **WORK SESSION AND DECEMBER 4, 2024 REGULAR MEETING**

No discussion was held.

### **2. APPROVE WHOLE EARTH OUTDOOR SCHOOL CONTRACT FOR SPRING 2025**

No discussion was held.

### **3. APPROVE BOND PROJECT – KELLEY MIDDLE SCHOOL ROOFING**

No discussion was held.

### **4. APPROVE BOND PROJECT – ADAMS ELEMENTARY SCHOOL ROOF COATINGS**

No discussion was held.

### **5. REVISION OF WORKING AGREEMENT TO BE CONSISTENT WITH POLICY BDDC.**

Ms. Munro requested more information about revision of the Board’s working agreement to be consistent with Policy BDDC.

Chair Jonak responded that Policy BDDC involves the process for agenda setting. She added that the Board does not currently possess the revisions. Item 5 is to direct that revisions be made to be consistent with the policy.

Interim Superintendent Gill recommended adding Item 5 to a future agenda, so that the Board may review the revisions before approval.

Ms. Munro responded in favor of Interim Superintendent Gill’s recommendation.

**MOTION:** Vice Chair Di Liberto moved to approve the Consent Group, minus Item 5. Ms. Thessen seconded. **The motion passed unanimously, 7:0:0; Chair Jonak, Vice Chair Di Liberto, Ms. Thessen, Ms. Newman, Ms. Rabasa, Ms. Munro, and Mr. Hamilton all voting in favor.**

**MOTION:** Vice Chair Di Liberto moved to revisit Consent Group Item 5 in a future meeting. Ms. Rabasa seconded. **The motion passed unanimously, 7:0:0; Chair Jonak, Vice Chair Di Liberto, Ms. Thessen, Ms. Newman, Ms. Rabasa, Ms. Munro, and Mr. Hamilton all voting in favor.**

## **VI. ITEMS FOR INFORMATION**

None.

## **VII. ITEMS FOR ACTION**

None.

## **VIII. ITEMS FOR INFORMATION AT A FUTURE MEETING**

### **1. PRESENTATION OF EUGENE SCHOOL DISTRICT 4J’S NEXT**

## **SUPERINTENDENT CRITERIA AND CONFIDENTIAL COMMUNITY INTERVIEW PANELS**

Chair Jonak introduced Ad Hoc Superintendent Search Board Subcommittee members: Vice Chair Di Liberto, Ms. Newman, and Ms. Munro; and Human Capital Enterprises (HCE) consultants: Robyn Bean, Christy Perry, and Hank Harris (online).

Ms. Newman reported that on March 10, 2025, three confidential community engagement interview panels will be supporting interviews for finalists in the superintendent search. There is expected to be a total of 39 panelists. More details about panelist membership are available in the Board Book and via email. Ms. Newman requested that the Board give special attention to a proposal regarding panelist appointments versus lottery and email her their questions or suggestions. The Ad Hoc Superintendent Search Subcommittee is scheduled to meet next on January 13, 2025.

Ms. Newman invited HCE superintendent search consultants to report on the process of selecting criteria for the next 4J superintendent.

HCE consultants presented draft criteria for the next 4J superintendent via PowerPoint presentation.

Ms. Bean shared a high-level overview of the engagement period. There were 1480 total respondents, detailed below:

- Focus Groups
  - 73 staff
  - 34 students
  - 25 parents
  - 22 community members
- Survey Responses
  - 318 staff
  - 589 students
  - 367 parents
  - 52 community members

Based off the data collected, Ms. Bean noted “Pride Points” or themes within 4J:

- Dedicated and caring staff
- Inclusivity and equity efforts
- Community collaboration
- Support for Special Education (SPED)
- Innovative programs and curriculum
- Student voice and leadership opportunities

- Mental health and social-emotional learning supports
- Access to free meals and nutritional programs
- Commitment to improvement under current leadership

Based off the data collected, Ms. Bean noted the following challenges and complexities within 4J:

- Communication and transparency
- Equity gaps
- Staffing shortages and retention (specifically SPED, substitutes, and bus drivers)
- Support for SPED
- Behavior, Mental Health Supports, and Student Safety (specifically addressing mental health needs, racism and bullying, resources for trauma-informed care, and increasing safety in high school bathrooms)
- Administrative and organizational challenges including systemic trust issues
- Budget constraints
- Curriculum and instructional challenges

Ms. Bean reported that the search firm then asked each respondent to identify characteristics, background, skills, and attributes for the next 4J superintendent—resulting in a draft detailing the next superintendent criteria.

Ms. Bean presented the draft to the Board. She posed the following questions:

- Are there things in the document that should be omitted?
- Are there things that are not in the document that should be added?
- Are there changes to the document that you would like to see?

Ms. Rabasa recommended that the “student centered” bullet point be listed sooner on the draft.

Chair Jonak suggested that the “SPED” bullet point be listed sooner on the draft.

Ms. Newman said that they may consider stating at the top of the draft that there is no order of importance reflected in the document.

There was Board consensus that there are no omissions necessary in the draft.

The Board brainstormed the following potential additions to the draft:

- Sense of academic excellence
- Literacy
- Accountability
- Strong and measurable learning outcomes

- Prepare students for their futures
- Prioritizing lived experience (in SPED and across district)
- Self-advocacy
- Wellbeing
- Integrity
- Visionary, strategic, and effective leadership
- Accessibility to staff
- Trusting of staff
- Collaboration and improving working relationships with and across employee groups
- Follow-through resulting in measurable improvements
- Organizational understanding
- Fosters teamwork, partnerships, and systems
- Sets staff up for success
- English Language Development (ELD) students
- Critical thinking in a large and complex organization
- Valuing and cultivating relationships
- Valuing joyful learning
- Supporting effective SPED practices

The Board refined language to the following bullet points:

- Visionary and Strategic Leadership
- Unwavering Dedication to Equity and Inclusion
- Collaborative Leadership
- Demonstrated Problem-Solving and Decision-Making Skills
- Student-Centered
- Approachable, Visible, and Empathetic
- Special Education Knowledge and Expertise

The BOD and HCE consultants collaboratively reviewed the draft next superintendent criteria, ultimately reaching consensus by wordsmithing language, finalizing content, and determining the order of bullet points.

HCE consultants will report back to the BOD with a refined draft of the next superintendent criteria for final approval at their next meeting on January 15, 2025.

## **2. UNITED FRONT TRAVEL APPROVAL**

Chair Jonak introduced approval of United Front Travel for the purpose of 4J representative(s) participating in an annual trip to Washington D.C. for in-person meetings with Oregon's congressional delegation, federal departments, and nonprofit

groups. Past work has resulted in favorable regulations to help schools provide nutritious, free meals; legislation to expand Career Technical Education (CTE) opportunities; access funds to enhance school safety; and dedicate funding for summer learning and academic enrichment. Typically, the Chair attends as Board representative. Due to related travel expenses, Policy BHD requires full Board approval.

Chair Jonak noted that action will be taken at a future meeting.

**IX. ADJORN**

Chair Jonak adjourned the work session at 7:58 p.m.

DRAFT



**ITEM FOR ACTION**

**Date of Meeting**

01/22/2025

**Title**

Approve FY 2024 Audit

**Presenter**

Matthew Brown, Finance Director

**Background**

The district has finalized the 2024 audit, which was submitted to ODE and the Secretary of State on time. A corrective action plan for a few noted items needs to be signed by the School Board Chair and returned to the Secretary of State to complete our yearly audit process. This was originally presented at the January 15, 2025 Regular Board Meeting.

Overall, this audit was a drastic improvement from last year, both in the number of final recommendations and comments which reduced from 80 down to 39. There are still areas that need improvements as well as the timing of the audit process. The recommendations and comments for this year all pertain to internal processes and reconciliations, items that are easily corrected for the following year.

Financial Services will continue to improve our processes and be adding additional protocols and updated policies throughout our district to ensure financial transparency and accountability. Thank you for your patience and trust in Financial Services over these past couple of years as we have gone through a lot of improvements in our department.

There will be opportunity for the public to comment on the audit at the beginning of the meeting.

The superintendent recommends that the board approve the audit and the corrective action plan at the end of the audit to be filed with the Secretary of State.

**EUGENE SCHOOL DISTRICT 4J**  
**EUGENE, OREGON**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

**EUGENE SCHOOL DISTRICT**  
**Eugene, Oregon**

**Annual Financial Report**  
For the fiscal year ended  
June 30, 2024

Prepared by:  
Office of Budget and Finance

Eugene School District 4J List of  
Elected and Appointed Officials

Elected Officials as of June 30, 2024

<u>Name</u>	<u>Term Expires</u>
Maya Rabasa - Chair	6/30/2025
Jenny Jonak – Vice Chair	6/30/2027
Tim Di Liberto	6/30/2027
Rick Hamilton	6/30/2027
Morgan Munro	6/30/2027
Judy Newman	6/30/2025
Ericka Thessen	6/30/2025

Appointed Officials

Andy Dey, Superintendent

Matt Brown, Director of Financial Services

**EUGENE SCHOOL DISTRICT NO. 4J**  
**LANE COUNTY, OREGON**

**TABLE OF CONTENTS**

\*\*\*\*\*

	<u>PAGE</u> <u>NUMBER</u>
FINANCIAL SECTION:	
<b><u>INDEPENDENT AUDITORS' REPORT</u></b>	1
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b> MANAGEMENTS DISCUSSION AND ANALYSIS	a
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Government - Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet- Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	9
Statement of Revenues, Expenditures, and Changes in Fund Balances, Actual and Budget – General Fund	10
Statement of Revenues, Expenditures, and Changes in Fund Balances, Actual and Budget – Special Revenue Fund	11
Statement of Net Position – Internal Service Funds	12
Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds	13
Statement of Cash Flows – Internal Service Funds	14
Statement of Net Position – Custodial Funds	15
Statement of Changes in Fiduciary Net Position – Custodial Funds	16
Notes to Basic Financial Statements	17-60
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	61
Schedule of Proportionate Share of the OPEB Liability (Asset) for RHIA and Schedule of Contributions	62
Schedule of Funding Progress for Early Retirement Programs	63
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:	
Debt Service Fund	64
Capital Projects Fund	65
Internal Service Fund	66
Custodial Fund	67

EUGENE SCHOOL DISTRICT NO. 4J  
LANE COUNTY, OREGON

TABLE OF CONTENTS

\*\*\*\*\*

	<u>PAGE NUMBER</u>
Schedule of Property Tax Transactions and Balances of Taxes Uncollected	68
Schedule of Expenditures of Federal Awards	69
 <b><u>REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS</u></b>	
Independent Auditors' Report Required by Oregon State Regulations	71
 <b><u>REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS (CONTINUED)</u></b>	
Independent Auditors' Report on Internal Control Over Financial Reporting On Compliance and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with Government Auditing Standards	73
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	75
Schedule of Findings and Questioned Costs	77



**PAULY, ROGERS, AND Co., P.C.**  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

December 17, 2024

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Eugene School District 4J  
Lane County, Oregon

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eugene School District 4J , as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Eugene School District 4J , as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund and major special revenue fund, 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 Eugene School District 4J and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eugene School District 4J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Eugene School District 4J's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Eugene School District 4J'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, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, 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 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 report dated December 17, 2024 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 that report is 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. That report is 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 17, 2024, 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.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

## EUGENE SCHOOL DISTRICT No. 4J

### Management's Discussion and Analysis

June 30, 2024

As management of Eugene School District 4J (the District), 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, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we furnished with the District's financial statements, which follow.

#### Financial Highlights

The District's net position improved by \$39.8 million during the year ended June 30, 2024 to a positive net position of \$58.3 million.

#### PERS Pension Plan

GASB 68 require that the District report pension information directly within the Government-wide Financial Statements and expand note disclosures within the Notes to the Basic Financial Statements for fiscal periods beginning on or after June 15, 2014. These requirements incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense, income and deferred outflows of resources and deferred inflows of resources related to pensions. GASB 71 addresses an issue relating to amounts associated with contributions, if any, made by a state or local government employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The Oregon Public Employees Retirement System has provided the District with the audited pension balances necessary to reflect GASB 68 and 71 entries in the financial statements. The entries made to comply with the requirements of these statements have had the following impact on District reporting. For the year ending June 30, 2024, the net pension liability has grown from a negative \$148.2 million to a negative \$171.9 million.

#### Other Postemployment Benefits

The implementation of GASB 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of Statement 68, and Amendments to Certain Provisions of Statements 67 and 68" and 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." These standards impact reporting for Other Postemployment Benefits (OPEB) plans as detailed in this report.

It is important to note that the implementation of GASB 68/71, GASB 73 and 75 have not created new liabilities for the District or modified the District's responsibility regarding Oregon PERS pension benefits or OPEB plans. It simply presents long-term pension and OPEB information to a more prominent place than in past financial reports and presenting a more holistic picture of the ultimate costs for these programs.

#### Subscription Based Information Technology Arrangements

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements* which requires the District to recognize an asset and liability related to subscription based information technology arrangements (SBITAs). As of June 30, 2024, the District has SBITA related intangible capital assets of \$3.1 million net of amortization and a related long-term debt of \$1.2 million. A prior period adjustment in the amount of \$238,225 on the Statement of Activities was required to recognize additional SBITAs in the prior year.

### Other Financial Highlights

Total revenues increased \$21.9 million from \$333.0 million to \$355.0 million. Property Taxes increased from \$145.6 million up to \$150.9 million alongside state and federal resources which increased by \$5.5 million.

Governmental Funds provide information that gives more insight from the overall District picture in two ways. First, the funds focus on spendable resources. More significantly, capital outlays are expenditures and capital assets are not financial resources. The combined fund balance of the governmental funds as of June 30, 2024 was \$200 million.

### Overview of the Financial Statements

The basic financial statements consist of: (1) the government-wide Statement of Net Position and Statement of Activities, which provide information about the activities of the District as a whole and present a longer-term view of the District's finances; (2) Fund financial statements which describe the District's operations in more detail than the government-wide statements, for instance how services were financed in the short-term as well as what remains for future spending; and (3) the notes to the financial statements. The financial report also presents supplementary information including budget to actual presentations for required major funds.

### Statement of Net Position

The Statement of Net Position presents information on all the District's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Net position is the remaining assets after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

<b>Statement of Net Position (in thousands)</b>			
	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2024</b>	<b>2023</b>	<b>2023 to 2024</b>
Cash and other assets	247,864	282,798	(34,934)
Property taxes receivable	5,465	4,741	724
Pension assets	3,520	2,944	576
Capital assets	439,873	410,882	28,991
<b>Total Assets</b>	<b>696,722</b>	<b>701,365</b>	<b>(4,643)</b>
<b>Deferred outflow of resources</b>	<b>72,903</b>	<b>71,306</b>	<b>1,597</b>
Accrued and other liabilities	228,567	77,412	151,155
Long-term debt	454,075	618,847	(164,772)
<b>Total liabilities</b>	<b>682,642</b>	<b>696,259</b>	<b>(13,617)</b>
<b>Deferred inflow of resources</b>	<b>28,692</b>	<b>57,908</b>	<b>(29,216)</b>
<b>Net Position</b>			
Net investment in capital assets	100,794	74,947	25,847
Restricted	114	2,107	(1,993)
Unrestricted	(42,617)	(58,550)	15,933
<b>Total Net Position</b>	<b>58,291</b>	<b>18,504</b>	<b>39,787</b>

### Capital Assets

Investment in capital assets amounts to \$439.9 million. This investment includes land and construction in progress, athletic field improvements, buildings and improvements, site improvements, intangibles, vehicles, equipment, and subscription based information technology arrangements, net of depreciation. The District's investment in capital assets is shown in the following table:

<b>Capital Assets (net of Depreciation) (In thousands)</b>			
	<b>2024</b>	<b>2023</b>	<b>Total Change 2023 to 2024</b>
Land	2,185	2,185	-
Construction in Progress	176,615	154,696	21,919
Building & Improvements	250,405	246,338	4,067
Vehicles & Equipment	7,528	6,834	694
Intangibles	12	78	(66)
Subscription Based IT Arrangements	3,128	751	2,377
<b>Total</b>	<b>439,873</b>	<b>410,882</b>	<b>28,991</b>

### Deferred Outflow of Resources

Deferred outflows of resources represents a consumption of net position/fund balance that applies to a future period(s). In 2023-24, these deferred outflows of resources include a deferred charge on refunding of general obligation bonds, PERS pension deferred outflows, district stipend pension and RHIA OPEB deferred outflows and other postemployment benefits deferred outflows. Additional information related to these items is provided in the financial highlights section.

### Liabilities

Accrued liabilities, representing 6% of the District's total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue. Outstanding bond debt represent 67% and other long-term liabilities represent 27% of the District's total liabilities. These include several different instruments including general obligation bonds, limited pension bonds, the District's net pension liability, total other postemployment benefit (OPEB) liability, and financed purchases. The balances include unamortized premiums and early termination benefits.

### Deferred Inflow of Resources

Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s). In 2023-24, the financial statements include deferred inflows of resources for PERS pension, the stipend retirement program, the RHIA OPEB program, the OPEB retirement program and unavailable revenue for leases. Additional information related to these items is provided in the notes to the financial statements.

### Statement of Activities

The Statement of Activities shows how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses, and other transactions that increase or reduce net position. It reports revenues and expenses under the accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs,

regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

<b>Changes in Net Position (in thousands)</b>			
	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2024</b>	<b>2023</b>	<b>2023 to 2024</b>
<b>Revenues:</b>			
Program revenues:.			
Charges for services	\$ 7,392	\$ 5,815	\$ 1,577
Operating grants and contributions	62,678	56,742	5,936
Capital grants and contributions	-	-	0
<b>Program revenues total:</b>	<b>70,070</b>	<b>62,557</b>	<b>7,513</b>
General Revenues:			
Property taxes	150,965	145,590	\$ 5,375
State school fund - general support	113,465	108,017	5,448
Other federal and local sources	7,349	7,256	93
Earnings on investments	13,152	9,656	3,496
<b>General revenues total:</b>	<b>284,931</b>	<b>270,519</b>	<b>14,412</b>
<b>Total revenues</b>	<b>355,001</b>	<b>333,076</b>	<b>21,925</b>
<b>Expenses:</b>			
Instruction	170,191	161,398	\$ 8,793
Support services	116,323	108,142	8,181
Community services	13,331	10,392	2,939
Interest on long-term debt	15,608	15,412	196
<b>Total Expenses</b>	<b>315,453</b>	<b>295,344</b>	<b>20,109</b>
Change in net position	39,548	37,732	1,816
Net position - beginning	18,505	(19,228)	37,733
Prior period adjustment	238	-	238
<b>Net Position - Ending</b>	<b>\$ 58,291</b>	<b>\$ 18,504</b>	<b>\$ 39,787</b>

### Revenues and Expenses

Overall revenues for the district increased from \$333.0 million to \$355.0 million. This increase was mainly attributed to an increase in State and Federal resources, property taxes and interest earnings. Expenses increased from the previous year of \$295.3 million to \$315.5 million.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on the most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate a compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. To be considered a major fund, the fund must meet two criteria. Assets, liabilities, revenue, or expenses must be at least 10% of all governmental funds and at least 5% of all governmental funds plus any enterprise

funds. However, the District may also choose to report any other governmental or enterprise fund as a major fund if the District determines that the fund is particularly important to financial statement users.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows – cash flow and funding for current services – and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term financing requirements. In particular, unassigned fund balances may service as a useful measure of a government’s net resources available for spending at the end of a fiscal year.

Ending fund balance for governmental fund types is reported in five fund balance categories in accordance with Fund Balance Reporting and Governmental Fund Type Definitions. For more information on the details behind each fund balance category see Section I of the Notes to Basic Financial Statements, of this report.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statement of Net Position and Statement of Activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, the Special Revenue Fund, the Debt Service Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the four governmental funds are combined into a single, aggregated presentation. Additionally, the District adopts an annual appropriated budget for all funds as required by Oregon Budget Law. Budgetary comparison Statements/schedules have been provided to demonstrate compliance elsewhere in this report.

### **Combined Ending Fund Balances**

At June 30, 2024, the District’s governmental funds reported combined ending fund balances of approximately \$200 million with increased revenues and increased expenditures over the previous year.

### **General Fund**

The General Fund is the chief operating fund of the District. As of June 30, 2024 the total ending fund balance is \$75.2 million. In order to maintain minimum fund balance in accordance with board policy, committed fund balance is \$11.9 million. At the end of the fiscal year, the General Fund balance was 32% of total General Fund revenues.

### **Special Revenue Funds**

The Special Revenue Funds include Federal, State, and Local Programs, Nutrition Services and School Resources. The ending fund balance of the Special Revenue Funds as of June 30, 2024 is \$9.0 million. In past years, Federal, State and Local programs’ assets and liabilities were equal as revenue was either accrued or deferred based on eligible grant expenditures.

### **Capital Funds**

The district increased capital assets from the previous year. As of June 30, 2024, capital

assets for governmental activities is \$439.9 million compared to \$410.9 million in 2023. A majority of the increase in 2024 comes from construction in progress which includes the building of new schools as well as in buildings and improvements which accounts for improvements at several school sites. Included in the total above, and as per GASB 96, the District recognized \$3.2 million in new subscription based information technology assets.

#### **Debt Service Funds**

The district has issued \$699 in bonds since 2011 through eight series of general obligation bonds. The remaining balance as of June 30, 2024 of these bonds is \$413.8 million, with \$25.9 million due in one year. General obligations are paid from general property tax revenues that have been issued for capital projects.

#### **Transfers**

Transfers are made between the General Fund and other funds to support operations such as risk management and nutrition services, and from other funds to the General Fund to support General Fund operations. Interfund transfers for the year ended June 30, 2024 total \$8.8 million.

The District also reports the following fund types.

#### **Proprietary Funds**

The District maintains one proprietary fund type – internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District at various functions. The District uses its internal service funds to account for risk management, insurance and other postemployment retirement benefits. Since these services benefit governmental, rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. The ending fund balance of the Internal Service Funds as of June 30, 2024 is \$15.3 million.

#### **Custodial Fund**

The District maintains one custodial fund – the Private Purpose Trust Fund which accounts for privately funded scholarship programs.

### **Economic Factors and Next Year's Budget**

Resources supporting District General Fund operations primarily reflect Local and State revenues, with additional income representing Federal, County, and other sources. The largest segment, which includes State funding and local property taxes, is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students.

The School Board has set policy that states the District will target 2% of its annual General Fund operating budget as contingency and 5% of its annual General Fund operating revenues as ending fund balance. The District's Budget Committee and School Board considered all of these factors in the preparation of the District's budget for the 2024-25 fiscal year.

### **Reports for Information**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Services Department at 200 North Monroe, Eugene, Oregon 97402.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**LANE COUNTY, OREGON**

**BASIC FINANCIAL STATEMENTS**

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

<b>ASSETS:</b>	
Cash and investments	\$ 231,237,926
Receivables	
Property taxes	5,464,766
Accounts and other	14,720,193
Leases receivable	231,844
Prepaid expenses	996,767
Supply inventories	676,609
Total OPEB asset for RHIA	3,520,327
Capital assets:	
Capital assets not being depreciated	178,800,343
Capital assets being depreciated, net	261,073,178
<b>Total assets</b>	<b>696,721,953</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
PERS pension related deferral	61,414,038
OPEB related deferral - medical	840,467
OPEB related deferral - RHIA	13,140
District pension related deferral	166,824
Deferred charge on refunding	10,469,011
<b>Total deferred outflows</b>	<b>72,903,480</b>
<b>LIABILITIES:</b>	
Accounts payable	7,750,878
Accrued payroll and related charges	17,015,593
Accrued interest payable	7,454,930
Unearned revenue	7,726,001
Accrued vacation	1,764,233
Long-term obligations due within one year	
Debt - current portion	31,890,727
Long-term obligations due in more than one year	
Debt - Due in more than one year	422,184,029
PERS net pension liability	171,885,674
District pension liability	711,518
Total OPEB liability - medical	14,258,907
<b>Total liabilities</b>	<b>682,642,490</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
PERS pension related deferral	24,907,512
OPEB related deferral - medical	3,048,232
OPEB related deferral - RHIA	358,781
District pension related deferral	164,114
Unavailable revenue - lease	213,053
<b>Total deferred inflows of resources</b>	<b>28,691,692</b>
<b>NET POSITION:</b>	
Net investment in capital assets	100,793,452
Restricted for:	
Debt Service	5,483,559
Grants	125,023
Unrestricted	(48,110,783)
<b>Total net position</b>	<b>\$ 58,291,251</b>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

PROGRAM REVENUES

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
Instruction	\$ 170,190,526	\$ 210,062	\$ 28,009,326	\$ -	(141,971,138)
Support services	116,323,184	6,982,262	28,082,191	-	(81,258,731)
Community services	13,330,731	199,267	6,586,547	-	(6,544,917)
Interest on long-term debt	<u>15,608,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,608,291)</u>
Total governmental activities	<u>\$ 315,452,733</u>	<u>\$ 7,391,591</u>	<u>\$ 62,678,064</u>	<u>\$ -</u>	<u>(245,383,078)</u>

**General Revenues**

Taxes:

Property taxes, levied for:	
General purposes	110,473,102
Debt service	40,491,745
Federal aid not restricted to specific purposes	1,010,910
State revenue not restricted to specific purposes	113,465,286
Earnings on investments	13,152,025
Other unrestricted revenues	<u>6,338,281</u>
Total general revenues	<u>284,931,349</u>
Changes in net position	39,548,271
Net position, beginning of year	<u>18,504,755</u>
Prior period adjustment	<u>238,225</u>
Net position, end of year	<u>\$ 58,291,251</u>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS:</b>					
Equity in pooled cash and investments	\$ 89,452,537	\$ 5,669,208	\$ 9,604,907	\$ 110,422,438	\$ 215,149,090
Receivables:					
Taxes	4,120,107	-	1,344,659	-	5,464,766
Accounts	1,309,152	13,048,324	46,692	51,999	14,456,167
Leases	-	-	-	231,844	231,844
Prepaid items	1,095	279,272	-	716,400	996,767
Supply inventory	181,459	495,150	-	-	676,609
<b>Total assets</b>	<b>\$ 95,064,350</b>	<b>\$ 19,491,954</b>	<b>\$ 10,996,258</b>	<b>\$ 111,422,681</b>	<b>\$ 236,975,243</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,439,072	\$ 1,462,534	\$ -	\$ 4,743,532	\$ 7,645,138
Accrued payroll and related charges	14,684,794	1,328,944	-	15,405	16,029,143
Unearned revenue	-	7,726,001	-	-	7,726,001
<b>Total liabilities</b>	<b>16,123,866</b>	<b>10,517,479</b>	<b>-</b>	<b>4,758,937</b>	<b>31,400,282</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue - property taxes	3,727,783	-	1,203,976	-	4,931,759
Unavailable revenue - lease deferred	-	-	-	213,053	213,053
<b>Total deferred inflows of resources</b>	<b>3,727,783</b>	<b>-</b>	<b>1,203,976</b>	<b>213,053</b>	<b>5,144,812</b>
<b>Fund balances:</b>					
Nonspendable	182,554	774,422	-	716,400	1,673,376
Restricted for:					
Debt service	-	-	5,483,559	-	5,483,559
Capital projects	-	-	-	84,295,676	84,295,676
Grants	-	125,023	-	-	125,023
Committed for:					
Debt service	-	-	4,308,723	-	4,308,723
Capital projects	-	-	-	21,438,615	21,438,615
School resources	-	8,075,030	-	-	8,075,030
Minimum fund balance	11,912,500	-	-	-	11,912,500
Unassigned	63,117,647	-	-	-	63,117,647
<b>Total fund balances</b>	<b>75,212,701</b>	<b>8,974,475</b>	<b>9,792,282</b>	<b>106,450,691</b>	<b>200,430,149</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 95,064,350</b>	<b>\$ 19,491,954</b>	<b>\$ 10,996,258</b>	<b>\$ 111,422,681</b>	<b>\$ 236,975,243</b>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**June 30, 2024**

Total Fund Balances - Governmental Funds \$ 200,430,149

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net capital assets 439,873,521

The Net Pension Liability, RHIA Asset, and OPEB Liability and the related deferred inflows and outflows are not reported in the governmental funds balance sheet.

PERS Pension Liability	(171,885,674)	
PERS Pension Deferred Outflow	61,414,038	
PERS Pension Deferred Inflow	<u>(24,907,512)</u>	(135,379,148)
District Pension Liability	(711,518)	
District Pension Deferred Outflow	166,824	
District Pension Deferred Inflow	<u>(164,114)</u>	(708,808)
RHIA Asset	3,520,327	
RHIA Deferred Outflow	13,140	
RHIA Deferred Inflow	<u>(358,781)</u>	3,174,686
OPEB Liability	(14,258,907)	
OPEB Deferred Outflow	840,467	
OPEB Deferred Inflow	<u>(3,048,232)</u>	(16,466,672)

The unamortized portion of the deferred charge on refunding is not reported in the governmental funds 10,469,011

Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities		
Interest payable	(7,454,930)	
Accrued vacation	(1,764,233)	
Long term debt	<u>(454,074,756)</u>	(463,293,919)

The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position 15,260,672

A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years operations, and therefore are considered unavailable in the funds. 4,931,759

Net Position \$ 58,291,251

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>Revenues:</b>					
Local sources					
Taxes	\$ 110,085,689	\$ -	\$ 40,362,840	\$ -	\$ 150,448,529
Charges for services	907,278	3,278,087	6,850,511	514,370	11,550,246
Contributions	-	717,015	-	-	717,015
Interest earnings	6,451,196	-	1,072,817	5,283,403	12,807,416
Miscellaneous	748,714	1,800,039	-	356,883	2,905,636
Intermediate sources	2,701,557	14,073	-	-	2,715,630
State sources	117,355,562	24,562,884	-	-	141,918,446
Federal sources	-	33,510,382	1,001,106	9,805	34,521,293
<b>Total revenues</b>	<b>238,249,996</b>	<b>63,882,480</b>	<b>49,287,274</b>	<b>6,164,461</b>	<b>357,584,211</b>
<b>Expenditures:</b>					
Current:					
Instruction	140,632,125	27,243,121	-	344,977	168,220,223
Support services	86,095,628	26,619,017	-	2,644,804	115,359,449
Enterprise and community services	20,316	13,156,085	-	-	13,176,401
Facilities acquisition and construction	-	6,548	-	5,484,257	5,490,805
Capital outlay	2,788,659	3,873,284	-	30,223,498	36,885,441
Debt service					
Principal	389,683	534,016	28,590,000	-	29,513,699
Interest	28,787	15,135	15,396,895	-	15,440,817
<b>Total expenditures</b>	<b>229,955,198</b>	<b>71,447,206</b>	<b>43,986,895</b>	<b>38,697,536</b>	<b>384,086,835</b>
Revenues over (under) expenditures	8,294,798	(7,564,726)	5,300,379	(32,533,075)	(26,502,624)
<b>Other financing sources (uses):</b>					
Sale of capital asset	-	-	-	105,207	105,207
SBITA proceeds	474,536	599,254	-	-	1,073,790
Transfer in	-	3,335,000	-	5,000,000	8,335,000
Transfer out	(8,773,653)	-	-	-	(8,773,653)
<b>Total other financing sources (uses):</b>	<b>(8,299,117)</b>	<b>3,934,254</b>	<b>-</b>	<b>5,105,207</b>	<b>740,344</b>
Net Change in Fund Balance	(4,319)	(3,630,472)	5,300,379	(27,427,868)	(25,762,280)
Fund balances, beginning of year	75,217,020	12,604,947	4,491,903	133,878,559	226,192,429
Fund balances, end of year	<u>\$ 75,212,701</u>	<u>\$ 8,974,475</u>	<u>\$ 9,792,282</u>	<u>\$ 106,450,691</u>	<u>\$ 200,430,149</u>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

---

Total Net Changes in Fund Balances - Governmental Funds \$ (25,762,280)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Accrued vacation	\$	(27,636)	
Deferred charge on refunding		(1,345,234)	
Long term debt principal repaid		31,784,664	
Debt issuance		<u>(1,073,790)</u>	29,338,004

Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.

Capital Asset Additions		44,451,202	
Capital Asset Deletions		(599,584)	
Depreciation Expense		<u>(15,204,031)</u>	28,647,587

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. (1,093,205)

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued. 516,318

The pension and OPEB expense (income) represents the change in net pension asset (liability) from year to year due to changes in net pension liability and total OPEB liability and the fair value of the pension plan and OPEB net position available to pay pension and OPEB benefits.

PERS pension expense		7,194,745	
District pension expense		31,445	
OPEB expense - Medical		1,097,739	
OPEB income - RHIA		558,518	

The results of operations of the internal service funds are included in the governmental activities in the statement of net position (980,600)

Change in Net Position of Governmental Activities \$ 39,548,271

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
<b>Revenues:</b>				
Local sources				
Taxes	\$ 106,060,000	\$ 106,060,000	\$ 110,085,689	\$ 4,025,689
Charges for services	995,000	995,000	907,278	(87,722)
Interest earnings	1,050,000	1,050,000	6,451,196	5,401,196
Miscellaneous	830,000	830,000	748,714	(81,286)
Intermediate sources	3,435,000	3,435,000	2,701,557	(733,443)
State sources	111,630,000	111,630,000	117,355,562	5,725,562
	<u>224,000,000</u>	<u>224,000,000</u>	<u>238,249,996</u>	<u>14,249,996</u>
<b>Expenditures:</b>				
Instruction	141,163,663	141,163,663 (1)	140,762,398	401,265
Support services	96,280,119	96,280,119 (1)	89,172,484	7,107,635
Enterprise and community services	624,218	624,218 (1)	20,316	603,902
Debt service	13,925,000	13,925,000 (1)	-	13,925,000
Contingency	14,844,000	14,844,000 (1)	-	14,844,000
	<u>266,837,000</u>	<u>266,837,000</u>	<u>229,955,198</u>	<u>36,881,802</u>
Revenues over (under) expenditures	(42,837,000)	(42,837,000)	8,294,798	51,131,798
<b>Other financing sources (uses):</b>				
SBITA proceeds	-	-	474,536	474,536
Transfers out	(13,925,000)	(13,925,000) (1)	(8,773,653)	5,151,347
	<u>(13,925,000)</u>	<u>(13,925,000)</u>	<u>(8,299,117)</u>	<u>5,625,883</u>
Net change in fund balance	(56,762,000)	(56,762,000)	(4,319)	56,757,681
Fund balance, beginning of year	<u>72,486,000</u>	<u>72,486,000</u>	<u>75,217,020</u>	<u>2,731,020</u>
Fund balance, end of year	<u>\$ 15,724,000</u>	<u>\$ 15,724,000</u>	<u>\$ 75,212,701</u>	<u>\$ 59,488,701</u>

(1) Appropriation level

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance to Final Budget
<b>Revenues:</b>				
Local sources				
Charges for services	\$ 3,970,028	\$ 3,970,028	\$ 3,278,087	\$ (691,941)
Contributions	1,484,624	1,484,624	717,015	(767,609)
Miscellaneous	2,586,686	2,586,686	1,800,039	(786,647)
Intermediate sources	178,234	178,234	14,073	(164,161)
State Sources	26,011,902	26,011,902	24,562,884	(1,449,018)
Federal sources	39,280,051	39,280,051	33,389,392	(5,890,659)
<b>Total revenues</b>	<b>73,511,525</b>	<b>73,511,525</b>	<b>63,761,490</b>	<b>(9,750,035)</b>
<b>Expenditures:</b>				
Instruction	38,424,300	38,424,300 (1)	28,307,048	10,117,252
Support services	26,238,297	26,238,297 (1)	29,829,322	(3,591,025)
Enterprise and community services	11,498,928	11,498,928 (1)	13,202,169	(1,703,241)
Facilities acquisition	6,585,000	6,585,000 (1)	108,667	6,476,333
Contingency	5,565,000	5,565,000 (1)	-	5,565,000
<b>Total expenditures</b>	<b>88,311,525</b>	<b>88,311,525</b>	<b>71,447,206</b>	<b>16,864,319</b>
Revenues over (under) expenditures	(14,800,000)	(14,800,000)	(7,685,716)	7,114,284
<b>Other financing sources (uses):</b>				
Transfer in	3,335,000	3,335,000	3,335,000	-
SBITA proceeds	-	-	599,254	599,254
<b>Total other financing sources (uses)</b>	<b>3,335,000</b>	<b>3,335,000</b>	<b>3,934,254</b>	<b>599,254</b>
Net change in fund balance	(11,465,000)	(11,465,000)	(3,751,462)	7,713,538
Fund balance, beginning of year	11,465,000	11,465,000	12,413,644	948,644
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,662,182</u>	<u>\$ 8,662,182</u>
(1) Appropriation level				
			Reconciliation to GAAP fund balance	
			Fund balance above	\$ 8,662,182
			Deferred revenue	312,293
			<u>GAAP ending fund balance</u>	<u>\$ 8,974,475</u>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUND**  
**June 30, 2024**

---

ASSETS

Current assets:

Equity pooled in cash and investments	\$ 16,088,836
Accounts receivable	<u>264,026</u>

Total assets	<u>16,352,862</u>
--------------	-------------------

LIABILITIES

Current liabilities:

Accounts and interest payable	105,740
Accrued payroll and related charges	<u>986,450</u>

Total liabilities	<u>1,092,190</u>
-------------------	------------------

NET POSITION

Unrestricted	<u>15,260,672</u>
--------------	-------------------

Total net position	<u><u>\$ 15,260,672</u></u>
--------------------	-----------------------------

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUND**  
**For the Year Ended June 30, 2024**

---

OPERATING REVENUES	
Interfund charges for services	\$ 41,370,592
Other reimbursements	<u>73,449</u>
Total operating revenues	<u>41,444,041</u>
OPERATING EXPENSES	<u>43,207,903</u>
OPERATING INCOME	(1,763,862)
NONOPERATING REVENUES	
Interest income	<u>344,609</u>
INCOME BEFORE TRANSFERS	<u>(1,419,253)</u>
TRANSFERS	
Transfers in	<u>438,653</u>
Total transfers	<u>438,653</u>
CHANGE IN NET POSITION	(980,600)
Net position, beginning of year	<u>16,241,272</u>
Net position, end of year	<u><u>\$ 15,260,672</u></u>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF CASH FLOWS - GOVERNMENTAL ACTIVITIES**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUND**  
**For the Year Ended June 30, 2024**

---

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 73,449
Receipts from interfund services provided	39,105,261
Payments to suppliers	<u>(42,609,797)</u>
Net cash provided by operating activities	<u>(3,431,087)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in from other funds	<u>438,653</u>
Net cash provided by noncapital financing activities	<u>438,653</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>344,609</u>
Net cash provided by investing activities	<u>344,609</u>
Net increase in cash and cash equivalents	(2,647,825)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>18,736,661</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 16,088,836</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPEARTING ACTIVITIES:</b>	
Operating income	\$ (1,763,862)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in accounts and other receivables	(223,216)
Increase (decrease) in accounts payable	(29,151)
Increase (decrease) in accrued payroll and related charges	627,257
(Increase) decrease in unearned revenues	<u>(2,042,115)</u>
Total adjustments	<u>(1,667,225)</u>
Net cash used by operating activities	<u><u>\$ (3,431,087)</u></u>

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS - CUSTODIAL FUND**  
**June 30, 2024**

---

ASSETS

Current assets:

Equity pooled in cash and investments \$ 244,145

Total assets 244,145

LIABILITIES

Current liabilities:

Due to other funds -

Total liabilities -

NET POSITION

Held for scholarships 244,145

Total net position \$ 244,145

See accompanying notes to basic financial statements.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS - CUSTODIAL FUND**  
**For the Year Ended June 30, 2024**

---

REVENUES

Local sources	
Miscellaneous	<u>\$ 40,011</u>
Total revenues	<u>40,011</u>

EXPENDITURES

Instruction	19,305
Community services	<u>48,718</u>
Total expenditures	<u>68,023</u>

CHANGE IN NET POSITION (28,012)

Net position, beginning of year 272,157

Net position, end of year \$ 244,145

See accompanying notes to basic financial statements.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies

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

##### A. Reporting Entity

Eugene School District 4J is a municipal corporation governed by an elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily operation of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in these financial statements.

The District has granted charters to five public charter schools: Ridgeline Montessori Public Charter School, The Village School, Network Charter School, Coburg Community Charter School and Twin Rivers Charter School. The District does not report these schools as component units of the District, as none qualify as a component unit as defined by GASB 14, 39 and 61. These public charter schools are legally separate, tax-exempt organizations governed by their own board of directors and their financial statements may be obtained from their administrative offices.

##### B. Government wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District, except fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. For the most part, eliminations have been made from the government-wide financial statements to minimize the double-counting of internal activities. For example, indirect expense allocations charged to individual funds have been eliminated in the statement of activities. Interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) charges for goods and services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

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

The *government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 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, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt and arbitrage rebates are recorded only when payment is due.

Property taxes, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in other funds.

The *Special Revenue Fund* accounts for resources acquired and payments made for federal, state and local grants and other contributions.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt and pension debt of governmental funds.

The *Capital Projects Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities.

Additionally, the District reports the following fund types:

*Internal Service Fund* (Proprietary Funds) account for the insurance services and postemployment benefits provided to the other funds of the District.

*Custodial Fund* (Fiduciary Funds) account for privately funded scholarship programs.

The District reports unearned revenue on the balance sheets of the governmental funds. Unearned revenues arise when revenue does not meet both the measurable and available criteria for recognition in the current period. Revenues also arise when resources are received by the District before it has a legal claim to them, as when scholarship and grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met or when the District has a legal claim to the resources, the liability for unavailable or unearned revenue is removed from the balance sheet and revenue is recognized.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds for insurance and postemployment retirement benefits. Operating expenses for the internal service funds include insurance premiums, salaries and benefits, supplies, materials, administrative expenses, and postemployment benefits. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District maintains one fiduciary fund which is accounted for in the same manner as proprietary funds.

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

#### D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of, and for the year ended, June 30, 2024. Actual results may differ from such estimates.

#### E. Assets, Liabilities and Deferred Outflows/Inflows of Resources

##### 1. Cash and Investments

Oregon Revised Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States. Certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, time certificates of deposit, corporate indebtedness, and the Oregon State Treasury's Oregon Short-Term Fund, which includes the Local Government Investment Pool. The district has placed further restrictions on authorized investments within School Board Policy DFA and Administrative Rule DFA-AR to manage portfolio risk and other investment concerns.

Investments are carried at fair value. During the year, the District's investments included deposits in financial institutions and the Oregon Short-Term Fund, all of which are authorized by Oregon law and district policy. For purposes of the statement of cash flows, the balance of equity in pooled cash and investments reflects amounts invested in the Oregon Short-Term Fund and financial institutions, and is considered to be cash.

The District is required by Oregon law to insure its deposits with financial institutions through federal depository insurance funds coverage or participation in the Oregon Public Funds Collateralization Program (PFCP) administered by the Oregon State Treasury. Financial institutions are authorized for use by the district annually through a resolution of the Board of Directors.

The Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution.

##### 2. Interfund Receivables and Payables, Transfers and Loans

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

Interfund loans are considered advances and are reported as an asset of the lending fund and as a liability of the borrowing fund.

#### 3. Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become a lien on July 1 for personal and real property. Collection dates are 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 16 are considered delinquent.

Uncollected property taxes are shown in the balance sheet of the governmental funds. Property taxes collected within approximately 60 days of fiscal year end are recognized as revenue, while the remaining amount of taxes receivable are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

#### 4. Inventories

School operating supplies, gasoline and diesel, food and cafeteria supplies are stated at average cost. Commodities received from the United States Department of Agriculture (USDA) are recorded at cost using the first-in/ first-out (FIFO) method. The cost of all inventories is recorded as expenditures when consumed rather than purchased (consumption method). Accordingly, inventories are considered a resource available for expenditure and included in the fund balance of the applicable funds.

#### 5. Pension and Pension Liabilities

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

#### 6. Capital Assets

Capital assets, which include grounds and improvements, buildings, construction in progress, intangibles, equipment and vehicles are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Assets that are purchased or constructed are recorded at historical cost where historical records are available or estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation.

Maintenance and equipment replacements of a routine nature and repairs that do not add to the value of an asset or materially extend an asset's useful life are charged to expenditures as incurred and not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Improvements, buildings, equipment and vehicles of the District are depreciated using the straight-line method over the following estimated lives:

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**I. Summary of Significant Accounting Policies (Continued)**

<u>Assets</u>	<u>Years</u>
Buildings	60
Portable buildings, building improvements	20-30
Site improvements	20-30
Custodial, kitchen, grounds equipment	15
School buses, passenger cars, vans and pickups	10
Trucks, trailers, miscellaneous vehicles	10
Miscellaneous equipment	10
Intangibles	10
Computer equipment	5

At the inception of a lease, an expenditure and other financing source are recognized at the net present value of future minimum lease payments in the governmental fund from which lease payments will be made. Subsequent lease payments are recorded as expenditures in the appropriate governmental fund on the due date.

**Lease Assets**

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

**Subscription Assets**

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

**7. Long Term Obligations**

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

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

Repayments of financed purchases are recorded in the Capital Equipment Reserve Fund (a sub-fund of the Capital Projects Fund). Payments of postemployment benefit obligations are recorded in the Postemployment Benefits Fund.

**Leases Payable**

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

##### Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

#### 8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The District has several items that arise under a full accrual basis of accounting that qualify for reporting in this category. The statement of net position reports one type related to the net OPEB liability, one type related to the net PERS pension liability, one type related to a stipend pension liability and one type related to bond refunding. These amounts are deferred and recognized as an out flow of resources in the period that the amounts become available.

In addition to liabilities, the statement of net position and balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and will *not* be recognized as an inflow of resources (revenue) until that time.

The District has several items that arise for reporting in this category. The balance sheet reports unavailable revenues from two sources: property taxes and leases. The statement of net position reports two types related to the net OPEB liability, one type related to the stipend pension liability and one type related to the net PERS pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position also reports the lease deferred inflow.

#### 9. Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

#### F. Governmental Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental Fund type fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, ~~and~~ assets held for resale.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

Restricted – Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by a formal action, a formally signed resolution, of the Board of Directors. The Board of Directors is the highest level decision making authority. The formal action may be performed at any time and consists of an affirmative vote of a majority of the Board to approve, modify or rescind a motion to commit funds.

Assigned – Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board of Directors approves which resources should be “reserved” during the adoption of the annual budget. The District’s Director of Financial Services uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District’s Annual Financial Report.

Unassigned – All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

In governmental funds, the District’s plan is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

#### G. Fund Balance

School Board policy DI mandates that the District maintain a 5.0 percent minimum ending fund balance in the General Fund. As of June 30, 2024, the General Fund ending fund balance is \$75,212,701 that represents a 31.57 percent ending fund balance, exceeding the targeted 5.0 percent minimum.

Minimum fund balance policy DI - The Board has adopted a policy to maintain a minimum ending fund balance in the General Fund in order to provide stable services and employment and to offset cyclical or unforeseen variations in revenues and expenditures without borrowing. The Board established minimum fund balance is five percent of current year annual operating revenues excluding transfers between funds. When the Board decides to allow a temporary reduction in the minimum ending fund balance, the Board will adopt a plan to rebuild it to the targeted five percent level within five years.

The seven-member Board of Directors is the policy-making body of the school district. The Board derives its legal authority from the statutes of the State of Oregon.

#### H. Net Position

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

Invested in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings<sup>46</sup> that are attributable to the acquisition, construction, or improvement of those assets.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

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

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

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### I. Grant and Scholarship Revenue

Unreimbursed grant expenditures due from grantor agencies are reflected in the governmental fund financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is reflected as unearned revenue in the balance sheet. USDA commodity inventory is recorded at the assigned value and is recognized as revenue and expenditures when used.

Scholarship contributions are recorded as revenue when awarded in accordance to donor requirements. Cash received from scholarship donations not yet awarded are reflected in the Custodial Fund ending fund balance in the statement of net position.

#### J. Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan, and are charged as expenses/expenditures.

The District also offers its employees access to various tax deferred annuity plans established pursuant to Section 403(b) of the Internal Revenue Code.

#### K. Other Postemployment Benefits

The District currently maintains one single-employer early retirement supplement program which provides for payments of stipends to qualified employees. In addition, eligible District employees who elect retirement are entitled to participate in the District's group medical insurance plan as provided by Oregon Revised Statutes.

#### L. Compensated Absences

Compensated absences for vacation pay are reported in the governmental fund types only if they have matured. Accumulated sick pay does not vest and is, therefore, recorded when leave is taken.

#### M. Fair Value Inputs and Methodologies and Hierarchy

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

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

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

#### I. Summary of Significant Accounting Policies (Continued)

**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); and

**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.

#### II. Stewardship, Compliance and Accountability

##### A. Budgeting and Appropriations

A budget is prepared annually for the governmental, proprietary and fiduciary funds in accordance with legal requirements set forth under Oregon Local Budget Law. All funds are budgeted on the modified accrual basis of accounting.

Expenditures are controlled by appropriations adopted by resolution of the Board of Directors. The legal level of appropriations is at the major program category level (Instruction, Supporting Services, Enterprise and Community Services, Facilities Acquisition, Debt Service, Transfers, and Operating Contingency) and lapses at the end of each fiscal year. The Board of Directors can, by resolution, transfer appropriations between existing appropriation categories and increase appropriations to allow expenditure of unexpected revenues received during the year. Management can transfer appropriations within a major program category. Final budget amounts include the original budget and transfers. Budget expenditures were within authorized appropriations for the year ended June 30, 2024 except the Special Revenue Fund – support services by \$3,591,025 and enterprise and community services by \$1,703,241, Internal Service Fund – support services by \$43,207,903, and Custodial Fund – Enterprise and Community Services by \$48,718.

##### B. Economic Dependency

The District received General Fund revenue of \$238,249,996. Of this amount, \$117,355,562 comes from agencies within the State of Oregon. Due to the significance of this reported revenue source, the District is considered to be economically dependent on the State of Oregon.

##### C. Budgetary Basis Accounting

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions follows:

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**II. Stewardship, Compliance and Accountability (Continued)**

	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
USDA Commodity Inventory	USDA commodity inventory is recorded at cost when received and the assigned value is recognized as revenue and expenditures when used.	Revenue is recognized for the difference in cost and assigned value when commodities are received.
Properties acquired by long-term financing such as from financed purchases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payment will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, and debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.

**III. Detailed notes on all funds**

**A. Cash and Investments**

The District maintains a cash and investment pool that is available for use by all funds. Cash and investments are comprised of the following at June 30, 2024:

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all funds (Continued)**

	Carrying Amount
Cash and deposits	\$ 101,378,046
Investments	130,104,025
Total	<u>\$ 231,482,071</u>
Equity in pooled cash and investments - Governmental Funds Balance Sheet	\$ 215,149,090
Equity in pooled cash and investments	
Internal Service Fund - Statement of Net Position	16,088,836
Fiduciary Fund - Statement of Net Position	244,145
Total	<u>\$ 231,482,071</u>

Deposits	Carrying	Bank
As of June 30, 2024, the District held the following deposits:	Amount	Balance
Pooled demand deposits	<u>\$ 101,378,046</u>	<u>\$ 106,336,440</u>
Total deposits	<u>\$ 101,378,046</u>	<u>\$ 106,336,440</u>

1. Custodial credit risk – deposits

In the case of deposits, custodial credit risk is the risk that the District’s deposits may not be returned to the District in the event of a bank failure. The District’s deposits with financial institutions are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). To provide additional security required and authorized by Oregon Revised Statutes (ORS), Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the Oregon State Treasurer.

At year-end, bank balances of \$586,149 were insured by the FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At June 30, 2024, the District’s net carrying amount of deposits was \$101,378,046 and the bank balance was \$106,336,440.

2. Investments

The Eugene School District 4J Board authorizes the District to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, time certificates of deposit and the State Treasurer’s Investment Pool as per the State Treasurer’s investment policies which are governed by Oregon Revised Statutes and the Oregon Short Term Fund Board (OSTFB).

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

A. Cash and Investments (Continued)

As of June 30, 2024, the District held the following investments and maturities:

	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government Investment Pool	\$ 35,456,225	0.299	27.25%
U.S. Government Agency and Treasury Securities	94,647,800	0.271	72.75%
Total	<u>\$ 130,104,025</u>	0.57	<u>100.00%</u>

The Oregon State Treasury invests the Oregon Short Term Fund (OSTF) of which the Local Government Investment Pool (LGIP) is a part. Participation in the LGIP is voluntary for local governments. The LGIP was created to offer a short-term investment alternative for Oregon local governments and is not registered with the U.S. Securities and Exchange Commission. Pool investments are governed by the OSTF portfolio rules, which are approved by the Oregon Investment Council. The portfolio of rules are available on Oregon State Treasury's website at [www.Oregon.Gov/Treasury](http://www.Oregon.Gov/Treasury).

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. The District measures these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

As of June 30, 2024, the fair value of the District's deposits with the LGIP was equal to 100.39% of the District's account balance (pool shares). Additional information related to pool investment and account is contained with the OSTF audited financial statements at [www.Oregon.Gov/Treasury](http://www.Oregon.Gov/Treasury).

With the exception of pass-through funds, the maximum amount of pool investments to be placed in the Local Government Investment Pool is limited by Oregon Statute. Per statute, the limit increases annually proportionate to the U.S. City Average Consumer Price Index. The limit was \$59,847,000 at June 30, 2024. The limit can be temporarily exceeded for ten business days and does not apply to either pass-through funds or to funds invested on behalf of another governmental unit.

*Custodial Credit Risk - Investments*

Custodial credit risk for investments is the risk that, in the event of a transactional counterparty failure, the District will not be able to recover the value of an investment in the possession of an outside party. The District minimizes custodial credit risk by pre-qualifying any financial institutions, broker/dealers and advisors with which the District will do business. All securities, except for the District's investment in the Local Government Investment Pool which is not evidenced by securities, are required to be held by an independent third-party safekeeping institution selected by the District, and must be evidenced by safekeeping receipts in the District's name. District policy DFA "Investment of Funds" was revised in January 2018 and is supported by a detailed administrative rule regarding investment activities (DFA-AR) designed to minimize custodial credit risk.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

A. Cash and Investments (Continued)

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State of Oregon statutes (ORS 294.035, 294.040 and 294.810) restrict the types of investments in which the District may invest. Authorized investments include obligations of the U.S. Government and its agencies, certain bonded A. obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, corporate indebtedness, and the Oregon State Treasury's Oregon Short Term Fund (which includes the Local Government Investment Pool). District policy DFA "Investment of Funds" was readopted in January of 2018 and is supported by a detailed administrative rule regarding investment activities (DFA-AR) designed to minimize credit risk. The Oregon Short Term Fund (which includes the Local Government Investment Pool) is not rated for credit risk.

At June 30, 2024 the District's investment were rated as follows:

Investment Type	Rating by Moody's Investors Service		Total
	Aaa	Not Rated	
Local Governmental Investmet Pool	\$ -	\$ 35,456,225	\$ 35,456,225
U.S. Government Agency and Treasury Obligations	94,647,800	-	94,647,800
Total	<u>\$ 94,647,800</u>	<u>\$ 35,456,225</u>	<u>\$ 130,104,025</u>

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet the cash requirement for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in the Local Government Investment Pool (LGIP). Operating funds may be invested in the LGIP to the extent permitted by ORS 294.810. Excess amounts are invested in adherence with the portfolio maturity constraints listed below:

<u>Maturity Constraints</u>	<u>Minimum % of Operating Funds</u>
Under 3 months	25% or three months estimated operating expenditures
Under 6 months	50%
Under 1 year	75%
Under 18 months	100%

District policy DFA "Investment of Funds" and the related administrative rule regarding investment activities (DFA-AR) address liquidity and interest rate risk.

*Concentration of Credit Risk*

The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District maintains policy DFA "Investment of Funds" and a detailed administrative rule regarding investment activities including portfolio exposure limits.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

A. Cash and Investments (Continued)

Specific investment types shall not exceed the percentages of the total investment portfolio as indicated below:

<u>Issue Type</u>	<u>Maximum % Holdings</u>
US Treasury Obligations	100%
US Agency Securities	100%
Per Agency (Senior Obligations Only)	100%
Oregon Short Term Fund	Maximum allowed per ORS 294.810
Time Deposits/Savings Accounts/Certificates of Deposits	50%

*Foreign Currency Risk*

The District is not authorized to purchase investments which have this type of risk.

B. Accounts and Other Receivables

Accounts and other receivables consist primarily of claims for reimbursement of costs under various federal and state grant programs and interest on investments.

Leases Receivables

As of June 30, 2024, the District had 2 active leases. The leases have receipts that range from \$9,000 to \$68,100 and interest rates that range from 0.457% to 2.3657%. As of June 30, 2024, the total value of the lease receivable is \$231,844 and the deferred inflow of resources is \$213,053.

Principal and Interest Expected to Maturity

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 77,040	\$ 4,560	\$ 81,600
2026	74,239	2,861	77,100
2027	80,565	1,036	81,601
Total	<u>\$ 231,844</u>	<u>\$ 8,457</u>	<u>\$ 240,301</u>

Governmental Activities:

	<u>Balance as of</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of</u>
	<u>July 1, 2023</u>	<u></u>	<u></u>	<u>June 30, 2024</u>
Lease Receivable				
Buildings				
The Bailey Hill Property	\$ 17,915	\$ -	\$ 8,937	\$ 8,978
Coburg Community Charter School - Teaching Space	243,765	-	20,899	222,866
Total Building Lease Receivale	<u>\$ 261,680</u>	<u>\$ -</u>	<u>\$ 29,836</u>	<u>\$ 231,844</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

B. Accounts and Other Receivables (Continued)

Governmental Activities:

	Balance as of <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance as of <u>June 30, 2024</u>
Deferred inflows				
Buildings				
The Bailey Hill Property	\$ 17,915	\$ -	\$ 9,765	\$ 8,150
Coburg Community Charter School - Teaching Space	243,765	-	38,862	204,903
Total Building Lease Receivale	<u>\$ 261,680</u>	<u>\$ -</u>	<u>\$ 48,627</u>	<u>\$ 213,053</u>

C. Interfund Transfers

The interfund transfers during the year ended June 30, 2024 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 8,773,653
Special Projects Fund	3,335,000	-
Capital Projects Fund	5,000,000	-
Internal Service Funds	438,653	-
Total	<u>\$ 8,773,653</u>	<u>\$ 8,773,653</u>

During the year, transfers from the General Fund to other governmental funds are made 1) in support of risk management operations, 2) as transfers to maintenance, transportation, curriculum, and technology reserves, and 3) as negotiated transfers to employee group insurance reserves.

D. Inventories

Inventory balances at June 30, 2024 are as follows:

General Fund	
Instructional supplies and materials	\$ 92,556
Gasoline and diesel	88,903
Total General Fund	<u>\$ 181,459</u>
Special Revenue Fund	
Value of commodities on hand from the U.S. Department of Agriculture	312,293
Other nutritional services food	182,857
Total Special Revenue Fund	<u>\$ 495,150</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

**III. Detailed notes on all activities and funds (Continued)**

**E. Capital Assets**

Capital asset activity for the year ending June 30, 2024, was as follows:

	Restated Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 2,185,342	\$ -	\$ -	\$ 2,185,342
Construction in progress	154,696,667	33,996,651	(12,078,317)	176,615,001
Total capital assets not being depreciated	<u>156,882,009</u>	<u>33,996,651</u>	<u>(12,078,317)</u>	<u>178,800,343</u>
Capital assets being depreciated:				
Athletic field improvements	22,596,509	7,201,378	-	29,797,887
Buildings and improvements	464,605,742	9,855,788	(2,982,815)	471,478,715
Equipment	18,278,158	324,008	-	18,602,166
Vehicles	17,782,494	1,963,434	-	19,745,928
Intangibles	2,617,545	-	-	2,617,545
Total capital assets being depreciated	<u>525,880,448</u>	<u>19,344,608</u>	<u>(2,982,815)</u>	<u>542,242,241</u>
Right to use asset being amortized:				
Buildings and improvements	483,434	-	(483,434)	-
Equipment	262,879	-	(262,879)	-
Subscription based information technology arrangements	1,503,907	3,188,260	(330,470)	4,361,697
Total capital assets being amortized	<u>2,250,220</u>	<u>3,188,260</u>	<u>(1,076,783)</u>	<u>4,361,697</u>
Accumulated depreciation for:				
Athletic field improvements	(15,507,887)	(1,099,726)	-	(16,607,613)
Buildings and improvements	(225,410,255)	(11,235,787)	2,382,070	(234,263,972)
Equipment	(16,568,928)	(424,498)	-	(16,993,426)
Vehicles	(12,743,080)	(1,083,456)	-	(13,826,536)
Intangibles	(2,539,307)	(67,556)	1,161	(2,605,702)
Total accumulated depreciation	<u>(272,769,457)</u>	<u>(13,911,023)</u>	<u>2,383,231</u>	<u>(284,297,249)</u>
Accumulated amortization for right to use assets:				
Buildings and improvements	(429,382)	(54,051)	483,433	-
Equipment	(177,689)	(85,191)	262,880	-
Subscription based information technology arrangements	(410,215)	(1,153,766)	330,470	(1,233,511)
Total accumulated amortization	<u>(1,017,286)</u>	<u>(1,293,008)</u>	<u>1,076,783</u>	<u>(1,233,511)</u>
Total capital assets being amortized/depreciated, net				
Governmental activities capital assets, net	<u>\$ 411,225,934</u>	<u>\$ 41,325,488</u>	<u>\$ (12,677,901)</u>	<u>\$ 439,873,521</u>

Depreciation and amortization expense was charged to the following functions of the governmental activities of the District as follows:

	Depreciation and Amortization Expense
Instruction	\$ 8,618,612
Support	5,910,338
Enterprise and Community Services	675,081
Total	<u>\$ 15,204,031</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

**III. Detailed notes on all activities and funds (Continued)**

E. Capital Assets (Continued)

*Construction Commitments*

The District has active construction projects as of June 30, 2024. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$22,391,073 for goods, services, and construction of facilities. Construction projects include rebuilding one high school and two elementary schools.

F. Long Term Debt

The following is a summary of long term debt transactions of governmental activities for the year ended June 30, 2024:

	Principal Issued	Restated Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due in One Year
General obligation bonds						
2011 Series	\$ 19,127,258	\$ 19,127,258	\$ -	\$ -	\$ 19,127,258	\$ -
2013 Series	39,996,054	4,693,143	-	-	4,693,143	-
2014 Series	80,000,000	2,875,000	-	2,875,000	-	-
2016 Series	39,750,000	20,960,000	-	2,995,000	17,965,000	3,190,000
2017 Series	45,255,000	41,075,000	-	830,000	40,245,000	950,000
2019 Series	150,000,000	134,785,000	-	-	134,785,000	-
2020 Series Ref.	115,025,000	101,640,000	-	8,530,000	93,110,000	12,100,000
2022 Series	120,000,000	112,675,000	-	8,780,000	103,895,000	9,700,000
Total G.O. bonds	609,153,312	437,830,401	-	24,010,000	413,820,401	25,940,000
2004 Pension bonds	53,435,000	24,810,000	-	4,580,000	20,230,000	5,085,000
Total bonds	662,588,312	462,640,401	-	28,590,000	434,050,401	31,025,000
Issuance premiums:						
2014 Series	-	246,653	-	123,327	123,326	-
2016 Series	-	591,762	-	161,012	430,750	-
2017 Series	-	3,262,093	-	407,798	2,854,295	-
2019 Series	-	10,209,767	-	905,967	9,303,800	-
2020 Series	-	260,019	-	36,813	223,206	-
2022 Series	-	6,507,683	-	636,045	5,871,638	-
Total issuance premiums	-	21,077,977	-	2,270,962	18,807,015	-
Total bonds, net of issuance premiums	662,588,312	483,718,378	-	30,860,962	452,857,416	31,025,000
Lease liability						
Building lease	483,434	54,083	-	54,083	-	-
Equipment lease	298,848	85,140	-	85,140	-	-
Total lease liability	782,282	139,223	-	139,223	-	-
Subscription based information technology agreement						
SBITAS	853,205	928,029	1,073,790	784,479	1,217,340	865,727
Total	\$ 664,223,799	\$ 484,785,630	\$ 1,073,790	\$ 31,784,664	\$ 454,074,756	\$ 31,890,727

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

### III. Detailed notes on all activities and funds (Continued)

#### F. Long Term Debt (Continued)

The general obligation bonds are paid from general property tax revenues from the Debt Service Fund. Federal arbitrage restrictions apply to substantially all debt. General obligation bonds have been issued for capital projects.

#### General Obligation Bonds

The District's General Obligation Bond principal and interest payments are guaranteed under the Oregon School Bond Guaranty (OSBG) program. Article XI-K of the Constitution of the State of Oregon allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts in order to secure lower interest costs on general obligation bonds of such districts. Payment of principal and interest on bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 to 328.356.

The Debt Management Division of the Office of the State Treasurer administers the OSBG program. If the District were to fail to transfer sufficient moneys to meet a scheduled debt service payment to the bond paying agent at least 15 days before the payment due date, the Treasurer's Office would step in to make the required transfer on or before the scheduled payment date. The Treasurer's Office would then seek to recover from the District the amount transferred by:

- i) intercepting any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by or through the State to the District, and
- ii) exercising the rights of a secured creditor in any money or assets pledged by the District to secure its reimbursement obligation to the State.

The authority of the Treasurer's Office to intercept payments under the OSBG Act has priority over all claims against money provided by the State to the District, including any claim based on a funds diversion agreement under ORS 238.698.

#### 2004 Pension Bonds

Bond proceeds of the pension bonds were paid to the Oregon Public Employees Retirement System (OPERS) and placed in a separate investment account (a "side account") for the benefit of the District. The investment earnings of this account reduce the amount due to OPERS by the District, resulting in a reduction of the OPERS rate charge against covered District payroll.

Unlike the District's general obligation bonds, the 2004 pension bonds are not covered under the OSBG program. The OSBG does not guarantee payment of principal, premium or interest on pension bonds or other debt that is not a voter-approved general obligation bond.

An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of the District's State School Fund support is withheld on a monthly basis and provided to the Series 2004 Trustee ("Trustee") for payment of bond principal and interest. The Series 2004 Pension Bonds are limited tax bonds and pension bond payments are not subject to acceleration even in default. In the event of a default by one or more issuers of the series, the Trustee may exercise any remedy available at law or in equity; however, each series 2004 issuer is responsible solely for its own pension bond payments and related fees or charges.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

F. Long Term Debt (Continued)

The District's obligations under the 2004 pension bond issuance shall terminate if and when the following has occurred:

1. Prepayment in full of the District's Series 2004 Pension Bonds
2. Legal defeasance of the District's Series 2004 Pension Bond obligations

Leases Payable

During the fiscal year the District had 5 leases. The lease payments ranged from \$18,035 to \$44,984 and interest rates ranged from 0.2177% to 0.815%. As of the June 30, 2024 the liability balance was \$0. The value of the right to use asset and related amortization is included in the capital asset note and is also \$0 at year end.

Subscription based information technology arrangements

During the fiscal year the District had 43 active subscriptions. The subscriptions have payments that range from \$0 to \$587,966 and interest rates that range from 1.7103% to 3.894%. As of June 30, 2024, the total combined value of the subscription liability is \$1,217,340. The value of the right to use asset and related amortization is included in the capital asset note.

Asset Class	SBITA Asset Value	Amortization	Total
SBITAs	\$ 4,361,697	\$ (1,233,511)	\$ 3,128,186
	<u>\$ 4,361,697</u>	<u>\$ (1,233,511)</u>	<u>\$ 3,128,186</u>

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 865,728	\$ 28,311	\$ 894,039
2026	351,612	5,891	357,503
	<u>\$ 1,217,340</u>	<u>\$ 34,202</u>	<u>\$ 1,251,542</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

F. Long Term Debt (Continued)

General obligation bonds - 2011 Series, future payments due in annual installments of zero to \$15,000,000 plus interest, paid semi-annually at 4.5% to 4.75% through June 15, 2031.	\$ 19,127,258
General obligation bonds - 2013 Series, future payments due in annual installments of \$1,518,545 to \$3,355,000 plus interest, paid semi-annually at 4.25% to 5.0% through June 15, 2028.	4,693,143
General obligation bonds - 2016 Series, future payments due in annual installments of \$2,835,000 to \$4,010,000 plus interest paid semi-annually at 2.0% to 3.0% through June 15, 2029.	17,965,000
General obligation bonds - 2017 Series, future payments due in annual installments of \$715,000 to \$7,180,000 plus interest paid semi-annually at 3.0% to 5.0% through June 15, 2037.	40,245,000
General obligation bonds - 2019 Series, future payments due in annual installments of \$0 to \$22,855,000 plus interest paid semi-annually at 3.0% to 5.0% through June 15, 2039.	134,785,000
General obligation bonds - 2020 Refunding Series, future payments due in annual installments of \$7,240,000 to \$12,100,000 plus interest paid semi-annually at 0.6% to 2.0% through June 15, 2034.	93,110,000
General obligation bonds - 2022 Series, future payments due in annual installments of \$3,370,000 to \$13,425,000 plus interest paid semi-annually at 3.0% to 5.0% through June 15, 2042.	103,895,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$4,110,000 to \$6,220,000 plus interest, paid semi-annually at 5.53% through June 30, 2028.	20,230,000
Issuance premiums - 2014 Series bond, amortized semi-annually through June 15, 2024.	123,326
Issuance premiums - 2016 Series bond, amortized semi-annually through June 15, 2029.	430,750
Issuance premiums - 2017 Series bond, amortized semi-annually through June 15, 2037.	2,854,295
Issuance premiums - 2019 Series bond, amortized semi-annually through June 15, 2039.	9,303,800
Issuance premiums - 2020 Refunding bond, amortized semi-annually through June 15, 2034.	223,206
Issuance premiums - 2022 Series bond, amortized semi-annually through June 15, 2042.	5,871,638
Subscription based information technology arrangements through June 30, 2024	<u>1,217,340</u>
Total	<u>\$ 454,074,756</u>

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

### III. Detailed notes on all activities and funds (Continued)

#### F. Long Term Debt (Continued)

No interest costs were capitalized during the year.

#### *Bond Issuances and Remaining Authorizations*

In November 2018, District voters approved the issuance of general obligation bonds totaling \$319.3 million, \$150 million of which were issued in April 2019, \$120 million of which were issued in April 2022 and the remaining \$49.3 million of which are expected to be issued in the Spring of 2026.

#### *Bond Issuances and Remaining Authorizations*

In April 2022, the District issued \$120,000,000 in General Obligation Bonds, Series 2022. The interest rate is fixed at rates ranging from 3.0% and 5.0%. Interest payments on the bonds are payable semiannually in June and December, beginning December 2022. The bonds mature on June 15, 2042 with principal payments due annually on June 15<sup>th</sup>. The bonds were issued at a premium of \$7,302,661, which is being amortized over the life of the bonds.

Year Ending June 30,	Bonds - 2022 Series		Bonds - 2020 Refunding		Bond - 2019 Series		Bond - 2017 Series		Bond - 2016 Series	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 9,700,000	\$ 4,048,150	\$ 12,100,000	\$ 1,181,543	\$ -	\$ 5,188,037	\$ 950,000	\$ 1,659,850	\$ 3,190,000	\$ 477,587
2026	3,635,000	3,563,150	6,415,000	1,096,842	4,150,000	5,188,037	1,570,000	1,612,350	3,400,000	381,888
2027	4,030,000	3,381,400	6,695,000	1,035,900	4,635,000	4,980,537	1,745,000	1,533,850	3,580,000	313,887
2028	4,450,000	3,179,900	6,985,000	965,602	5,155,000	4,748,787	1,935,000	1,446,600	3,785,000	224,387
2029	4,855,000	2,957,400	10,325,000	885,275	5,705,000	4,491,037	2,165,000	1,369,200	4,010,000	120,300
2030	-	2,714,650	10,795,000	756,213	6,295,000	4,205,787	6,610,000	1,282,600	-	-
2031	-	2,714,650	11,280,000	610,480	6,930,000	3,891,038	7,180,000	952,100	-	-
2032	3,370,000	2,714,650	9,080,000	452,560	3,305,000	3,613,838	2,520,000	593,100	-	-
2033	3,725,000	2,546,150	9,495,000	320,900	3,645,000	3,481,638	2,740,000	467,100	-	-
2034	4,100,000	2,359,900	9,940,000	168,980	3,965,000	3,372,288	2,920,000	384,900	-	-
2035	4,730,000	2,195,900	-	-	14,415,000	3,253,338	3,105,000	297,300	-	-
2036	5,130,000	2,006,700	-	-	15,520,000	2,676,738	3,300,000	204,150	-	-
2037	5,550,000	1,801,500	-	-	16,685,000	2,055,938	3,505,000	105,150	-	-
2038	6,090,000	1,579,500	-	-	21,525,000	1,388,538	-	-	-	-
2039	6,570,000	1,335,900	-	-	22,855,000	742,788	-	-	-	-
2040	11,895,000	1,138,800	-	-	-	-	-	-	-	-
2041	12,640,000	781,950	-	-	-	-	-	-	-	-
2042	13,425,000	402,750	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 103,895,000</b>	<b>\$ 41,423,000</b>	<b>\$ 93,110,000</b>	<b>\$ 7,474,295</b>	<b>\$ 134,785,000</b>	<b>\$ 53,278,364</b>	<b>\$ 40,245,000</b>	<b>\$ 11,908,250</b>	<b>\$ 17,965,000</b>	<b>\$ 1,518,049</b>

	Bonds - 2013 Series		Bonds - 2011 Series		Bonds - 2044 Pension		Requirements	Total	
	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest
\$	-	\$ -	\$ -	\$ 705,000	\$ 5,085,000	\$ 1,118,314	\$ 45,403,481	\$ 31,025,000	\$ 14,378,481
	1,611,288	1,592,412	-	705,000	5,630,000	837,216	41,388,183	26,411,288	14,976,895
	1,563,310	1,730,390	-	705,000	6,220,000	525,989	42,675,263	28,468,310	14,206,953
	1,518,545	1,880,155	15,000,000	705,000	3,295,000	182,148	55,456,124	42,123,545	13,332,579
	-	-	1,430,517	1,734,483	-	-	40,048,212	28,490,517	11,557,695
	-	-	1,375,140	1,879,860	-	-	35,914,250	25,075,140	10,839,110
	-	-	1,321,601	2,033,399	-	-	36,913,268	26,711,601	10,201,667
	-	-	-	-	-	-	25,649,148	18,275,000	7,374,148
	-	-	-	-	-	-	26,420,788	19,605,000	6,815,788
	-	-	-	-	-	-	27,211,068	20,925,000	6,286,068
	-	-	-	-	-	-	27,996,538	22,250,000	5,746,538
	-	-	-	-	-	-	28,837,588	23,950,000	4,887,588
	-	-	-	-	-	-	29,702,588	25,740,000	3,962,588
	-	-	-	-	-	-	30,583,038	27,615,000	2,968,038
	-	-	-	-	-	-	31,503,688	29,425,000	2,078,688
	-	-	-	-	-	-	13,033,800	11,895,000	1,138,800
	-	-	-	-	-	-	13,421,950	12,640,000	781,950
	-	-	-	-	-	-	13,827,750	13,425,000	402,750
<b>Total</b>	<b>\$ 4,693,143</b>	<b>\$ 5,202,957</b>	<b>\$ 19,127,258</b>	<b>\$ 8,467,742</b>	<b>\$ 20,230,000</b>	<b>\$ 2,663,667</b>	<b>\$ 565,986,725</b>	<b>\$ 434,050,401</b>	<b>\$ 131,936,324</b>

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

### III. Detailed notes on all activities and funds (Continued)

#### F. Long Term Debt (Continued)

##### Sinking fund for Series 2011B

Series B of the 2011 General Obligation Bond (Qualified School Construction Bond) requires bond principal of \$15,000,000 to be paid in full at the end of the bond term on June 15, 2028. Beginning in 2023, levied tax revenues will be set aside in a sinking fund to meet this obligation. Principal amounts noted below include sinking fund deposits to be held until June 15, 2028 when the full principal amount is due.

##### Defeased General Obligation Bonds

In prior years, the District defeased general obligation bonds outstanding by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. Accordingly, the trust account asset and the liabilities for the defeased obligations are not included in the District's basic financial statements. As of June 30, 2024, \$98,159,542 of general bonds defeased are still outstanding.

#### G. 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/ACFR/2023-ACFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

### III. Detailed notes on all activities and funds (Continued)

#### G. Defined Benefit Pension Plan (Continued)

- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- 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.
  - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. 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, 2024 were \$30,066,547, excluding amounts to fund employer specific liabilities. In addition approximately \$7,892,190 in employee contributions were paid or picked up by the District in fiscal 2024. At June 30, 2024, the District reported a net pension liability of \$171,885,674 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. 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, 2023 and 2022, the District's proportion was .918 percent and .968 percent, respectively. Pension expense for the year ended June 30, 2024 was (\$7,194,745).

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

G. Defined Benefit Pension Plan (Continued)

The rates in effect for the year ended June 30, 2024 were:

- (1) Tier 1/Tier 2 – 21.68%
- (2) OPSRP general services – 18.84%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experien	\$ 8,405,734	\$ 681,542
Changes in assumptions	15,269,307	113,849
Net difference between projected and actual earnings on pension plan investments	3,089,490	-
Net changes in proportionate share	-	13,597,135
Differences between contributions and proportionate share of contributions	4,582,960	10,514,986
Subtotal - Amortized Deferrals (below)	31,347,491	24,907,512
Contributions subsequent to measuring date	30,066,547	-
Deferred outflow (inflow) of resources	\$ 61,414,038	\$ 24,907,512

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, 2025.

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

Year ending June 30,	Amount
2025	\$ (2,189,428)
2026	(9,367,049)
2027	13,783,954
2028	4,045,234
2029	167,267
Thereafter	-
Total	\$ 6,439,978

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 1, 2024. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

**Actuarial Valuations** – The employer contribution rates effective July 1, 2023 through June 30, 2025, 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.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

G. Defined Benefit Pension Plan (Continued)

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

**Assumed Asset Allocation:**

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2023 PERS ACFR; p. 125)

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

**III. Detailed notes on all activities and funds (Continued)**

G. Defined Benefit Pension Plan (Continued)

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – the following presents the District's proportionate share of the net pension liability calculated using the discount rate of 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%)
Proportionate share of the net pension liability	\$ 283,922,769	\$ 171,885,674	\$ 78,122,498

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

### III. Detailed notes on all activities and funds (Continued)

#### G. Defined Benefit Pension Plan (Continued)

##### **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, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

##### **Deferred Compensation Plan**

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

##### **OPSRP Individual Account Program (OPSRP IAP)**

###### *Plan Description:*

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

###### *Pension Benefits:*

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

###### *Death Benefits:*

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

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

### III. Detailed notes on all activities and funds (Continued)

#### G. Defined Benefit Pension Plan (Continued)

*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 \$3,333 per month in 2022) 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, 2024.

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>

#### H. Other Post-employment benefits – Retirement Health Insurance Account (RHIA)

**Plan Description:**

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

**Funding Policy:**

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2024. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2022, 2023 and 2024 were \$20,421, \$18,946 and \$2,401 respectively, which equaled the required contributions each year.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

H. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

At June 30, 2024, the District reported a net OPEB liability/(asset) of (\$3,520,327) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2021. 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, 2023 and 2022, the District's proportion was .96 percent and .83 percent, respectively. OPEB expense for the year ended June 30, 2024 was (\$558,518).

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (407,441)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(147,059)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (554,500)</u>

**Components of Deferred Outflows/Inflows of Resources:**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 88,379
Changes in assumptions	-	37,957
Net difference between projected and actual earnings on pension plan investments	9,984	-
Net changes in proportionate share	755	232,445
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>10,739</u>	<u>358,781</u>
Contributions subsequent to measuring date	2,401	-
Deferred outflow (inflow) of resources	<u>\$ 13,140</u>	<u>\$ 358,781</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2025.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

H. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ (338,778)
2026	(186,023)
2027	130,099
2028	46,659
2029	-
Thereafter	-
Total	<u>\$ (348,043)</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, 2023. That independently audited report was dated February 1, 2024 and can be found at:

<https://www.oregon.gov/pers/emp/Documents/GASB/2023/Oregon%20Public%20Employees%20Retirement%20System%20-%20GASB%2075%20RHIA%20-%20YE%206.30.2023%20-%20SECURED.pdf>

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

H. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

**Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

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%)
Proportionate share of the net OPEB liability (asset)	\$ (3,199,984)	\$ (3,520,327)	\$ (3,795,178)
	70		

# EUGENE SCHOOL DISTRICT 4J

## Notes to Basic Financial Statements

### June 30, 2024

---

### III. Detailed notes on all activities and funds (Continued)

#### H. Other Post-employment benefits – Retirement Health Insurance Account (RHIA) (Continued)

##### Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

#### I. Early Retirement Programs

The District sponsors a Single Employer Pension Plan and Other Postemployment Benefits (OPEB) program with ongoing obligations: Early Termination – Stipend Benefits and Postemployment Medical and Life Insurance Benefits. This plan is valued on an actuarial basis and the District has an actuarial study completed every two years. The most recent valuation is dated July 1, 2022 actuarial valuation report dated August 16, 2023 and provides revised disclosure information under GASB Statements 73 and 75 for the fiscal year ending June 30, 2024.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations 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.

The most recent valuation was performed as of July 1, 2022, using an Actuarial Valuation Date of July 1, 2022, and Measurement Dates of June 30, 2023 and June 30, 2024. Assumptions included an interest rate for discounting future liabilities 3.75% (percent) per year; a general inflation rate of 2.5% (percent) per year; overall payroll growth of 3.50% (percent) per year; and an annual premium increase rate of 4.0% (percent) for 2022-23 increasing to a high of 6.0% in 2026-27 before slowly decreasing to an annual rate of 5.5% (percent) by 2041+ which is consistent with expectations for long-term health care cost inflation.

The Entry Age Normal Actuarial Cost Method was used to determine contribution levels for the early retirement programs. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis (percentage of salary) over the earnings or service of the individual between entry age and assumed exit age(s).

Demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those developed in the most recent experience study for Oregon PERS. Key assumptions were as follows:

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

I. Early Retirement Programs (Continued)

Demographic Assumptions	Description
Annual Cap Increase Rate	The increase rate for District' contribution towards employee coverage (the annual cap) was lowered to better reflect actual and anticipated experience in the current valuation report. The annual cap is assumed to increase by 1.0% (percent) annually.
	<p>Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally. Adjustments of 125% of published rates for males, 100% of published rates for females.</p> <p>Retirees: PUB 2010 Retiree tables for Teachers, sex distinct, projected generationally.</p> <p>Beneficiaries: PUB 2010 Employee and Retiree Tales for General Employee, sex distinct, projected generationally.</p>

Mortality Rates (Continued)	<p>Beneficiary adjustments: Set back 12 months for males, no set back for females: 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females.</p> <p>Improvement scale; Unisex Social Security Data Scale (60 year average).</p>
Retirement Rates	Retirement rates were calculated based on District employee age, Tier 1 / 2 or OPSRP membership, and years of service. Members who can become eligible for District-paid stipend were assumed not to terminate employment prior to retirement.
Participation	<p>100% (percent) of active members eligible for stipend benefits were assumed to elect coverage upon retirement.</p> <p>The following percentages of current active employees were assumed to be enrolled in a medical plan at retirement:</p> <p>100% (percent) of active employees eligible for District-paid medical benefits and currently enrolled in a medical plan.</p> <p>75% (percent) of active employees not eligible for District-paid medical benefits and currently enrolled in a medical plan.</p>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

I. Early Retirement Programs (Continued)

Program participants consisted of the following at July 1, 2022:

Participant Counts	Administrators	Classified	Licensed	Total
Number of Active Participants	162	964	1115	2241
Number of Inactive Participants	13	37	79	129
Total Number of Participants	175	1001	1194	2370

A copy of the most current Actuarial Valuation Report for the District’s Early Retirement Program may be obtained by contacting the District Office.

Descriptions of the plans are as follows:

Early Termination – Stipend Benefits

Plan Description – The Board of Directors, through contract negotiations, has previously authorized the District to offer early termination benefits as an incentive for employees to retire early. This single employer defined benefit program covers the following employee groups:

Administrator – Stipend Benefit

Eligibility	<p>Employees must be PERS eligible and be age 58 years or older or have with 30 years of service at retirement. Must have at least ten years of continuous district service, be employed the last 5 years in an administrative position, be hired and employed as a 4JA member prior to July 1, 2996, and did not elect to participate in Plan B.</p> <p>Early Out Option – Employees age 53 to less than age 58, meeting all the above Administrative eligibility criteria, with the exception of being age 58, may also be eligible for a stipend benefit.</p>
Duration	<p>Retirees shall be paid a monthly stipend for a maximum of 84 months beginning the month after eligibility for Early Retirement and ending the month of the retiree’s 62<sup>nd</sup> birthday.</p> <p>Early Out Option – retirees shall be paid a monthly stipend for a maximum of 48 months beginning the month after being eligible for Early Retirement and ending the month of the retiree’s 62<sup>nd</sup> birthday.</p>
Benefit Amount	<p>Eligible retirees receive a stipend of either \$450 a month (administrative positions with a pay range of 9 or higher) or \$325 a month (administrative positions with a pay range of 8 or lower.) In the event of the retiree’s death, the remaining stipend payments will be paid to the retiree’s estate.</p>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

I. Early Retirement Programs (Continued)

Classified – Stipend Benefit

Eligibility	Employees who have 10 years consecutive service with the District AND meet PERS requirements for regular retiree benefits and Tier 1 age 58 or: <ul style="list-style-type: none"> <li>• Meet PERS requirements for regular retiree benefits and Tier 2 age 60</li> <li>• Meet PERS requirements for regular retiree benefits and OPSRP age 65</li> <li>• 30 years of service in PERS as of retirement, regardless of age.</li> </ul>
Benefit Amount	Lump sum payment of \$2,000 for retirees with 10 years of service with the District, lump sum payment of \$3,000 for retirees with 20 years of service with the District, and lump sum payments of \$4,000 for retirees with 30 years of service with the District. This is referred to as “Option 1” in the collective bargaining agreement. Classified retirees who chose this option are not eligible for the Postemployment Medical and Life Insurance Benefits payments described within this note.

Licensed (Certified) – Stipend Benefit

Eligibility	Plan A – Employees must be employed in an Eugene Education Association (EEA) bargaining position prior to July 1, 1998, have 10 years of District service, and be 58 years of age or older or have 30 years of service with PERS as of retirement date, regardless of age.  Early Out Option – Employees age 53 to less than age 58 with 10 years district service may be eligible for a stipend benefit in a reduced, prorated amount.
Duration	Eligible retirees shall be paid a monthly stipend beginning the first month of retirement and ending the month of the retiree’s 62 <sup>nd</sup> birthday. In the event of the retiree’s death, the remaining stipend payments shall be paid to the retiree’s estate.
Benefit Amount	Eligible retirees receive a stipend of up to \$450 a month until age 62. The maximum amount is reduced to \$400 per month for retirements before age 58. The \$400 per month is prorated for retirements before age 55.

The pension-type benefit is required to be valued under GASB Statement No. 73. The District does not issue a stand-alone financial report for this plan.

Summary of Significant Accounting Policies – the Early Termination Stipend Benefits plan is accounted for in the Postemployment Benefits Fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. District contributions, in the form of regular transfers to the Postemployment Benefits Fund, are recognized when due and a formal commitment to provide the contributions has been made as part of the annual adopted budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

I. Early Retirement Programs (Continued)

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance, and the District does not accumulate assets in a trust (as defined in GASB 73 paragraph 4) to address this liability. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Total Pension Liability – The District’s Total Pension Liability and total other post-employment benefits were measured as of June 30, 2024 and determined by an actuarial valuation as of July 1, 2022.

Schedule of changes in total pension liability and related ratios:

	2024	2023	2022
Total Pension Liability - beginning	\$ 743,869	\$ 955,776	\$ 1,148,305
Service cost	43,775	39,389	45,342
Interest	27,592	31,923	24,367
Change in accounting principle	-	-	-
Effect of changes to benefit terms	-	(56,779)	-
Diff between expected & actual experience	-	(51,525)	-
Changes of assumptions or other inputs	-	(8,766)	(40,894)
Benefit payments	(103,718)	(166,149)	(221,344)
Total Pension Liability - end of year	<u>\$ 711,518</u>	<u>\$ 743,869</u>	<u>\$ 955,776</u>
Estimated covered payroll	50,827,020	49,108,232	42,850,232
Total pension liability as a percentage of covered payroll	1.40%	1.51%	2.23%

Schedule of Pension Expense and Collective Deferred Inflows and Outflows – For the year ended June 30, 2024, the District’s recognized Pension expense is (\$31,445).

As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 102,277	42,157
Changes in assumptions	64,547	121,957
Deferred outflow / inflow of resources	<u>\$ 166,824</u>	<u>\$ 164,114</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

I. Early Retirement Programs (Continued)

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

Year ended June 30:	Amount
2025	\$ 906
2026	906
2027	906
2028	902
2029	11,883
Thereafter	(12,792)
	<u>\$ 2,711</u>

Sensitivity of the Total Pension Liability to changes in the Discount Rate – the following table presents the Total OPEB Liability of the Early Termination – Stipend Benefits Program, calculated using the discount rate as of the measurement date, as well as what the program’s Total Pension Liability would be if it were calculated using a discount rate that was 1.0% (1 percentage point) lower or higher than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Total Pension Liability	\$ 744,511	\$ 711,518	\$ 679,675

J. Postemployment Medical and Life Insurance Benefits

The District’s postemployment healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, beginning in the fiscal year ending June 30, 2017.

Plan Description - The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postemployment healthcare insurance for eligible retirees and their spouses through the District’s group health insurance plans, which cover both active and retired participants. Benefit provisions are established through negotiations between the District and representatives of collective bargaining units. The District’s postemployment medical plan does not issue a publically available financial report. This program covers the following employee groups:

Administrator – Medical and Life Benefit

Eligibility	Employees who satisfy the Stipend Benefit eligibility noted earlier in this note are eligible for a monthly District contribution toward their hospital/medical insurance premiums.
Life Insurance	Certain Administrative retirees are eligible for \$50,000 of term life insurance until age 65.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

J. Postemployment Medical and Life Insurance Benefits (Continued)

Administrator – Medical and Life Benefit (continued)

Duration	Coverage for retiree and spouse continues until the retiree’s Medicare eligibility. The contribution for Early Out Option retirees ends after 84 months or Medicare eligibility, if earlier.  If the retiree passes away prior to District contribution end, their surviving spouse can elect to continue the District contribution for as long as the retiree would have been eligible.
District Paid Benefit	District contributions continue until Medicare eligibility by the age at either \$270 per month or a pro-rated amount for those participants of the Early Out Option provision.

Licensed (Certified) – Medical and Life Benefit

Eligibility	Employees who satisfy the Stipend Benefit eligibility noted earlier in this note are eligible for a monthly District contribution toward unit member and spouse retiree medical insurance premiums.
Duration	Contribution for retiree and spouse continues until the retiree’ Medicare eligibility.
District Paid Benefit	Retirees receive 56% of the District contribution for a full time employee (\$1,290 for period October 2022 through September 2023). The contribution is prorated if retiring under the Early Out Option.

Classified – Medical and Life Benefit

Eligibility	Employees who satisfy the Stipend Benefit eligibility noted earlier in this note are eligible for a monthly District contribution toward their hospital/medical insurance premiums.
Dependent Eligibility	Spouses of deceased retirees are eligible to receive the District contribution for as long as the retiree would have been eligible, or the spouse’s Medicare eligibility, if earlier.
District Paid Benefit	Option 2 – District-paid monthly contributions of \$375 and Classified Insurance Reserve additional monthly contribution of \$25 for up to 36 months or Medicare eligibility by age, whichever comes first. Employee must retire by June 30, 2026; Option 2 expires June 30, 2029.  Option 3 – Employees age 57 or older with 10 years of consecutive regular employment with the District who are not eligible for regular PERS retirement may choose to have a District-paid monthly contribution (as defined in Option 2 as of the year of payment) paid in any consecutive monthly period from retirement to age 65. Monthly payments may not exceed 36 months. Employee must retire by June 30, 2026; Option 3 expires June 30, 2029.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

J. Postemployment Medical and Life Insurance Benefits (Continued)

Classified – Medical and Life Benefit (continued)

District Paid Benefit (continued)	Classified retirees who elect either option 2 or 3 are ineligible for the stipend benefits described earlier in this note.
-----------------------------------	--

Medicare Carve-Out

All Classes of Retirees	Retiree or Retiree’s spouse or domestic partner qualified for Medicare coverage prior to age 65 because of a disability, will be eligible to receive a monthly reimbursement toward PERS or other supplemental Medicare coverage, not to exceed the amount or duration of the normal District retiree insurance contribution listed above. For Classified retirees, the reimbursement will also factor in the Medicare Part A and Part B premiums.
-------------------------	--

Implicit Medical Benefit

Eligibility	All classes of employees are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage as well.
Duration	Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become eligible).
Benefit Amount	There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. This is due to medical premium rates being determined by blending both active employees and retiree experience.

Summary of Significant Accounting Policies – the Postemployment Medical and Life Insurance Benefits plan is accounted for in the Postemployment Benefits Fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. District contributions, in the form of regular transfers to the Postemployment Benefits Fund, are recognized when due and a formal commitment to provide the contributions has been made as part of the annual adopted budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance, and the District has not established an irrevocable trust (or equivalent arrangement) to address this liability. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Total OPEB Medical and Life Liability – The District’s Total OPEB Medical and Life Liability and total other post-employment benefits were measured as of June 30, 2024 and determined by an actuarial valuation as of July 1, 2022.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

J. Postemployment Medical and Life Insurance Benefits (Continued)

Schedule of changes in total OPEB liability and related ratios

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability - beginning	\$ 14,110,233	\$ 14,099,081	\$ 15,347,875
Service cost	896,879	851,784	1,005,577
Interest	538,638	498,097	352,386
Change in accounting principle	-	-	-
Effect of changes to benefit terms	-	440,349	-
Diff between expected & actual experience	-	523,677	-
Changes of assumptions or other inputs	-	(863,732)	(1,223,035)
Benefit payments	(1,286,843)	(1,439,023)	(1,383,722)
Total OPEB Liability - end of year	<u>\$ 14,258,907</u>	<u>\$ 14,110,233</u>	<u>\$ 14,099,081</u>
Estimated covered payroll	179,687,431	173,611,044	146,629,289
Total OPEB liability as a percentage of covered payroll	7.94%	8.13%	9.62%

Schedule of OPEB expense and collective deferred inflows and outflows – For the year ended June 30, 2024, the District recognized OPEB expense is \$1,097,739.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 520,350	401,180
Changes in assumptions	320,117	2,647,052
Deferred outflow / inflow of resources	<u>\$ 840,467</u>	<u>\$ 3,048,232</u>

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

<u>Year ended June 30:</u>	<u>Amount</u>
2025	\$ (1,246,415)
2026	(146,589)
2027	(306,649)
2028	(306,649)
2029	(201,463)
Thereafter	-
	<u>\$ (2,207,765)</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

J. Postemployment Medical and Life Insurance Benefits (Continued)

Sensitivity of the Total OPEB Medical and Life Liability to changes in Discount and Trend Rates – the following tables present the Total OPEB Liability of the Postemployment Medical and Life Insurance Benefits program, calculated using the discount rate and trend rate as of the measurement date, as well as what the program’s Total OPEB Medical and Life Liability would be if it were calculated using a discount rate or a trend rate that was 1.0% (1 percentage point) lower or higher than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Total OPEB Medical and Life Liability	\$ 15,180,300	\$ 14,258,907	\$ 13,386,979

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Medical and Life Liability	\$ 12,727,905	\$ 14,258,907	\$ 16,061,882

K. Tax Abatements

The following tax abatement agreements, entered into by Lane County, Oregon, impact tax collections for the District. As of June 30, 2024, the District provides tax abatements through the following programs:

Low Income Rental Housing (ORS [307.515 – 307.535](#)):

- In 1989 the Oregon Legislature authorized a property tax exemption for low income housing held by nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within Lane County.

To be eligible for this exemption a nonprofit organization must be a public benefit corporation or a religious corporation, as defined in ORS 65.001, providing housing to low income persons (income at or below 60 percent of the area median income). Nonprofit organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline.

Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.515 to 307.523.

Enterprise Zone (ORS [Chapter 285C](#)):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established through ORS 285C.050 to 285C.250 that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemptions, participating firms are required to meet the program requirements set by state statute and the local sponsor.

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

K. Tax Abatements (Continued)

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

Housing; Multiple-Unit in Core Areas (ORS 307.241 to 307.245):

- This law is in the public's interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any city, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606(2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. This exemption is limited to the tax levy of a city or county that adopts ORS 307.600 to 307.637. This program exempts property taxes for a period of no more than 10 successive years, and the exemption may not include land or any improvements not a part of the multiple-unit housing.

Nonprofit Corporation Housing Assistance (ORS 307.241 to 307.245):

- The purpose of ORS 307.241 to 307.248 is to assist private nonprofit corporations to provide permanent housing, recreational and social facilities, and care to elderly persons. To qualify for this exemption, a corporation must meet all of the requirements of ORS 307.242 to 307.245 and must file an application each year with the county assessor on or before April 1st for the next tax year.

The cost of the exemption is paid primarily by the Oregon State General Fund. On or before October 15th, the Lane County Assessor computes the tax on these properties as if they were not exempt and certifies that amount to the county treasurer and to the Department of Revenue. The department then pays the county treasurer, less 3 percent, by November 15th. If the State General Fund appropriation is not enough to cover all of the property tax it may be proportionally reduced. The nonprofit corporation retains its full property tax exemption and the county governments and other local taxing districts must absorb the portion of the taxes not paid by the state.

For the fiscal year ended June 30, 2024, the District abated property taxes totaling \$2,663,801 under these programs.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Low Income Rental Housing	\$ 909,039
Enterprise Zone	665,495
Housing; Multiple-Unit in Core Areas	1,085,608
Nonprofit Corporation Housing Assistance	3,659
Total	\$ 2,663,801

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

L. Risk Management

The District is exposed to various risks of loss related to torts; theft; or damage to and destruction of assets; errors and omissions and natural disasters. The Insurance Reserve Fund, an internal service fund, reflects the expected liability for unemployment claims and long-term disability claims, as well as current accounts payable for medical and dental, workers' compensation and other insurance premiums. The District is a member of the Special Districts Insurance Services (SDIS) / Property & Casualty Coverage for Education (PACE). PACE is a self-insured risk pool currently operating as common risk management and insurance programs for more than 850 local government entities and more than 200 educational organizations.

As part of this risk pool, the District is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the pool, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the pool being required to pay any claim of loss. The District allows the pool's agents and attorneys to represent the District in investigations, settlements, discussions and all levels of litigation arising out of any claim made against the District within the scope of loss protection furnished by the pool.

The District fully insures for its unemployment claims. The liability includes estimates for incurred, but not reported (IBNR) claims. IBNR claims are those that are incurred through the end of the fiscal year, but not reported until after that date.

The District's long-term disability plan is a premium only plan and has covered all claims incurred after September 1996. The District's workers' compensation and medical insurance are premium only plans. There are no liabilities for claims under these plans, only the current accounts payable for the premiums.

The District self-insures for costs up to policy deductible limit as follows:

- Business Auto (Fleet Liability) is insured after the District pays a self-insured retention of \$25,000 per occurrence.
- Building and Business Personal Property is insured after the District pays a self-insured retention of \$100,000 per occurrence, subject to certain sub-limits by category of property.
- Workers' compensation claims are insured up to \$1,000,000 per claim.
- Public Entity Liability is insured after the District pays a self-insurance retention of \$100,000 per occurrence, subject to certain sub-limits by coverage.

There have been no reductions in insurance coverage from the prior year and no settlements exceeding insurance coverage for the past three years.

Changes in the balance of claims liabilities at the end of the year are as follows:

Unemployment	2022	2023	2024
<b>Accrued claim losses, July 1</b>	\$ 1,915,821	\$ 504,154	\$ 352,693
Claims incurred, including an estimate of claims incurred but not reported	504,154	352,693	972,976
Claims payments	(113,419)	(116,800)	(56,246)
Reduction of accrual	(1,802,402)	(387,354)	(296,447)
<b>Accrued claim losses, June 30</b>	<u>\$ 504,154</u>	<u>\$ 352,693</u>	<u>\$ 972,976</u>

**EUGENE SCHOOL DISTRICT 4J**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

---

**III. Detailed notes on all activities and funds (Continued)**

L. Risk Management (Continued)

Related liabilities recorded in the Internal Service Fund at June 30, 2024 are as follows:

Accrued payroll and related charges	
Unemployment-accrued claim losses	\$ 972,976
Total	<u>972,976</u>

M. Claims and Litigation

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

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

N. Subsequent Events

District is involved in various claims and legal matters relating to its operations which have all been tended to, and are either being adjusted by the District's liability carrier or are being defended by attorneys retained by the District or the District's liability carrier. The status of these matters is uncertain at this time. Any potential loss is also uncertain.

O. Prior Period Adjustment

A prior period adjustment was reported in the governmental activities in the amount of \$238,225 to account for errors in reporting of SBITAs in the prior year.

	6/30/2023 As previously reported	Error Correction	6/30/2024 Restated
Net Position	<u>\$ 18,504,755</u>	<u>\$ 238,225</u>	<u>\$ 18,742,980</u>

**EUGENE SCHOOL DISTRICT NO. 4J**  
**LANE COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION**

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND  
SCHEDULE OF CONTRIBUTIONS  
For the Year Ended June 30, 2024**

**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) (2)	(c) Covered payroll (1)	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.91766886 %	\$ 171,885,674	\$ 133,692,829	128.57 %	81.70 %
2023	0.96785523	148,198,054	115,295,975	128.54	84.50
2022	0.98820421	118,253,258	105,162,393	112.45	87.57
2021	1.03982565	226,925,722	103,347,503	219.58	75.79
2020	1.07607247	186,134,767	99,623,479	186.84	80.23
2019	1.08935666	165,023,186	96,557,767	170.91	82.07
2018	1.11662335	150,521,250	91,493,283	164.52	83.12
2017	1.14553912	171,972,020	87,591,258	196.33	80.53
2016	1.24405605	71,426,997	83,098,293	85.95	91.88
2015	1.30039080	(29,476,149)	79,685,167	-36.99	103.60

**SCHEDULE OF CONTRIBUTIONS**

For Year End	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
2024	\$ 30,066,547	\$ 30,066,547	\$ -	\$ 134,563,900	22.34 %
2023	25,664,622	25,664,622	-	133,692,829	19.20
2022	22,335,292	22,335,292	-	115,295,975	19.37
2021	23,845,710	23,845,710	-	105,162,393	22.68
2020	23,518,638	23,518,638	-	103,347,503	22.76
2019	22,877,197	22,877,197	-	99,623,479	22.96
2018	17,151,660	17,151,660	-	96,557,767	17.76
2017	12,378,824	12,378,824	-	91,493,283	13.53
2016	12,195,391	12,195,391	-	87,591,258	13.92
2015	13,613,624	13,613,624	-	83,098,293	16.38

(1) The amounts presented for each fiscal year use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

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

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE OPEB LIABILITY (ASSET) FOR RHIA AND**  
**SCHEDULE OF CONTRIBUTIONS**  
**For the Year Ended June 30, 2024**

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

Year Ended June 30,	(a) Employer's proportion of the OPEB liability/asset	(b) Employer's proportionate share of the OPEB liability/asset (2)	(c) Covered payroll (1)	(b/c) TOL/(A) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB RHIA liability
2024	0.96140225 %	\$ (3,520,327)	\$ 133,692,829	-2.63 %	194.60 %
2023	0.82854599	(2,944,115)	115,295,975	-2.55	194.60
2022	0.83003151	(2,850,333)	105,162,393	-2.71	183.86
2021	0.88991635	(1,813,295)	103,347,503	-1.75	150.09
2020	0.92359316	(1,784,715)	99,623,479	-1.79	144.38
2019	0.92536468	(1,032,958)	96,557,767	-1.07	123.99
2018	0.89659880	(374,185)	91,493,283	-0.41	108.89
2017	0.89659388	251,450	87,591,258	0.29	94.14

SCHEDULE OF CONTRIBUTIONS

For Year End	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
2024	\$ 2,401	\$ 2,401	\$ -	\$ 134,563,900	0.00 %
2023	18,946	18,946	-	133,692,829	0.01
2022	20,421	20,421	-	115,295,975	0.02
2021	22,209	22,209	-	105,162,393	0.02
2020	63,601	63,601	-	103,347,503	0.06
2019	457,771	457,771	-	99,623,479	0.46
2018	448,112	448,112	-	96,557,767	0.46
2017	448,340	448,340	-	91,493,283	0.49

(1) The amounts presented for each fiscal year use the prior year's data to match the measurement date used by the OPEB plan for each fiscal year.

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

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

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**SCHEDULE OF FUNDING PROGRESS FOR EARLY RETIREMENT PROGRAMS**  
**For the Year Ended June 30, 2024**

---

EARLY RETIREMENT PROGRAMS

EARLY TERMINATION - STIPEND BENEFITS

<u>Actuarial Valuation Date</u>	<u>Actuarial Measurement Date</u>	<u>Total Pension Liability</u>	<u>Covered-Employee Payroll</u>	<u>Total Pension Liability as a Percentage of Covered-Employee</u>
7/1/2022	6/30/2024	\$ 711,518	\$ 50,827,020	1.40%
7/1/2022	6/30/2023	743,869	49,108,232	1.51
7/1/2020	6/30/2022	955,776	42,850,232	2.23
7/1/2020	6/30/2021	1,148,305	41,602,167	2.76
7/1/2018	6/30/2020	1,153,528	43,250,073	2.67
7/1/2018	6/30/2019	1,227,445	41,787,510	2.94
7/1/2016	6/30/2018	993,561	12,169,581	8.16
7/1/2016	6/30/2017	1,155,533	11,815,127	9.78

POSTEMPLOYMENT MEDICAL AND LIFE INSURANCE BENEFITS

<u>Actuarial Valuation Date</u>	<u>Actuarial Measurement Date</u>	<u>Total OPEB Liability</u>	<u>Covered-Employee Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered-Employee Payroll</u>
7/1/2022	6/30/2024	\$ 14,258,907	\$ 179,687,431	7.94%
7/1/2022	6/30/2023	14,110,233	173,611,044	8.13
7/1/2020	6/30/2022	14,099,081	146,629,289	9.62
7/1/2020	6/30/2021	15,347,875	142,358,533	10.78
7/1/2018	6/30/2020	16,257,809	136,933,760	11.87
7/1/2018	6/30/2019	15,226,900	132,303,150	11.51
7/1/2016	6/30/2018	25,199,776	125,726,220	20.04
7/1/2016	6/30/2017	26,034,473	122,064,291	21.33

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.

There are no assets accumulated in a trust to pay related benefits for the pension / OPEB plans.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**LANE COUNTY, OREGON**  
**SUPPLEMENTARY INFORMATION**

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources				
Taxes	\$ 40,246,000	\$ 40,246,000	\$ 40,362,840	\$ (116,840)
Charges for services	5,912,000	5,912,000	6,850,511	(938,511)
Interest earnings	290,000	290,000	1,072,817	(782,817)
Federal sources	665,000	665,000	1,001,106	(336,106)
Total revenues	<u>47,113,000</u>	<u>47,113,000</u>	<u>49,287,274</u>	<u>(2,174,274)</u>
Expenditures:				
Debt service				
Principal	30,193,000	30,193,000	28,590,000	1,603,000
Interest	16,770,000	16,770,000	15,396,895	1,373,105
Total expenditures	<u>46,963,000</u>	<u>46,963,000 (1)</u>	<u>43,986,895</u>	<u>2,976,105</u>
Net change in fund balance	150,000	150,000	5,300,379	5,150,379
Fund balance, beginning of year	<u>2,430,000</u>	<u>2,430,000</u>	<u>4,491,903</u>	<u>2,061,903</u>
Fund balance, end of year	<u>\$ 2,580,000</u>	<u>\$ 2,580,000</u>	<u>\$ 9,792,282</u>	<u>\$ 7,212,282</u>

(1) Appropriation level

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance to Final Budget
<b>Revenues:</b>				
Local sources				
Charges for services	\$ -	\$ -	\$ 514,370	\$ 514,370
Interest earnings	-	-	5,283,403	5,283,403
Miscellaneous	20,000	20,000	356,883	336,883
State sources	800,000	800,000	-	(800,000)
Federal sources	-	-	9,805	9,805
<b>Total revenues</b>	<b>820,000</b>	<b>820,000</b>	<b>6,164,461</b>	<b>5,344,461</b>
<b>Expenditures:</b>				
Instruction	3,458,000	3,458,000 (1)	734,977	2,723,023
Support services	30,409,000	30,409,000 (1)	6,534,912	23,874,088
Enterprise and community services	1,000	1,000 (1)	-	1,000
Facilities acquisition and construction	129,847,000	129,847,000 (1)	31,427,647	98,419,353
<b>Total expenditures</b>	<b>163,715,000</b>	<b>163,715,000</b>	<b>38,697,536</b>	<b>125,017,464</b>
Revenues over (under) expenditures	(162,895,000)	(162,895,000)	(32,533,075)	130,361,925
<b>Other financing sources (uses)</b>				
Transfer in	10,000,000	10,000,000	5,000,000	(5,000,000)
Transfer out	(1,000)	(1,000) (1)	-	1,000
Sale of capital asset	-	-	105,207	105,207
<b>Total other financing sources (uses)</b>	<b>9,999,000</b>	<b>9,999,000</b>	<b>5,105,207</b>	<b>(4,893,793)</b>
Net change in fund balance	(152,896,000)	(152,896,000)	(27,427,868)	125,468,132
Fund balance, beginning of year	152,896,000	152,896,000	133,878,559	(19,017,441)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,450,691</u>	<u>\$ 106,450,691</u>

(1) Appropriation level

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local sources				
Interest earnings	\$ 174,000	\$ 174,000	\$ 344,609	\$ 170,609
Miscellaneous	37,790,000	37,790,000	41,370,592	3,580,592
State sources	<u>200,000</u>	<u>200,000</u>	<u>73,449</u>	<u>(126,551)</u>
Total revenues	<u>38,164,000</u>	<u>38,164,000</u>	<u>41,788,650</u>	<u>3,624,650</u>
Expenditures:				
Instruction	42,548,000	42,548,000 (1)	-	42,548,000
Support services	<u>-</u>	<u>-</u> (1)	<u>43,207,903</u>	<u>(43,207,903)</u>
Total expenditures	<u>42,548,000</u>	<u>42,548,000</u>	<u>43,207,903</u>	<u>(659,903)</u>
Revenues over (under) expenditures	(4,384,000)	(4,384,000)	(1,419,253)	4,284,553
Other Financing Sources, -Uses:				
Transfers in	<u>590,000</u>	<u>590,000</u>	<u>438,653</u>	<u>(151,347)</u>
Total other financing sources (uses)	<u>590,000</u>	<u>590,000</u>	<u>438,653</u>	<u>(151,347)</u>
Net change in fund balance	(3,794,000)	(3,794,000)	(980,600)	2,813,400
Fund balance, beginning of year	<u>11,915,000</u>	<u>11,915,000</u>	<u>16,241,272</u>	<u>4,326,272</u>
Fund balance, end of year	<u>\$ 8,121,000</u>	<u>\$ 8,121,000</u>	<u>\$ 15,260,672</u>	<u>\$ 7,139,672</u>

(1) Appropriation level

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**CUSTODIAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources				
Extra curricular	\$ 1,350	\$ 1,350	\$ -	\$ (1,350)
Private donations	171,417	171,417	40,011	(131,406)
Miscellaneous	7,379	7,379	-	(7,379)
State sources	56,022	56,022	-	(56,022)
Total revenues	<u>236,168</u>	<u>236,168</u>	<u>40,011</u>	<u>(196,157)</u>
Expenditures:				
Instruction	124,130	124,130 (1)	19,305	104,825
Support Services	112,038	112,038 (1)	-	112,038
Enterprise and community services	-	- (1)	48,718	(48,718)
Total expenditures	<u>236,168</u>	<u>236,168</u>	<u>68,023</u>	<u>168,145</u>
Net change in fund balance	-	-	(28,012)	(28,012)
Fund balance, beginning of year	-	-	272,157	272,157
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,145</u>	<u>\$ 244,145</u>

(1) Appropriation level

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**SCHEDULE OF PROPERTY TAXES TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED**  
**For the Year Ended June 30, 2024**

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2023	Tax Collections	Discounts and Adjustments	Total
2023-2024	\$ 155,678,667	\$ 148,142,277	\$ (4,452,604)	\$ 3,083,786
2022-2023	2,458,716	1,011,759	(378,219)	1,068,738
2021-2022	999,370	343,578	(115,530)	540,262
2020-2021	563,141	248,698	(54,220)	260,223
2019-2020	187,577	109,134	6,708	85,151
2018-2019, & Prior	532,362	48,002	(57,754)	426,606
	<u>\$ 160,419,833</u>	<u>\$ 149,903,448</u>	<u>\$ (5,051,619)</u>	<u>\$ 5,464,766</u>

	Total
<b>SUMMARY OF PROPERTY TAX REVENUE</b>	
Tax collection shown above	\$ 149,903,448
Less prior year accrual	(325,725)
Add current year accrual	380,143
Payments in lieu of tax and other adjustments	490,663
Total tax revenue (budgetary basis)	<u>\$ 150,448,529</u>
GENERAL FUND	\$ 4,120,107
DEBT SERVICE FUND	1,344,659
Total	<u>\$ 5,464,766</u>

**EUGENE SCHOOL DISTRICT NO. 4J**  
**EUGENE, OR**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

Program Title	Pass-Through Entity Number	AL Number	Expenditures	Passed Through To Subrecipients
<b>U.S. Department of Education</b>				
<b>Office of Elementary and Secondary Education</b>				
Indian Education Formula Grants to Local Educational Agencies	S060A201100	84.060A	\$ 2,534	\$ -
Indian Education Formula Grants to Local Educational Agencies	S060A201100	84.060A	138,439	-
<b>Subtotal Office of Elementary and Secondary Education</b>			<b>140,973</b>	<b>-</b>
<b>Passed Through Oregon State Department of Education</b>				
<b>Title 1 Grants to Local Educational Agencies</b>				
Title 1: Grants to Local Educational Agencies	66900	84.010	31,562	-
Title 1D: Grants to Local Educational Agencies	73057	84.010	174	-
Title 1D: Grants to Local Educational Agencies	75151	84.010	194,365	106,626
Title 1: Grants to Local Educational Agencies	67962	84.010	8,995	2,354
Title 1: Grants to Local Educational Agencies	76472	84.010	3,339,342	81,417
Title 1: Grants to Local Educational Agencies	72507	84.010	1,175,069	-
<b>Subtotal Title 1 Grants to Local Educational Agencies</b>			<b>4,749,507</b>	<b>190,397</b>
<b>Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At Risk</b>				
Neglected and Delinquent State Agency and Local Educational Agency Program	35407	84.013	17,267	-
<b>Supporting Effective Instruction State Grants</b>				
Supporting Effective Instruction State Grants - Class Size Reduction	76669	84.367	407,787	-
Supporting Effective Instruction State Grants - Class Size Reduction	72704	84.367	550,619	-
Supporting Effective Instruction State Grants - Class Size Reduction	67400	84.367	-	-
<b>Subtotal Supporting Effective Instruction State Grants</b>			<b>958,406</b>	<b>-</b>
<b>English Language Acquisition State Grants</b>				
English Language Acquisition State Grants	73089	84.365	28,843	-
English Language Acquisition State Grants	76976	84.365	53,419	-
<b>Subtotal English Language Acquisition State Grants</b>			<b>82,262</b>	<b>-</b>
<b>Student Support and Academic Enrichment Program</b>				
Student Support and Academic Enrichment 17-19	72901	84.424	273,818	-
Student Support and Academic Enrichment 20-21	66756	84.424	83,472	-
<b>Subtotal Student Support and Academic Enrichment Program</b>			<b>357,290</b>	<b>-</b>
<b>Elementary and Secondary School Emergency Relief Fund (ESSER)</b>				
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19)	64807	84.425D	40,000	-
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19)	75942	84.425D	40,885	-
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19)	64880	84.425D	17,337,096	1,035,894
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant (COVID-19) Unfinished Learning Portion (COVID-19)	77605	84.425D	261,501	-
<b>Subtotal ESSER</b>			<b>17,679,482</b>	<b>1,035,894</b>
<b>Governors Emergency Education Relief Fund (GEER)</b>				
Local Education Agency Elementary & Secondary School Emergency Relief Fund Grant Unfinished Learning Portion (COVID-19)	69288	84.425C	11,024	-
ARP ESSER Homeless Children and Youth (COVID-19)	69341	84.425C	85,152	-
<b>Subtotal GEER</b>			<b>96,176</b>	<b>-</b>
<b>Total Education Stabilization Fund</b>			<b>17,775,658</b>	<b>1,035,894</b>
<b>Career and Technical Education - Basic Grants to States (Perkins IV)</b>				
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	3,998	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	9,393	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	8,374	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	7,849	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	6,428	-
Grants and Programs for Career and Technical Education - Perkins (Passed through Lane ESD)	NA	84.048	29,672	-
<b>Subtotal Career and Technical Education - Basic Grants to States</b>			<b>65,714</b>	<b>-</b>
<b>Twenty-First Century Community Learning Centers</b>				
Twenty-First Century Community Learning Centers (Cohort 4 Year 2)	77605	84.287	119,179	-
Twenty-First Century Community Learning Centers (Cohort 4 Year 3)	68784	84.287	-	-
<b>Subtotal Twenty-First Century Community Learning Centers</b>			<b>119,179</b>	<b>-</b>
<b>Education Research</b>				
Freshman Success Research Grant (Passed through University of Oregon)	19927	84.305A	-	-

<b>IDEA Cluster</b>				
<b>Special Education - Grants to States (IDEA, Part B)</b>				
IDEA Part B, Section 611	74011	84.027	1,157,634	-
IDEA Part B, Section 611	68615	84.027	2,220,554	-
IDEA Equipment and Supplies	75311	84.027	15,037	-
<b>Subtotal Special Education - Grants to States (IDEA, Part B)</b>			<b>3,393,225</b>	<b>-</b>
<b>Special Education - Preschool Grants (IDEA Preschool)</b>				
IDEA Part B, Section 619 - Preschool	77776	84.173	8,128	-
IDEA Part B, Section 619 - Preschool	74203	84.173	31,967	-
<b>Subtotal Special Education - Preschool Grants (IDEA Preschool)</b>			<b>40,095</b>	<b>-</b>
<b>Total IDEA Cluster</b>			<b>3,433,320</b>	<b>-</b>
<b>Rehabilitation Services - Vocational Rehabilitation Grants to States</b>				
Youth Transition Program (Passed through DHS)		84.126	30,956	-
Youth Transition Program (Passed through DHS)	162392	84.126	235,772	-
			<b>266,728</b>	<b>-</b>
<b>Total U.S. Department of Education</b>			<b>27,966,304</b>	<b>1,226,291</b>
<b>U.S. Department of Transportation</b>				
<b>Highway Planning and Construction</b>				
Student Traffic Safety Program (Passed through Lane Council of Governments)	24-095	20.205	181,919	-
<b>Total U.S. Department of Transportation</b>			<b>181,919</b>	<b>-</b>
<b>U.S. Department of Health and Human Services</b>				
<b>Promoting Safe and Stable Families</b>				
Family Resource ctr II Lane County CCF (Passed through Lane County, Oregon)	N/A	93.556	1,200	-
Family Resource ctr II Lane County CCF (Passed through Lane County, Oregon)	N/A	93.556	2,541	-
			<b>3,741</b>	<b>-</b>
<b>Foster Care Student Transportation</b>				
Foster Care Student Transportation Reimbursement	81,312	93.658	17,234	-
<b>Total U.S. Department of Health and Human Services</b>			<b>20,975</b>	<b>-</b>
<b>U.S. Department of Agriculture</b>				
<b>Passed through Oregon State Department of Education</b>				
<b>Child Nutrition Cluster</b>				
<b>School Breakfast Program (SBP)</b>				
School Breakfast Program - USDA Commodities (Noncash Assistance)	NA	10.555	466,340	-
School Breakfast Program	NA	10.553	1,184,331	-
Commodity SFSP	NA	10.559	1,549	-
<b>Subtotal School Breakfast Program (SBP)</b>			<b>1,652,220</b>	<b>-</b>
<b>National School Lunch Program (NSLP)</b>				
National School Lunch Program	NA	10.555	3,275,180	-
National School Lunch Program (COVID-19)	NA	10.649	127,940	-
<b>Subtotal National School Lunch Program (NSLP)</b>			<b>3,403,120</b>	<b>-</b>
<b>Fresh Fruit and Vegetable Program</b>				
Fresh Fruit and Vegetable Program - Howard Elementary	78582	10.582	15,165	-
Fresh Fruit and Vegetable Program - Howard Elementary	74983	10.582	3,856	-
Fresh Fruit and Vegetable Program - McCormack	78583	10.582	13,661	-
Fresh Fruit and Vegetable Program - McCormack	74984	10.582	766	-
Fresh Fruit and Vegetable Program - Holt	78581	10.582	18,132	-
Fresh Fruit and Vegetable Program - Holt	74981	10.582	2,996	-
Fresh Fruit and Vegetable Program - El Camino	78584	10.582	19,240	-
Fresh Fruit and Vegetable Program - El Camino	74985	10.582	1,683	-
Fresh Fruit and Vegetable Program - Chavez	78580	10.582	20,840	-
Fresh Fruit and Vegetable Program - Chavez	74982	10.582	3,000	-
Fresh Fruit and Vegetable Program - Adams	78578	10.582	10,532	-
Fresh Fruit and Vegetable Program - Awbrey Park	78579	10.582	9,623	-
<b>Subtotal Fresh Fruit and Vegetable Program</b>			<b>119,494</b>	<b>-</b>
<b>Total Child Nutrition Cluster</b>			<b>5,174,834</b>	<b>-</b>
<b>Child and Adult Care Food Program (CACFP)</b>				
Child and Adult Care Food Program	NA	10.558	152,879	-
CACFP - USDA Commodities (Noncash Assistance)	NA	10.558	7,298	-
<b>Subtotal Child and Adult Care Food Program (CACFP)</b>			<b>160,177</b>	<b>-</b>
<b>Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs</b>				
Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs - COVID-19	NA	10.649	6,180	-
<b>Total U.S. Department of Agriculture</b>			<b>5,341,191</b>	<b>-</b>
<b>Total Federal Expenditures</b>			<b>\$ 33,510,389</b>	<b>\$ 1,226,291</b>
<b>Reconciliation of Federal Expenditures to Federal Revenue</b>				
<b>Federal revenue reported above</b>			\$ 33,510,389	
<b>Federal revenue not required to be reported in this schedule:</b>				
Qualified School construction bond subsidy			1,001,106	
Miscellaneous federal revenue			9,798	
<b>Total revenue from federal sources</b>			<b>\$ 34,521,293</b>	

**EUGENE SCHOOL DISTRICT NO. 4J**  
**LANE COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED**  
**BY OREGON STATE REGULATIONS**



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

December 17, 2024

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Eugene School District 4J as of and for the year ended June 30, 2024, and have issued our report thereon dated December 17, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### **Compliance**

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of 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 Eugene School District 4J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. Expenditures exceeded appropriations as noted on page 25 of the report.
2. During our testing of bids/quotes process for the District, we noted two instances where the District did not perform bidding or quoting procedures.
3. During our testing of the District's teacher experience reporting, we noted two instances where the experience reported for a teacher was inaccurate.

## **OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

We noted matters involving the internal control structure and its operations we consider to be significant deficiencies and material weaknesses under standards established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Questioned Costs.

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

*Tara M Kamp, CPA*

Tara M Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

**EUGENE SCHOOL DISTRICT NO. 4J**  
**LANE COUNTY, OREGON**  
**GRANT COMPLIANCE**



**PAULY, ROGERS, AND Co., P.C.**  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

December 17, 2024

To the Board of Directors  
Eugene School District 4J  
Lane County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eugene School District 4J as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 17, 2024.

**Report on Internal Control over Financial Reporting**

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs noted as FS-2024-001 to be a significant deficiency.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses noted as FS-2024-02, FS-2024-03, FS-2024-04, FS-2024-05.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*.

## **Entity's Response to Findings**

The entity's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.



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

December 17, 2024

To the Board of Directors  
Eugene School District 4J  
Lane 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 Eugene School District 4J's 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, 2024. 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, Eugene School District 4J 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, 2024.

***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 Eugene School District 4J 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.

***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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses and significant deficiencies in internal control over compliance may exist that were not identified.

*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 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.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

EUGENE SCHOOL DISTRICT 4J  
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2024

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiency(s) identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Any GAGAS audit findings disclosed that are required to be reported reported in accordance with section 515(d)(2) of the Uniform Guidance?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

**FEDERAL AWARDS**

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Significant deficiency(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

**IDENTIFICATION OF MAJOR PROGRAMS**

<b><u>AL NUMBER</u></b>	<b><u>NAME OF FEDERAL PROGRAM CLUSTER</u></b>
84.027, 84.173	IDEA Cluster
84.425	Elementary and Secondary Education

Dollar threshold used to distinguish between type A and B programs	\$1,005,312
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

EUGENE SCHOOL DISTRICT 4J  
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**FS-2024-001 – SIGNIFICANT DEFICIENCY**

CONDITION: We noted the District is not regularly reconciling PERS expenditures and the related liability.

CRITERIA: PERS expenditures and the related liability should be regularly reconciled.

EFFECT: Without proper controls over reconciliation, there exists the possibility of a misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District regularly reconciles PERS expenditures and the related liability.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and has implemented a quarterly reconciliation of PERS expenditures and the related liability accounts.

**FS-2024-002 – MATERIAL WEAKNESS**

CONDITION: During our testing of accounts payable at year end, we noted multiple errors where expenditures were allocated to the incorrect fiscal year. The amounts noted resulted in a material misstatement to year end Accounts Payable as well as Capital Assets. The District made subsequent corrections.

CRITERIA: Balance sheet accounts should be accurately reported in accordance with Generally Accepted Accounting Principles.

EFFECT: Without proper controls over balance sheet accounts there exists the possibility of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District reconcile year end balance sheet accounts in accordance with Generally Accepted Accounting Principles.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will implement a year end closing process to identify the correct fiscal year for invoice payment processing and posting.

**FS-2024-003 – MATERIAL WEAKNESS**

CONDITION: During our testing of payroll liabilities at year end, we noted a material misstatement in the PERS liability. The District made subsequent corrections.

CRITERIA: Balance sheet accounts should be accurately reported in accordance with Generally Accepted Accounting Principles.

EFFECT: Without proper controls over balance sheet accounts there exists the possibility of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District reconcile year end balance sheet accounts in accordance with Generally Accepted Accounting Principles.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and has implemented a quarterly reconciliation of the PERS expenditures and the related liability accounts.

**FS-2024-004 – MATERIAL WEAKNESS**

CONDITION: During our testing of deferred revenue at year end, we noted a material misstatement in the deferred revenue reported. The District made subsequent corrections.

CRITERIA: Balance sheet accounts should be accurately reported in accordance with Generally Accepted Accounting Principles.

EFFECT: Without proper controls over balance sheet accounts there exists the possibility of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District reconcile year end balance sheet accounts in accordance with Generally Accepted Accounting Principles.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and will direct staff to complete recommendation.

**FS-2024-005 – MATERIAL WEAKNESS**

CONDITION: During our testing of subscription based information technology arrangements (SBITAs), we noted the District made prior period adjustments related to the reporting in the long term debt and capital assets.

CRITERIA: SBITAs should be accurately reported in accordance with Generally Accepted Accounting Principles.

EFFECT: Without proper controls over SBITAs there exists the possibility of a material misstatement to the financial statements.

CAUSE: The District experienced significant turnover in the finance office.

RECOMMENDATION: We recommend that the District reconcile year end SBITAs in accordance with Generally Accepted Accounting Principles.

VIEWS OF RESPONSIBLE OFFICIALS: The Director of Financial Services is aware of this condition and recommendation and has added staff to develop and administer additional processes to accurately identify, record and report SBITA information.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV – PRIOR YEAR FINDINGS**

FS-2023-001- MATERIAL WEAKNESS

CONDITION: The District conducted multiple journal entries that were materially misstated and the mistakes were not caught by the District. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-002-MATERIAL WEAKNESS

CONDITION: The District’s bank reconciliations presented multiple misstatements; the combination of all misstatements resulted in a material misstatement. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-003-MATERIAL WEAKNESS

CONDITION: The District only maintains an electronic excel document for their bank reconciliations which can be edited anytime. The District made subsequent corrections without updating documentation of timing of preparation and review. This type of documentation does not allow the Auditors to determine when the reconciliation was prepared and reviewed and does not provide sufficient audit evidence to determine if the reconciliation was completed in accordance with good internal control procedures.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-004-MATERIAL WEAKNESS

CONDITION: The District’s fiscal year end property tax revenues, receivables and related deferred revenues were misstated. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-005-MATERIAL WEAKNESS

CONDITION: The District’s prepaid expenditures were misstated at fiscal year end. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-006-MATERIAL WEAKNESS

CONDITION: The District’s payroll liabilities were misstated at fiscal year end. The District made subsequent corrections.

CURRENT STATUS: This finding was repeated in the current audit.

FS-2023-007-MATERIAL WEAKNESS

CONDITION: The District's deferred revenues were misstated at fiscal year end. The District made subsequent corrections.

CURRENT STATUS: This finding was repeated in the current audit.

FS-2023-008-SIGNIFICANT DEFICIENCY

CONDITION: The District's accounts receivable was misstated at fiscal year end. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-009-SIGNIFICANT DEFICIENCY

CONDITION: The District's inventory was misstated at fiscal year end. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-010-SIGNIFICANT DEFICIENCY

CONDITION: The District's accrued compensated absences were misstated at fiscal year end. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-011-SIGNIFICANT DEFICIENCY

CONDITION: The District did not report all of the subscription based information technology arrangements in the implementation of GASB Statement. No. 96.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-012-SIGNIFICANT DEFICIENCY

CONDITION: The District submitted inaccurate 941 forms to the IRS. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

FS-2023-013-SIGNIFICANT DEFICIENCY

CONDITION: The District did not conduct regular reconciliations of PERS expenditures and related liability.

CURRENT STATUS: This finding was repeated in the current audit.

SA-2023-001 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: The schedule of federal expenditures should report pass through amounts for grants to sub-recipients.

CONDITION: The District misstated the pass through amounts to sub-recipients for this program. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

SA-2023-002 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: The schedule of federal expenditures should report all expenditures related to a federal grant.

CONDITION: The District misstated the expenditures for this grant on the schedule of expenditures of federal awards. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

SA-2023-003 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.027 and 84.173 IDEA Cluster

SPECIFIC REQUIREMENT: The schedule of federal expenditures should report all expenditures related to a federal grant.

CONDITION: The District misstated the expenditures for this grant on the schedule of expenditures of federal awards. The District made subsequent corrections.

CURRENT STATUS: Appears to have been corrected in the current year.

SA-2023-004 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: The grant should properly report items in correct categories of expenditures.

CONDITION: The District reported significant amount of items as equipment and real property that should not have been reported as such.

CURRENT STATUS: Appears to have been corrected in the current year.

SA-2023-005 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: Recipients and sub-recipients that use ESF funds for remodeling, renovation or construction projects that are over \$2,000 and use laborers and mechanics must meet Davis-Bacon prevailing wage requirements.

CONDITION: The District did not collect the certified payroll reports from the contractors during the year under audit.

CURRENT STATUS: Appears to have been corrected in the current year.

## **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES**

### **1. BASIS OF PRESENTATION**

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

### **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 entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.



**PAULY, ROGERS AND Co., P.C.**  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcpcpas.com

December 17, 2024

To the Board of Directors  
Eugene School District 4J  
Lane County, Oregon

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eugene School District 4J for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Purpose of the Audit**

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

### **Our Responsibility under U.S. Generally Accepted Auditing Standards and the Uniform Guidance**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

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, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic

Pauly, Rogers and Co., P.C.

financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Planned Scope and Timing of the Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

### **Results of Audit**

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found exceptions requiring comment as noted on page 71 of the report.
3. Federal Awards – We found no instances of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management letter – We noted items considered to be significant deficiencies and material weaknesses as noted in the schedule of findings and questioned costs.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the financial statements are the actuarial estimate of the District’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits. Other sensitive estimates affecting the basic financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Pauly, Rogers and Co., P.C.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, there were misstatements detected as a result of audit procedures and corrected by management that were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Required Supplementary Information*

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

#### *Supplementary Information*

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine

Pauly, Rogers and Co., P.C.

that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

### *Other Information*

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Matters – Future Accounting and Auditing Issues**

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

#### **GASB 101 – COMPENSATED ABSENCES**

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

**GASB 102 – CERTAIN RISK DISCLOSURES**

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

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



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.



December 13, 2024

Oregon Secretary of State  
Audits Division  
255 Capitol St. NE, Suite #180  
Salem, OR 97310

**Plan of Action for Eugene School District 4j**

Eugene School District 4j respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2024. The audit was completed by the independent auditing firm Pauly, Rogers and Co., P.C. and reported the deficiencies listed below. The plan of action was adopted by the members of the governing body at their meeting on January XX, 2025, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

1. Deficiency #1 – FS-2024-001

- a. Significant Deficiency – We noted the District is not regularly reconciling PERS expenditures and the related liability.

RECOMMENDATION: We recommend that the District regularly reconciles PERS expenditures and the related liability.

- b. The Director of Financial Services has implemented a quarterly reconciliation of PERS expenditures and the related liability accounts to identify potential inaccuracies or misreporting.
- c. This was implemented as of December 2024.

2. Deficiency #2 – FS-2024-002

- a. Material Weakness – During our testing of accounts payable at year-end, we noted multiple errors where expenditures were allocated to the incorrect fiscal year. The amounts noted resulted in a material misstatement to year end Accounts Payable as well as Capital Assets. The District made subsequent corrections.

RECOMMENDATION: We recommend that the District reconcile year-end balance sheet accounts in accordance with Generally Accepted Accounting Principles.

- b. The Director of Financial Services is updating the year-end closing process to identify the correct fiscal year for invoice payment processing and posting.
- c. Procedures updated in December 2024 and training of the new process will be implemented in May 2025 with ongoing training.

3. Deficiency #3 – FS-2024-003
  - a. Material Weakness – During our testing of payroll liabilities at year end, we noted a material misstatement in the PERS liability. The District made subsequent corrections.  
RECOMMENDATION: We recommend that the District reconcile year-end balance sheet accounts in accordance with Generally Accepted Accounting Principles.
  - b. The Director of Financial Services has implemented a quarterly reconciliation of PERS expenditures and the related liability accounts to identify inaccuracies or misreporting.
  - c. This was implemented as of December 2024.
4. Deficiency #4 – FS-2024-004
  - a. Material Weakness – During our testing of deferred revenue at year end, we noted a material misstatement in the deferred revenue reported. The District made subsequent corrections.
  - b. RECOMMENDATION: We recommend that the District reconcile year-end balance sheet accounts in accordance with Generally Accepted Accounting Principles.
  - c. The Director of Financial Services has added staff and implemented a cross training program to ensure finance staff have an understanding of year-end processes and reporting.
  - d. This was implemented in December 2024 with ongoing training.
5. Deficiency #5 – FS-2024-005
  - a. Material Weakness – During our testing of subscription-based information technology arrangements (SBITAs), we noted the District made prior period adjustments related to the reporting in the long term debt and capital assets.  
RECOMMENDATION: We recommend that the District reconcile year-end SBITAs in accordance with Generally Accepted Accounting Principles.
  - b. The Director of Financial Services has added staff to develop and administer additional processes to accurately identify, record and report SBITA information as per GASB requirements.
  - c. This was implemented as of September 2024

\_\_\_\_\_  
Board Chair, Jenna Jonak

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Superintendent, Colt Gill

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Director of Finance, Matt Brown

\_\_\_\_\_  
Signature



**ITEM FOR FUTURE ACTION (First Read)**

**Date of Meeting**

January 22, 2025

**Title**

Support for state capital (lottery) funds for local projects benefiting students.

**Presenter**

Jenny Jonak, Board Chair

**Requested Amount of Time to Present**

10 Minutes

**Background or Description**

A local county and city partnership focused on improving access to arts and recreation is seeking support for a Legislative request for state capital (lottery funds) to be allocated to a project in Eugene to build accessible pickleball courts for use by individuals of all ages.

**Recommendation**

The superintendent recommends the Board direct the District to write a letter of support for state capital (lottery) funds for local projects benefiting students.



# Introducing **CoRAA** Lane County's New Best Friend!

*Completing Equitable Community Assets; Supporting Economic Development, Recreation and Cultural Spaces for all Lane County Residents and Visitors*

## **A Haven for the Arts, Athletics, and Culture**

Lane County, Oregon has earned its reputation as a destination for world-class recreation, athletics, and arts and cultural enrichment.

Extending from the Pacific Ocean to the Cascade Mountains, Lane County includes a dazzling array of microclimates, natural wonders, and communities with their own distinct identities, histories and charm. Simply put, it's among the most beautiful, vibrant, and culturally unique places on earth, and as such, Lane County has always been and remains a destination for lovers of outdoor recreation, athletics and culture.

## **A United Front: The Coalition Responds**

*The State of Oregon has a history of funding coalitions featuring projects that share a common focus. Simply put, coalitions work. So the members of Lane County CoRAA had an idea -- why not approach the State to seek lottery funding to complete all of their projects?*

## **Dedicated to Quality of Life, Welcoming to Visitors**

Communities throughout Lane County are proud to offer wonderful, healthy and enriching activities and amenities for their residents and visitors.

Of course, access to such opportunities is certainly not routine or automatic; it takes the constant and diligent efforts of dedicated organizations and individuals, as well as the investment of countless county residents.

## **The Coalition Takes Shape**

Early in 2023, several such non-profits banded together to pool their efforts and resources to secure state lottery funding to com-

plete some of the most exciting projects that Lane County has ever seen.

The Lane County Coalition Of Recreation, Arts and Athletics (CORAA) features organizations whose signature projects have the potential to bolster health, wellness and culture in local communities for generations. Each has worked tirelessly to complete a project or build a facility with the potential to transform its community, though fundraising challenges have still made their biggest projects seem out of reach.

And yet, the power and potential of cooperation has each of these organizations believing that success may finally be in sight.

**SEE PAGE 2 FOR INFORMATION ABOUT OUR PARTNER ORGANIZATIONS AND THEIR SIGNATURE PROJECTS**



**Feel free to contact Jon Stinnett of Lund Development Solutions with any requests for additional information:**

email: <sup>119</sup> [jon@lunddevelopmentsolutions.com](mailto:jon@lunddevelopmentsolutions.com)  
phone: 541-731-9284

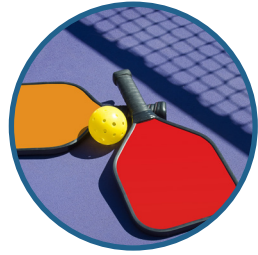
## EUGENE PARKS FOUNDATION / SUZANNE ARLIE PARK TRAILHEAD AND ACCESS ROAD

This project entails trailhead and access improvements including: Safety improvements to the park access road; new ~85-spot parking lot with four ADA-compliant spaces; a new trailhead with amenities including a small picnic shelter and picnic tables, bike racks, port-a-potty enclosures, kiosks with directional and informational signage, seating, and lighting.



## EMERALD VALLEY PICKLEBALL FOUNDATION / 24-COURT PICKLEBALL FACILITY

This state-of-the-art pickleball facility at LCC will cater to the public's need for the fastest growing sport in America and become a regional draw. Supporters envision an expansive outdoor facility featuring 24 state-of-the-art pickleball courts (10 of which are covered to allow for play in nearly all types of weather).



## LANE COUNTY PARKS / ADA BOAT RAMP AT HOWARD BUFORD PARK

The access site at Howard Buford Recreation Area will feature a trailhead, pathway, and adaptive launch that was designed for ADA accessibility and wheelchair access. The unloading zone will have two accessible parking spaces at the trailhead with one providing the width and length for a van or small bus.



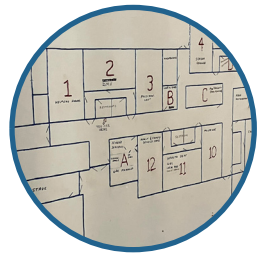
## BOHEMIA FOUNDATION, CITY OF CG / NORTH END IMPROVEMENTS AT BOHEMIA PARK

The plans for the next stage of evolution at Bohemia Park aim to appropriately utilize its north corner. Amenities will include: additional trees, splash pad and playground equipment, pavilion/outdoor classroom, columns that pay tribute to CG's history, replica water tower/digital events sign, and a second set of restrooms.



## CITY OF OAKRIDGE / WILLAMETTE ACTIVITY CENTER RENOVATION

Willamette Activity Center supporters are committed to restoring the building, welcoming back many of its previous tenants and hosting a turnkey disaster response community center and Emergency Operations Center. This includes fundraising and construction for exterior improvements and the construction of remaining portals to house the previously co-located essential services.



## SHELTON MCMURPHEY JOHNSON HOUSE / GARDEN TERRACE

A 5400 square foot outdoor deck will provide a stunning view of downtown. Benches will provide seating, and most importantly – the SMJ House could host the kind of gatherings that create lifetime memories and bring Eugene's history back to life for generations.



## FROZEN ICE SPORTS / NEW ROOF AT THE LANE ICE CENTER

Lane County, which owns the building that houses the rink, has earmarked \$1.3 million to make seismic upgrades there. Pairing those upgrades with a new roof could set the stage for decades of continued community use of the rink and ongoing growth of the popularity of ice sports in the Eugene-Springfield area for generations.





Jan. 17, 2025

Dear Oregon Legislators and Members of the Ways and Means Subcommittee on Capital Construction,

**I am writing to express my enthusiastic support for the proposed public pickleball complex on the Lane Community College campus.** As the Executive Director of the Eugene Education Foundation (EEF), I represent an organization dedicated to supporting all 16,000 students in the 4J School District.

This school year, EEF funded a comprehensive pickleball program that reaches 6,849 elementary students across all 19 elementary schools in our district. The program includes a rotating equipment system that allows schools to share resources efficiently, complete with lesson plans and training in partnership with the Emerald Valley Pickleball Club.

Pickleball has proven to be a remarkable equalizer in our community. It's a low-barrier sport that families can enjoy with minimal cost, requiring no expensive private lessons or advanced skills to begin playing. **What makes pickleball truly special is its inclusive nature – it's one of the few sports where children with special needs or those using wheelchairs can actively participate alongside their peers,** leading to meaningful connections and reduced social isolation.

The success of our elementary school program has revealed one significant challenge: the lack of adequate court facilities. **The proposed 24-court Regional Pickleball Complex at LCC would be transformative for our community,** creating a space where our students and their families can continue their pickleball journey beyond the school day.

The Emerald Valley Pickleball Foundation has demonstrated outstanding community support, having already raised nearly enough funds to begin construction. They've partnered with respected local non-profits to seek state support for projects that are close to completion and need just a final push to cross the finish line.

**I urge you to support this initiative that will make pickleball accessible to our entire community. Your backing would help create a lasting resource that promotes physical activity, social connection, and inclusive recreation for generations to come.**

Thank you for your thoughtful consideration of this important project.

Sincerely,

Laura Brown

Executive Director

Eugene Education Foundation



## **ITEM FOR ACTION (Second Read)**

### **Date of Meeting**

January 22, 2025

### **Title:**

Approve Resolution #2025-01 Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students and Staff

### **Presenter:**

Carmen Xiomara Urbina, Chief of Staff

### **Description of Presentation / Background:**

The Board was introduced to Resolution #20250-01 Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students and Staff as an Item For Action At A Future Meeting (First Read) at their January 15, 2025 Board Meeting.

Superintendent Gill provided an overview of the proposed resolution reaffirming the Eugene School District 4J's unwavering commitment to fostering a safe, inclusive, and equitable environment for all students and staff. It focuses on affirming the identities and contributions of lesbian, gay, bisexual, transgender, queer, questioning, two-spirit, intersex, asexual, and other identities (LGBTQ2SIA+), ensuring they feel valued, celebrated, and empowered within the district.

The resolution highlights the district's recognition of the systemic barriers and inequities historically faced by LGBTQ2SIA+ individuals and outlines the district's proactive measures to create environments of belonging, equity, and success.

The resolution confirms that Eugene School District 4J aligns with the [Oregon Department of Education's LGBTQ2SIA+ Student Success Plan](#), which provides a framework for addressing barriers to success for LGBTQ2SIA+ students, staff, and families, and commits to creating schools and workplaces where every individual feels welcome, seen, valued, and supported.

The resolution reaffirms the Eugene School District 4J Board of Directors is committed in words and actions that every student has access to resources and supports they need to thrive in school and that Every Student Belongs. Ensuring every student experiences a safe, inclusive, and affirming school environment where their unique identities are celebrated and cherished as essential to the community's strength and unity.

The Oregon Department of Education recognizes that student health and safety are the cornerstone of education and that all students are entitled to a high-quality educational experience, free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability, or national origin, and without fear or hatred, racism or violence. All staff and leaders are also entitled to work in environments that are free from discrimination or harassment, and visitors should be able to participate in school activities without fear for their safety.

### **Options and Alternatives**

To be discussed.

### **Recommendation**

School districts can welcome and affirm student and staff identity by modeling the use of inclusive language, encouraging the proactive creation of safe and affirming spaces, and engaging in honest and authentic dialogue with students and staff on who they are and how best to serve their needs.

The board chair may request a motion to adopt Resolution #2025-01.



**Resolution #2025-01**  
**Affirming Gender Identity, Expression, and Equity for Transgender and Gender-  
Expansive Students and Staff**

***Preamble***

The Eugene School District 4J is dedicated to building a school community where each and every individual is welcomed, appreciated, valued, and empowered to thrive. At the heart of this commitment is our recognition of the inherent dignity, humanity, and worth of all students and staff, including those who identify as lesbian, gay, bisexual, transgender, queer or questioning, two-spirit, intersex, asexual, and other identities (LGBTQ2SIA+).

We stand in solidarity with our communities, honoring their diversity, courage, and contributions as essential to the vibrancy and success of our schools.

We acknowledge that LGBTQ2SIA+ people have historically faced—and continue to face—systemic discrimination, exclusion, and harm. Eugene School District 4J stands resolute in seeking to dismantle all vestiges of discrimination and exclusion and to foster environments where every person feels affirmed, supported, and seen.

This resolution is a declaration of support, equity, justice, and love. It is a commitment to ensuring that our schools and programs are places where LGBTQ2SIA+ students and staff can fully express who they are without fear and where their identities are respected and celebrated as a source of strength and unity.

We reject any attempt to diminish, politicize, or marginalize these identities, and we affirm that diversity is a strength that enriches every aspect of our community.

As educators, leaders, and advocates, we believe in taking visible actions to protect and uplift LGBTQ2SIA+ students, families, and staff. Through inclusive policies, affirming practices, and visible symbols of pride and solidarity, we pledge to create schools where all individuals — **inclusive of their gender identity, expression, and/or sexual orientation**—know they belong. This resolution is a call to action and reflects our values as a district.

Eugene School District 4J stands with our LGBTQ2SIA+ students, families, and staff today and always. Together, we commit to building a future where everyone can thrive in a community rooted in love, equity, inclusion, and belonging.

**To honor these commitments and solidify our dedication to equity, inclusion, and belonging, the Board of Directors of the Eugene School District 4J hereby adopts the following resolution:**

**WHEREAS**, Eugene School District 4J (“the District”) is committed to providing a free, equitable, and affirming education to each and every student, consistent with Oregon state laws including ORS 329.025, ORS 339.115, and ORS 339.347(3);

**WHEREAS**, the District is committed to providing an equitable and affirming work environment to each and every staff member, consistent with Oregon state laws including ORS 419A.260, ORS 419A.262, ORS 659A.030 and ORS 659A.030;

**WHEREAS**, public schools in Oregon must comply with all federal and state laws prohibiting discrimination, including ORS 659.850, whose purpose is to ensure equity in educational programs and activities;

**WHEREAS**, the District unequivocally rejects any effort to diminish, politicize, or label the identities of students, their families, and staff members as controversial or divisive, affirming that diversity is a profound strength that enriches the district’s schools and aligns with its mission and core values;

**WHEREAS**, the District acknowledges and affirms the humanity, dignity, and inherent worth of each and every student, their family, and staff member, emphasizing that respectful communication and behavior are fundamental even when perspectives differ, and commits to fostering an environment where mutual respect and thoughtful dialogue are central;

**WHEREAS**, the District acknowledges the principle of intersectionality, recognizing that systems of oppression rooted in historical inequities create compounding barriers for individuals based on intersecting identities such as race, gender, sexual orientation, disability, and socioeconomic status;

**WHEREAS**, the District stands in solidarity with LGBTQ2SIA+ communities, honoring their resilience and invaluable contributions by pairing visible symbols of pride with comprehensive actions, policies, and resources that foster belonging, equity, and success; and by recognizing that these affirmations of solidarity—through diverse and affirming symbols displayed in school environments—create an assurance of safety, inclusion, and support for students, staff, and families;

**WHEREAS**, the District commits to supporting students by implementing initiatives such as inclusive curriculum, equity-focused programs, affinity spaces, and comprehensive student services that promote belonging, mental health, and academic success in safe and affirming school environments that honor the dignity and identity of every student; and

**WHEREAS**, the District further commits to supporting staff by actively affirming the dignity and worth of all staff through equity-driven professional development, inclusive workplace practices, culturally responsive recruitment and retention strategies, and fostering an inclusive culture that celebrates and affirms all identities; and

**WHEREAS**, the District aligns with the Oregon Department of Education’s LGBTQ2SIA+ Student Success Plan, which provides a framework for addressing barriers to success for LGBTQ2SIA+ students and families, and commits to creating schools where every individual feels welcome, seen, valued, and supported; and

**WHEREAS**, the District recognizes that systemic racism, sexism, ableism, and other forms of discrimination and exclusion persist within our society, and commits to implementing proactive measures to eliminate inequities and ensure unconditional belonging for all members of the school community;

**THEREFORE, BE IT RESOLVED, that Eugene School District 4J:**

1. **Reaffirms the principles of Every Student Belongs**, ensuring every student experiences a safe, inclusive, and affirming school environment where their unique identities are celebrated and cherished as essential to the community’s strength and unity.
2. **Commits to implementing equity policies and practices** that actively dismantle barriers to inclusion and working tirelessly to ensure every student, family, and staff member is empowered to thrive.
3. **Rejects any effort to diminish or politicize student, family, or staff identities**, affirming that diversity is a profound strength that enriches our schools and reflects the District’s unwavering mission and values.
4. **Encourages meaningful engagement with families and communities**, ensuring all voices are heard and honored with love, respect, and a genuine commitment to inclusion and belonging, even when perspectives differ.
5. **Incorporates an equity lens into decision-making**, evaluating all policies and practices for their impact on equity, inclusion, and belonging, and ensuring every decision reflects the District’s shared commitment to fairness and compassion.
6. **Develops annual updates**, sharing progress on equity initiatives in the District designed to foster transparency, trust, and a shared sense of purpose within the community.

**BE IT FURTHER RESOLVED, that the Eugene School District 4J Board of Directors:**


- **Directs that District practices reflect the District’s steadfast dedication to equity, inclusion, and belonging**, creating environments where every student, family and staff member feels seen, heard, valued, and supported.
- **Commits to seeking data, input from student and staff surveys, and public reporting** to measure the success of these commitments and build accountability to our community.

- **Affirms that every student, family and staff member is honored, celebrated, and uplifted, fostering a community rooted in mutual respect, shared humanity, and unconditional love for all who call the District home.**

This Resolution is intended to be consistent with the District's legal obligations under federal and state law. Accordingly, this Resolution shall be interpreted as not to violate any requirement of federal or state law.

We pass this Resolution in recognition of our belief that each and every student, family, and staff member deserves to be supported, loved, and protected. This commitment extends to ensuring that all students, families, and staff members are valued and empowered within our school communities.

Adopted this 22nd day of January 2025 by the Board of Directors for the Eugene School District 4J.

  
\_\_\_\_\_  
Jenny Jonak, Board Chair  
Board of Directors, Eugene School District 4J



**ITEM FOR ACTION (Second Read)**

**Date of Meeting**

January 22, 2025

**Title:**

Approve revisions to Policy JBC – Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students

**Presenter:**

Carmen Xiomara Urbina, Chief of Staff

**Description of Presentation / Background:**

The revisions to Policy JBC–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students were presented to the Board at their January 15, 2025 Board Meeting as an Item For Action At A Future Meeting (First Read).

The policy reinforces Eugene School District 4J’s commitment to providing a safe, inclusive, and equitable learning environment for all students, regardless of their gender identity or expression. It aligns with federal and state laws, as well as district policies, to ensure that transgender and gender-nonconforming students are treated with dignity, respect, and fairness.

The policy emphasizes the district’s responsibility to protect students from discrimination, exclusion, and harassment while affirming their rights to access educational opportunities fully and authentically.

**Summary:**

Staff respectfully request that the Board approve the revisions made to Policy JBC–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students.

Policy JBC–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students has been part of the district’s policy manual since 2015.

Code:	JBC
Adopted:	5/20/15
Revised/Readopted	11/28/18; <del>XX/XX/XX</del>
Orig. Code(s):	JBC

**Proposed Revisions Format:**

Revised content presented in **RED Font**;  
Deleted content presented in **GREEN Font**;  
Continuing policy content in **BLACK Font**

**Options and Alternatives:**

The Board may choose to approve revisions to Policy JBC–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students as proposed and adopt the new version of the policy. The Board may choose to direct staff to make further revisions.

The Board has the authority to approve a policy on the “First Read” should they choose to do so. The Board has the authority to approve a policy on the “First Read” should they choose to do so

**Recommendation**

The superintendent recommends the Board approve revisions to Policy JBC–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Students.

## Eugene School District 4J

Code: JBC  
Adopted: 5/20/15  
Readopted: 11/28/18; XX/XX/XX  
Orig. Code: JFG

### **Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Student** ~~Transgender and Gender Nonconforming Students~~

~~Oregon law and Board policies require equal opportunity and prohibit~~ The District believes that every student has a legal right to a welcoming, safe, and inclusive learning school environment, free from exclusion, discrimination, harassment, ~~sexual harassment, intimidation, bullying, and intimidation. cyberbullying or hazing of all student including transgender and gender nonconforming students.~~ In accordance with Law, administrative rules, and Board policies, the District is committed to ensuring equal educational opportunities for all students who are transgender or gender nonconforming. No student should be subjected to discrimination or denied full access to the District's educational programs and activities on the basis of their gender identity or expression.

The District is unwavering in its commitment to all students' physical, psychological, and emotional safety. This includes students whose gender identity or expression differs from their assigned gender at birth. Every student will be treated with dignity, and their gender identity and expression will be fully respected, supported, and affirmed within a safe and inclusive school environment.

The superintendent ~~or designee is responsible for developing~~ shall develop and implement appropriate administrative regulations, procedures, ~~and/or~~ guidelines to:

1. Create ~~and maintain~~ a welcoming, safe, and inclusive ~~environment~~ school environment ~~climate~~ for every student.
2. ~~to Promote-~~ Foster the physical and psychological ~~safety well-being~~ of students who ~~exhibit gender nonconforming behavior~~ are transgender or gender nonconforming.
3. ~~to~~ Affirm the right of every student to an equal educational opportunity and ~~to the~~ respectful treatment ~~of students~~ in alignment with their gender ~~of identification~~ identity and expression.

END OF POLICY

---

#### Legal Reference(s):

~~Oregon Department of Education, Guidance to Districts: Creating a Safe and Supportive School Environment for Transgender Students, May 5, 2016~~

ORS 174.100

ORS 332.107  
ORS 332.107  
ORS 339.347  
ORS 339.356  
ORS 659.850  
OAR 581-021-0045  
OAR 581-021-0046  
OAR 581-022-2310  
OAR 581-022-2312  
OAR 581-022-2308

Title IX of the Education Amendments Act of 1972, 20 USC Section 1681 et seq.; 34 CFR Part 106 (2024)

### **Cross-References**

AC – Nondiscrimination  
ACB – Bias Incidents and Hate Symbols  
JB – Equal Educational Opportunity  
JBA/GBN – Sexual Harassment  
JFCF – Bullying, Harassment, Intimidation  
Oregon Department of Education, Supporting Gender Expansive Students – Guidance for Schools (2023).



**ITEM FOR ACTION (Second Read)**

**Date of Meeting**

January 22, 2025

**Title:**

Approve new Policy GBAA–Affirming Gender Identity, Expression, and Equity for Transgender and Gender–Expansive Staff

**Presenter:**

Carmen Xiomara Urbina, Chief of Staff

**Description of Presentation / Background:**

New Policy GBAA–Affirming Gender Identity, Expression, and Equity for Transgender and Gender–Expansive Staff was presented to the Board at their January 15, 2025 Board Meeting as an Item For Action At A Future Meeting (First Read).

The policy reflects Eugene School District 4J’s dedication to creating a supportive, inclusive, and equitable work environment where all staff members feel affirmed and valued in their gender identity and expression. It emphasizes the district’s compliance with federal and state anti-discrimination laws and its commitment to fostering a workplace culture that celebrates diversity and equity.

The policy aims to ensure that transgender, gender-nonconforming, and gender–expansive staff members are protected from discrimination, harassment, and exclusion and are fully supported in their roles within the district.

**Summary:**

Staff respectfully request that the Board approve the newly proposed Policy GBAA–Affirming Gender Identity, Expression, and Equity for Transgender and Gender–Expansive Staff.

Policy GBAA–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Staff would be added to the district’s policy manual upon adoption by the Board.

Code: GBAA  
Adopted: XX/XX/XX  
Orig. Code(s): GBAA

**Proposed Revisions Format:**

Proposed/Revised content presented in **RED Font**;

Deleted content presented in **GREEN Font**;

Continuing policy content in **BLACK Font**

**Options and Alternatives:**

The Board may choose to adopt Policy GBAA–Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Staff as presented. The Board may choose to direct staff to make further revisions.

**Recommendation**

The superintendent recommends the Board adopt proposed Policy GBAA–Affirming Gender Identity, Expression, and Equity for Transgender and Gender–Expansive Staff

# EUGENE SCHOOL DISTRICT 4J

**CODE:** GBAA  
**Adopted:** XX/XX/XX

## **Affirming Gender Identity, Expression, and Equity for Transgender and Gender-Expansive Staff**

Eugene School District 4J is committed to creating and maintaining a work environment where every staff member is respected, supported, and affirmed in their gender identity and expression. Staff who identify or express themselves differently than their gender assigned at birth must not experience discrimination, harassment, exclusion, or any other form of inequitable treatment.

The Law and District policy prohibit discrimination, harassment, and exclusion on the basis of gender identity and expression. These protections and principles are consistent with the District’s commitment to providing supportive, inclusive, and equitable environments for staff. The District honors and upholds the rights of staff to live and work authentically in accordance with their gender identity and expression.

The Superintendent or designee shall develop and implementing appropriate administrative regulations, procedures, or guidelines, in alignment with this policy and applicable laws, to ensure a welcoming, safe, and inclusive work environment for all employees. This includes affirming each staff member’s gender identity and expression, addressing barriers to equity, and actively fostering a workplace culture free from discrimination, harassment, or exclusion.

END OF POLICY

---

### **Legal References:**

ORS 174.100	ORS 332.107	ORS 243.317 to .323
ORS 659.850	ORS 659A.003 to .006	ORS 659A.030
ORS 659A.375	OAR 581-021-0045	

Title VII of the Civil Rights Act of 1964, 42 USC Section 2000e  
Title IX of the Education Amendments Act of 1972, 20 USC Section 1681 et seq., 34  
CRF Part 106 (2024)  
*Bostock v. Clayton County*, 590 U.S. 644 (2020)

### **Cross References:**

AC – Nondiscrimination  
ACB – Bias Incidents and Hate Symbols  
GBEA – Workplace Harassment  
GBA – Equal Employment Opportunity  
GBN/JBA – Sexual Harassment



## **ITEM FOR ACTION (Second Read)**

### **Date of Meeting**

January 22, 2025

### **Title**

Approve support for HB 2992 – The “Students See Clearly Act” creating a statewide program designed to provide optometric services and prescription eyeglasses at no cost to the student or their families.

### **Presenter**

Judy Newman, Board Director, Legislative Committee  
Colt Gill, Interim Superintendent

### **Requested Amount of Time to Present**

5 Minutes

### **Background or Description**

This was originally presented as an Item for Action at a Future Meeting at the Regular Board Meeting held on January 15, 2025.

This school year Eugene 4J School District partnered with Vision to Learn (a nonprofit organization providing free eye exams and glasses to students. The District and Vision to Learn worked together to provide a demonstration site at César E. Chávez Elementary School.

Vision to Learn worked with Joy Maxwell and the District Nurse Team and Kevin Gordon and the Chávez Team to coordinate with the vision screening and attain family permissions for 68 free eye exams. This resulted in delivery of 52 pairs of glasses for students. District, City, County, and State elected officials all participated in delivering glasses to our students at Chávez.

House Majority Leader Ben Bowman has introduced HB 2992 – The “students See Clearly Act” that will create a statewide program designed to provide optometric services and prescription eyeglasses at no cost to the student or their families by directing the Oregon Department of Education and the Oregon Health Authority to jointly establish and implement a program that provides eye examinations and prescription eyeglasses to students from low-income families. Rep. Lively and Senators Manning and Prozanski have signed on as co-sponsors for the bill. Representatives Fragala and Nathanson are taking sponsorship into consideration.

Under the Students See Clearly Act, each student will:

- Receive a vision screening at school and those identified with a need through the screening will have their eyes examined by a licensed optometrist aboard a mobile vision clinic;
- Select their own eyeglasses, chosen from a wide range of popular styles and colors which are individually fitted at school three weeks later; and
- Have lost or broken eyeglasses replaced for the life of the prescription.

HB 2992 would bring eye exams and glasses to many more students in 4J, the county, and across the state who need vision support:

- 1 in 4 students have vision challenges
  - Over 85% of these students are children of color
  - Nearly 90% of these students experience poverty
- Much of a student's learning in elementary school is through vision
- 95% of 1st graders in low-income communities who need glasses do not have them

Support from the Board would be shared with the Legislature to advocate for passage of the bill. The sponsors and advocates would appreciate a letter of support or written testimony in support. The program is designed to:

- Complement Oregon's commitment to students which currently provides vision screenings to identify students with vision challenges;
- Bring the eye exam and glasses directly to the school — eliminating access barriers that keep students from getting the glasses they need;
- Be administered by both OHA and ODE (OHA would 'lead'). They will create a grant program and solicit inquiries via an RFP process. Non-profit organizations can apply to provide the services. In the end, only non-profits capable of providing the service 'in schools' using certified professional optometrists will be eligible to be awarded funds;
- Be scaled up, or start as small as a school district of the coverage area of a CCO;
- Maximize the amount of federal funds and private philanthropy dollars available to keep the cost to the state at a low-cost per student estimated at less than \$200; and
- Learn from the experience of a nonprofit organization working in 14 different states that has successfully put 500,000 kids in prescription glasses — but also hopes to attract other organizations to serve these kids at school.

### **Recommendation**

The superintendent recommends the Board signal support for HB 2992 – The “students See Clearly Act” ensuring that all underserved Oregon students who go to school every day without the glasses they need to see to learn effectively will be provided with an eye exam and new prescription glasses, free of charge. And, assign a member to work with staff to write a letter or testimony reflecting the Board's support.



## ITEM FOR ACTION AT A FUTURE MEETING (First Read)

### Date of Meeting

January 22, 2025

### Title

Consider for Approval the Proposed Revisions to Board Policy DI–Financial Management Policies

### Presenter

Matt Brown, Director of Financial Services and Colt Gill, Interim Superintendent

### Background:

During the Budget adoption process last spring the Board requested that the Superintendent initiate a board discussion and approval of an updated reserve policy this fall, prior to the next Budget adoption process.

In an effort to maintain best practices and financial management policies, revisions have been made to Policy DI–Financial Management Policies.

The director of finance in collaboration with the Superintendent proposes the following revisions:

- Updated language to include School Board financial reports on a quarterly basis along with General Fund forecasting.
- Simplifying language in relation to the budget process and presentation of the budget by the Superintendent to the School Board and Budget Committee.
- Updated language in relation to Financial Statements being completed by end of year with additional language outline better direction if that does not happen.
- Clarifying language of Reserve Funds, Contingency Funds, and Unappropriated funds.
- Updating language to the General Fund reserve policy. Current language is 5%, recommendation from staff is to increase to 8%.
- Revenue Policies, Capital Improvement Policies, Intergovernmental Revenue Policies, Debt & Investment Policies, and Organizational policies are unchanged.

### Summary:

As a result of these changes, recommendations include to *delete* or *rescind* the current Policy DI and reassign some policy content to a **new** Policy DI in the policy manual.

Staff respectfully request that the Board **delete** the current Policy DI and adopt the revised **new** Policy DI–Financial Management Policies.

Policy DI–Financial Management Policies has been part of the district’s policy manual since 1990.

Code: DI  
Adopted: 1/17/90  
Revised/Readopted 4/15/92; 5/22/13; 2/14/18; ~~XX/XX/XX~~

**Proposed Revisions Format:**

Revised content presented in **RED Font**;  
Deleted content presented in **GREEN Font**;  
Continuing policy content in **BLACK Font**

**Options and Alternatives:**

The Board may choose to accept proposed revisions to DI–Financial Management Policies. The Board may wish to direct staff to make further revisions.

The Board has the authority to approve a policy on the “First Read” should they choose to do so

**Recommendation**

The superintendent recommends the Board approve proposed revisions to Board Policy DI–Financial Management Policies.

# Financial Services

Jan 22 - Board Meeting

Presentation Roadmap

❖ Policy DI Updates

## Purpose & Goals

- Simplify language & terminology
- Re-establishing standards and best practices
- Removing unnecessary language
- Ensure financial stability for the future

# POLICY DI - Financial Mgmt Policies



1. Resource Planning and Allocation Policies
2. Accounting & Financial Policies
3. Revenue Policies
4. Capital Improvement Policies
5. Intergovernmental Revenue Policies
6. Debt & Investment Management Policies
7. Organizational Policies

# POLICY DI - Financial Mgmt Policies



## 1. Resource Planning and Allocation Policies

- Reinforcing current practices
  - Quarterly reports to Superintendent & Board focused on informing, educating and communicating financial stability.
  - Semiannually updating the financial forecast for the General Fund highlighting resource and expense requirements to make better financial decisions.
- Removing unnecessary & confusing language
  - Roles and purpose of the budget committee
  - Budget preparation process

# POLICY DI - Financial Mgmt Policies



## 2. Accounting & Financial Policies

- Added language and processes for audit communication with the School Board and Oregon Dept of Education.
- Added language to strengthen definitions and intended use of Reserve Funds, Contingency Funds and Unappropriated Funds.
- Reinforces language for flexibility of changes in reserve amounts in the future by the board.

# POLICY DI - Financial Mgmt Policies



**“RESERVES”**

## Contingency

Appropriated for use, just need to transfer where additional needs are. Board would approve a resolution.

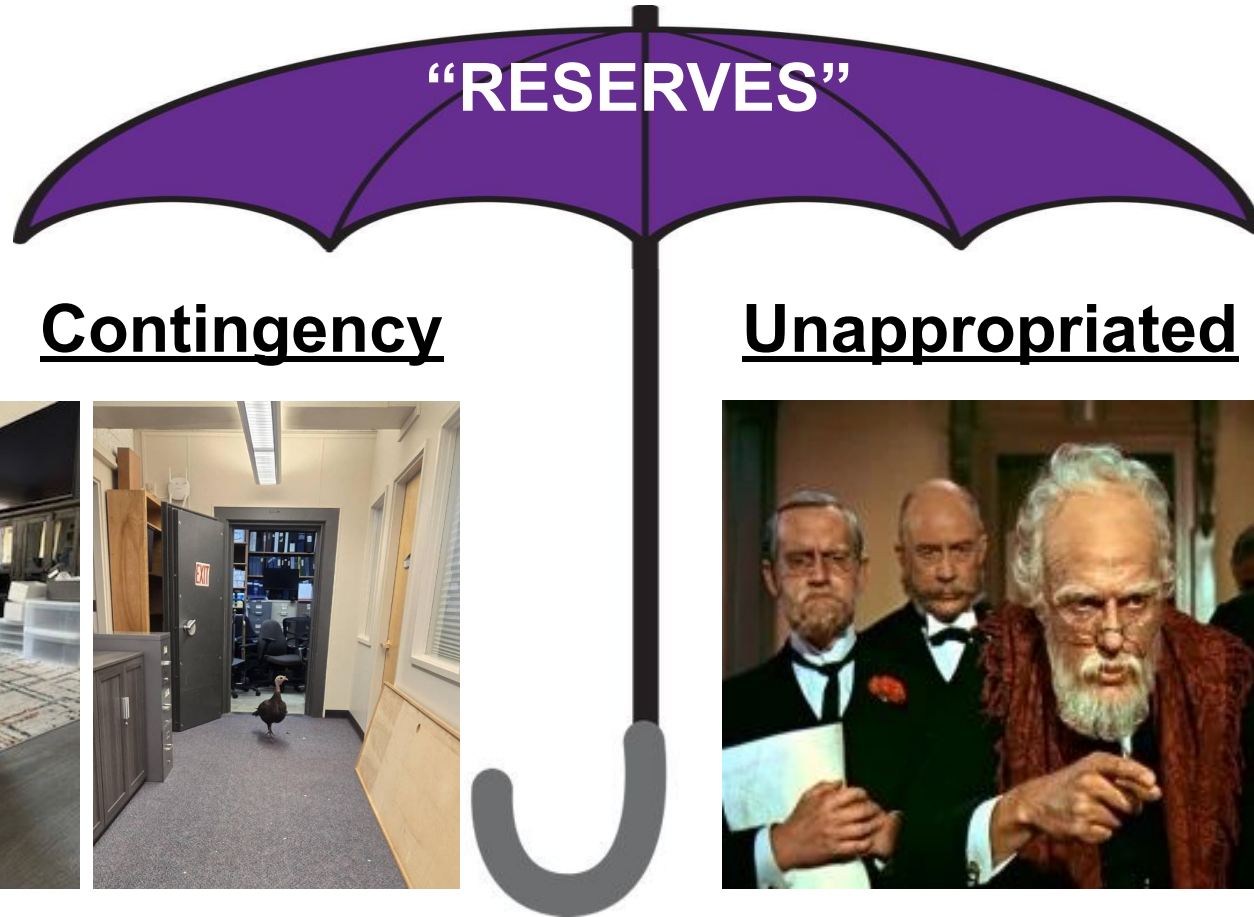
Similar to your “savings” account that you can use when unexpected expenses happen.

## Unappropriated

Legally, you cannot use these funds unless there is a declaration of emergency and the School Board also approves a resolution.

Similar to an “outside” account that you own, but it takes more steps and approval to move funds to spend.

# POLICY DI - Financial Mgmt Policies



“RESERVES”

Contingency

Unappropriated



# POLICY DI - Financial Mgmt Policies



**“RESERVES”**

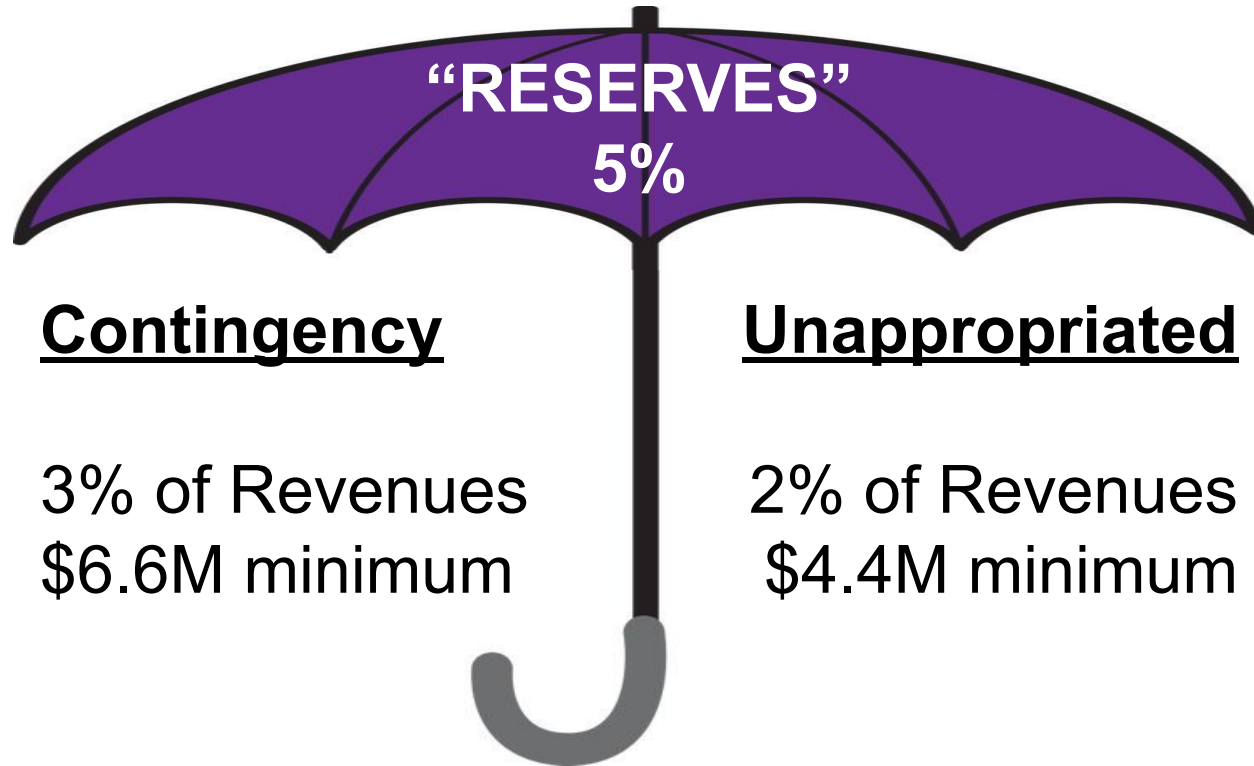
## Contingency

- Increase appropriations after a union agreement with higher than originally budget costs.
- Repairing a roof leak from a winter storm.

## Unappropriated

- COVID - unanticipated emergency & natural disasters
- When you want to “guarantee” a beginning fund balance for next year. Used to save funds for a future year.

# POLICY DI - Financial Mgmt Policies



## Contingency

3% of Revenues  
\$6.6M minimum

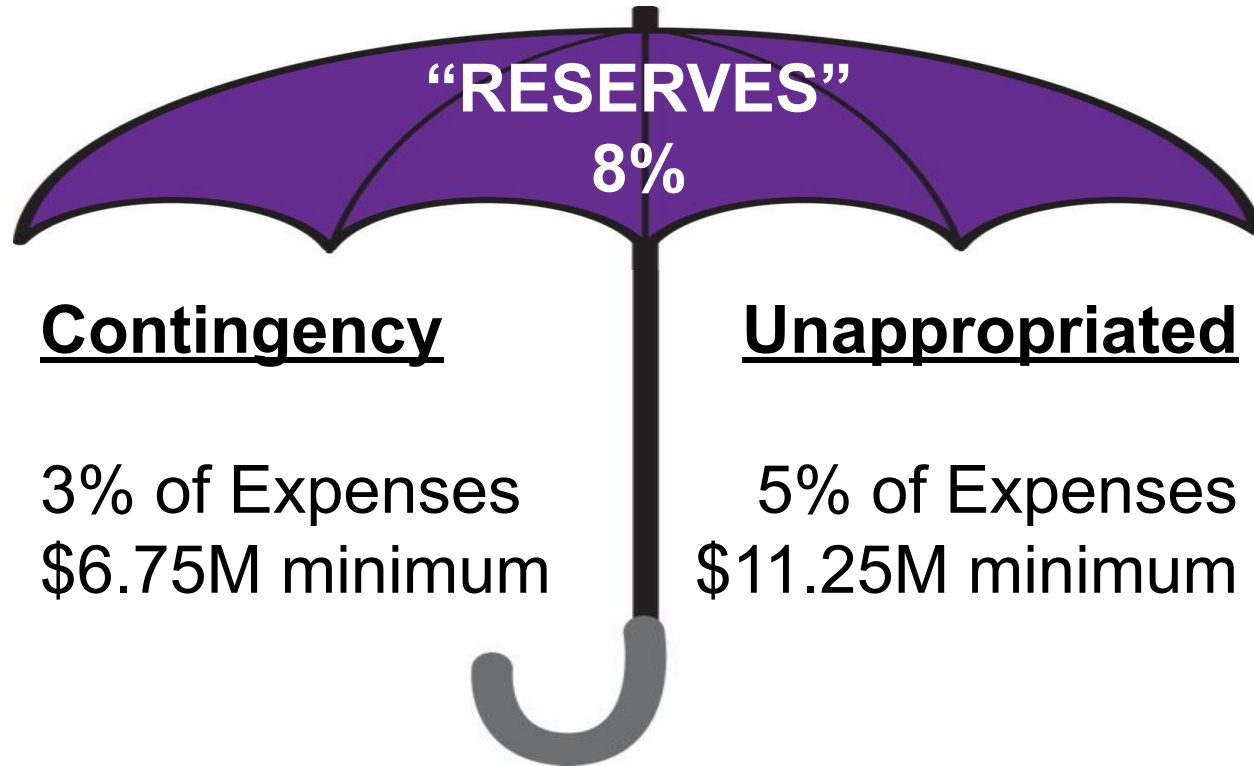
**5% = \$11 Million  
Policy Minimum**

## Unappropriated

2% of Revenues  
\$4.4M minimum

**\$22.7 Million  
Current Budget**

# POLICY DI - Financial Mgmt Policies



**8% = \$18 Million**  
**Policy Minimum**



## Policy DI Questions & Discussion

# Eugene School District 4J

Code: \_\_\_\_\_ DI  
Adopted: \_\_\_\_\_ 1/17/90  
Revised/Readopted: 4/15/92; 5/22/13; 2/14/18  
Orig. Code: \_\_\_\_\_ DI; 6120

## Financial Management Policies

### Resource Planning and Allocation Policies

1. On a semiannual basis the district forecasts General Fund resources and operational requirements over a rolling five year period. Annually, as part of the budgeting process for the district, the Superintendent presents the most recent forecast to the budget committee and Board for review and consideration. This forecast highlights resource and requirement considerations that will inform the development of the superintendent's proposed budget for the following year and for their financial planning activities.
2. The superintendent's proposed budget will build off of the General Fund five year forecast presented to the budget committee and Board, incorporate operating and capital budgets managed through other funds, and respond to current district goals and policies and other long range plans and needs of the district.
3. Operating and capital budgets will be proposed by the superintendent and approved by the budget committee consistent with the following criteria:
  - a. The physical safety of students and employees;
  - b. Instructional services that meet the needs of all students;
  - c. Support services to efficiently manage the human, financial, capital, facility and information resources of the district;
  - d. Development of new capital assets to meet enrollment changes or otherwise improve the safety, efficiency or quality of district instructional services. It is the responsibility of the superintendent, budget committee and Board to balance these criteria during the development, review and adoption of the annual budget.
4. The district's education program must be responsive to enrollment changes and the changing needs of the community and its students. To respond to these changes, a portion of the operating budget may be reserved each year for staffing adjustments, new programs under development and research and development.
5. Depending on the needs and resource of the district, reserve funds may be established and continually funded to address the replacement of technology, capital assets and curriculum. The superintendent will recommend funding levels and mechanisms for each established fund as part of the annual budget process.

## Accounting and Financial Practices Policies

1. The district will maintain an accounting and financial reporting system that conforms to Generally Accepted Accounting Principles (GAAP) adopted by the Government Accounting Standards Board (GASB), the Program Budgeting and Accounting Manual issued by the Oregon Department of Education and Oregon local budget law. A Comprehensive Annual Financial Report (CAFR) will be issued by the district no later than December 31st of each year.

2. The Board will establish funds as needed to support effective and efficient service delivery. The budget committee and the Board will review each fund annually as the budget is prepared and reviewed. If certain funds are not found to enhance the district's services or financial goals, they will be restructured or eliminated.

### 3. Reserve Funds

The Board may establish one or more reserve funds to hold moneys to be accumulated and expended for the purpose of financing the cost of any service, project, property or equipment. The Board shall review established reserve funds annually and determine whether the fund will be continued or abolished, as part of the budget process.

### 4. Contingency Funds

The Board requires each fund to maintain an appropriate contingency account to meet unanticipated requirements that may occur during the budget year. Cash reserves and fund balances will be consistent with generally accepted accounting practices and local budget law.

A contingency appropriation is typically used to address unexpected one-time program costs, new program or legislative requirements not known at the time of budget adoption and emergency situations. Funding for programs or operations that require ongoing support will be addressed during the budget development process for the next year.

The Board must approve all actions to reduce, increase or re-appropriate a contingency appropriation based on the needs of the district. The Board's authority is limited to the currently adopted budget and the budget for the following fiscal year.

The targeted contingency for the General Fund is two percent of the operating budget. The district will review other funds for contingency and cash reserve requirements to ensure that each fund has sufficient reserves and a positive balance at year end, as required by local budget law.

### 5. General Fund Balance

#### a. Purpose

The purpose of this policy is to establish a key element of the financial stability of the district by setting guidelines for the General Fund balance. The district will maintain a minimum ending fund balance in the General Fund in order to provide stable services and employment and to offset cyclical or unforeseen variations in revenues and expenditures without

~~borrowing. The minimum ending fund balance also provides cash flow liquidity for the district's general operations.~~

~~b. Definitions~~

~~Fund balance is defined as the excess of assets of a fund over its liabilities and reserves.~~

~~c. Budget~~

~~As a part of the budget process, the district will project general fund operating revenues and ending fund balances for the ensuing four fiscal years in its General Fund financial forecast.~~

~~The budgeted unappropriated ending fund balance (UEFB) may not be spent or appropriated during the fiscal year in which it is budgeted.~~

~~d. Minimum~~

~~The district will maintain a minimum General Fund ending fund balance of five percent of current year annual operating revenues excluding transfers between funds. The fund balance takes into consideration revenue and expenditure volatility and other district needs. The minimum ending fund balance is comprised of the General Fund UEFB plus two-thirds of the contingency for the ensuing year.~~

~~e. Exceptions~~

~~The Board may approve a temporary reduction in the General Fund minimum ending fund balance during the budget process, along with a plan to rebuild the ending fund balance to the targeted five percent level within five years. The superintendent will update the Board on the financial condition of the district and present the Board with financial options and a timeline to replenish the fund balance. Should the ending fund balance exceed the five percent target, a plan for one-time use of the additional amount may be considered by the Board.~~

~~f. Breach~~

~~The superintendent will advise the Board if at any time the General Fund ending fund balance unexpectedly falls below or is projected to fall below the targeted five percent. If during any fiscal year district revenues are projected to be less than anticipated, the Superintendent and Board will review expenditures, transfers, and the projected ending fund balance for possible mid-year adjustment through resolution or a supplemental budget. The Board may decide to use a portion of the projected ending fund balance maintained within the general fund contingency to stabilize services. When such a determination is made, the Board will adopt a plan to rebuild the ending fund balance to the five percent targeted level within five years.~~

~~g. The district will review other funds for contingency and cash reserve requirements to ensure that each fund has sufficient reserves and a positive balance at year end, as required by local budget law.~~

~~h. Reporting Fund Balances in accordance with GASB Standards~~

This policy establishes the procedures for reporting funds balances in the financial statements. Certain commitments and assignments of fund balance help ensure that there will be adequate financial resources to protect the district against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

The policy also authorizes and directs Financial Services to prepare financial reports which accurately categorize fund balance as per GASB Standards.

There are five separate components of fund balance, each of which identify the extent to which the district is bound to honor constraints on the specific purpose for which amounts may be spent:

- (1) — Nonspendable (including but not limited to inventory and prepaid expenditures);
- (2) — Restricted (externally restricted);
- (3) — Committed (self-imposed limitations set in place by resolution of the Board);
- (4) — Assigned (intent for specific use);
- (5) — Unassigned (available for any purpose).

The Board established order in which fund balances will be spent when multiple fund balance types are available for a specific purpose is committed, assigned, and lastly unassigned. The superintendent or designee shall establish and maintain procedures for determining if resources would meet the definition of assigned.

The Board, as the district's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specific use through the same type of formal action taken to establish the commitment.

Amounts that are constrained by the district's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the superintendent for the purpose of reporting these amounts in the annual financial statements.

6. — Excess one-time funds may be available for capital, equipment, curriculum adoptions, automation or other one-time projects that improve the district's productivity and efficiency, but only if the ending fund balance is sufficient.
7. — Each fund will maintain adequate cash reserves in order to meet operating cash flow needs or borrow internally from another fund with approval of the Board. As a last resort, the district will borrow externally to provide for cash requirements.
8. — The district may recover the indirect costs associated with the operation of grant programs from such nongeneral fund sources as federal and state grants, intergovernmental services agreements and other operating internal service or enterprise funds.

## Revenue Policies

1. The district will strive to establish a stable revenue base for the operating budget for program needs through cooperation with its associations, legislators and other districts. The district will make capital funding requests periodically to assure adequate safety and preservation of school buildings, district equipment and other capital assets.
2. The district may charge service fees intended to recover the partial or full cost of non-district-sponsored use of its facilities, services or equipment, if permitted by law. In approving new uses of district services or facilities, the criteria for setting fees will include:
  - a. The cost of the use to the district;
  - b. The ability of the user to pay for the service or activity;
  - c. The degree to which the activity supports or detracts from the educational mission of the district;
  - d. Whether the use is by a private organization or individual or by another public entity; and
  - e. The comparable fees charged by other public or private organizations.
3. Periodically, the administration will review and adjust service fees to ensure that rates are equitable and recover the cost of operation. The district reserves the right to deny any use of its facilities or services to prevent possible conflicts with its activities or educational purpose.

### **Capital Improvements Policies**

1. Facilities are essential to the support of the district's instructional programs. The annual operating and capital budget will reflect the need to maintain and repair facilities to preserve the public's investment in district facilities and to minimize future costs of major renovation and/or replacement.
2. Construction, acquisition or improvements of capital assets may be financed with resources outside of the district's normal operating and maintenance budget (e.g., bond issues or other methods of financing).
3. The district will maintain a current inventory of its capital assets, their condition, and replacement and maintenance costs.
4. The district will operate an ongoing preventive maintenance program to inspect facilities, inventory needs, and perform required repairs and maintenance.
5. The district will plan for capital improvements over a multi-year period. The Capital Improvement Program (CIP) will reflect long-range plans and policies, adopted land-use requirements, and growth projections. The staff and public will be involved in developing the capital improvement plan. The plan document will include estimates of known major capital needs extending beyond five years.
6. The CIP will estimate the changes in operating costs resulting from the improvements in facilities.

### **Intergovernmental Revenue Policies**

The district may use bond resources or nonrecurring grant revenue for one-time services such as capital projects, equipment requirements, services that can be terminated without significant disruption to students and the community, and the development of innovative programs which the district is considering for future adoption.

## **Debt and Investment Management Policies**

1. — ~~The district will seek to maintain an Aa Moody’s bond rating or equivalent to preserve its access to credit and to minimize the cost of borrowing.~~
2. — ~~The district will use general obligation bonds or other financing instruments permitted by law to finance essential fixed asset purchases, curriculum adoptions, and capital construction and improvements to support its instructional mission.~~
3. — ~~The district will periodically review debt capacity as part of long-range capital planning to ensure that debt levels are prudent and affordable. Retirement of bonded debt shall not exceed the useful life of the capital improvements that have been financed.~~
4. — ~~The district will comply with Oregon debt issuance laws, Internal Revenue Service (IRS) regulations established by the federal government, all bond covenants and with related Board policies.~~
5. — ~~The district will follow state law, local investment guidelines and the district’s investment policy and related administrative rule when investing the proceeds of any bond issuance.~~

## **Organizational Policies**

1. — ~~The Superintendent will review the district’s organizational structure and operating programs periodically to assure that it is responsive to current needs and avoids service duplication or inefficiencies.~~
2. — ~~The district will maintain a plan for balancing the cost of services with available revenues in order to minimize uncertainty about employment and services. The plan will be consistent with the adopted budget and will be informed by the General Fund forecast.~~
3. — ~~The compensation of employees will be competitive with that of comparable public and private sector employers in the relevant recruiting or market area. The criteria for reviewing employee wages and benefits will also include internal comparability for similar jobs, ability to pay and relevant federal or state requirements.~~
4. — ~~The district will, within available resources, maintain the productivity of staff through a supportive working environment which includes appropriate equipment, supplies, materials and professional staff development.~~
5. — ~~The district will routinely evaluate its support services and determine whether the services are being provided at a competitive market cost. The district will develop corrective plans for any services that are not efficient or effective.~~
6. — ~~The district will use intergovernmental service contracts to minimize the duplication of services and to ensure the most effective and efficient delivery of services to the taxpayers.~~

**END OF POLICY**

**Legal Reference(s):**  
ORS 294.305 to 294.565

OAR 581-023-0035

OR. DEP'T OF EDUC, PROGRAM BUDGET AND ACCOUNTING MANUAL.

DELETED

## **Eugene School District 4J**

Code: DI

Adopted:

### **Financial Management Policies**

#### **Resource Planning and Allocation Policies**

1. Financial Services will complete quarterly financial reports for the Superintendent, School Board, and community to inform, educate, and communicate the financial stability of the school district.
2. On at least a semiannual basis the School Board will receive an updated financial five year forecast of the General Fund resources and operational requirements. This forecast highlights resource and requirement considerations for the Superintendent and School Board to consider in making financial decisions.
3. As part of the district's budget process, the Superintendent will present an updated forecast to the Budget Committee and School Board for consideration and preparation of the Superintendent's proposed budget.

The superintendent's proposed budget will build off of the forecast and incorporate operating and capital budgets managed through other funds. The Superintendent will present a balanced proposed budget that includes the District's goals with current and anticipated financial obligations.

#### **Accounting and Financial Practices Policies**

1. The district will maintain an accounting and financial reporting system that conforms to Generally Accepted Accounting Principles (GAAP) adopted by the Government Accounting Standards Board (GASB), the Program Budgeting and Accounting Manual issued by the Oregon Department of Education and Oregon local budget law. Financial statements will be issued by the district no later than December 31st of each year. If a situation occurs in which statements will not be completed and reported on time, prior to the Oregon Department of Education (ODE) due date the Superintendent will notify and communicate with the ODE and the School Board along with a plan of action when statements will be issued.
2. The Board and Superintendent will establish funds as needed to support effective and efficient service delivery. If certain funds are not found to enhance the district's services or financial goals, they will be restructured or eliminated.
3. Reserve Funds

Reserve funds are separate funds within the accounting structure and do not directly correlate with contingency and unappropriated amounts within each fund. The Board and Superintendent may establish reserve funds to hold monies to be accumulated and expended for the purpose of financing the cost of any service, project, property or equipment.

4. Contingency Funds

The Board may require a fund to maintain a contingency amount to meet unanticipated

requirements that may occur during the year. The School Board may need to approve actions to reduce, increase, or re-appropriate a contingency appropriation depending on the amount. ORS 294.463 Transfers of appropriations within a fund or between funds references changes that exceed 15 percent of the total appropriations of the fund contained in the original budget appropriations. Please refer to ORS and Oregon Budget Law to ensure proper process when moving contingency funds for use in any fund.

A contingency appropriation is typically used to address unexpected one-time program costs, new program or legislative requirements not known at the time of budget adoption and emergency situations. As a best practice, funding for on-going programs or operations should be addressed during the budget development process each year or within the current appropriations of the budget.

The Superintendent will review all funds during the budget process to ensure the amount of contingency is appropriate following best practices, current and potential spending trends, and meets any Oregon Budget Law requirements.

#### 5. Unappropriated Funds

The board may require a fund to maintain an unappropriated amount to ensure funds are held as a minimum beginning fund balance for the following year.

Unappropriated funds cannot be spent or re-appropriated during the fiscal period for which the budget is prepared, except as authorized following a natural disaster, civil disturbance, or other emergency condition described in ORS 294.481, or as permitted by ORS 294.338(2). General Fund Contingency and Unappropriated

##### a. Purpose

The purpose of this policy is to establish a key element of the financial stability of the district by setting guidelines for the General Fund contingency and unappropriated accounts. The district will maintain a minimum ending fund balance in the General Fund in order to provide stable services and employment and to offset cyclical or unforeseen variations in revenues and expenditures without borrowing. Together, the contingency and unappropriated balances make up the ending fund balance and provide cash flow liquidity for the district's general operations.

##### b. Budget

As a part of the budget process, the district will create a financial forecast showing operating revenues and ending fund balances. The budgeted unappropriated ending fund balance (UEFB) may not be spent or appropriated during the fiscal year in which it is budgeted.

##### c. Minimum

The district will maintain a minimum General Fund contingency of three percent of operating expenses for the fiscal year and an unappropriated fund balance of five percent of current operating expenditures. The contingency and unappropriated balances should take into consideration revenue and expenditure volatility and other district needs.

##### d. Exceptions

The School Board may approve a temporary change in the General Fund contingency and unappropriated amounts during the budget process, along with

a plan to build balances to a specific target level within a certain amount of time. The superintendent will update the Board on the financial condition of the district and present the Board with financial options and a timeline to replenish the fund balance when required.

e. Breach

The Superintendent will advise the School Board any time the General Fund ending fund balance unexpectedly falls below or is projected to fall below the minimum set forth in this policy. If during any fiscal year district revenues are projected to be less than anticipated, the Superintendent and Board will review expenditures, transfers, and the projected ending fund balance for possible mid-year adjustment. The Board may decide to use a portion of the projected ending fund balance maintained within the general fund contingency to stabilize services. When such a determination is made, the Board will adopt a plan to rebuild the ending fund balance to the targeted level.

f. The district will review other funds for contingency requirements to ensure that each fund has sufficient reserves or as required by local budget law.

g. Reporting Fund Balances in accordance with GASB Standards

This policy establishes the procedures for reporting funds balances in the financial statements. Certain commitments and assignments of fund balance help ensure that there will be adequate financial resources to protect the district against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

The policy also authorizes and directs Financial Services to prepare financial reports which accurately categorize fund balance as per GASB Standards. There are five separate components of fund balance, each of which identify the extent to which the district is bound to honor constraints on the specific purpose for which amounts may be spent.

- Nonspendable (including but not limited to inventory and prepaid expenditures);
- Restricted (externally restricted);
- Committed (self-imposed limitations set in place by resolution of the Board);
- Assigned (intent for specific use);
- Unassigned (available for any purpose).

The Board established order in which fund balances will be spent when multiple fund balance types are available for a specific purpose, committed, assigned, and unassigned. The superintendent or designee shall establish and maintain procedures for determining if resources would meet the definition of assigned.

The Board, as the district's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the School Board removes or changes the specific use through the same type of formal action taken to establish the commitment.

Amounts that are constrained by the district's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the superintendent for the purpose of reporting these amounts in the annual financial statements.

6. Excess one-time funds may be available for capital, equipment, curriculum adoptions, automation or other one-time projects that improve the district's productivity and efficiency, but only if the ending fund balance is sufficient.
7. Each fund will maintain adequate ending fund balances in order to meet operating needs or borrow internally from another fund with approval of the Board. As a last resort, the district will borrow externally.
8. The district may recover the indirect costs associated with the operation of grant programs from such non general fund sources as federal and state grants, intergovernmental services agreements and other operating internal service or enterprise funds

### **Revenue Policies**

1. The district will strive to establish a stable revenue base for the operating budget for program needs through cooperation with its associations, legislators and other districts. The district will make capital funding requests periodically to assure adequate safety and preservation of school buildings, district equipment and other capital assets.
2. The district may charge service fees intended to recover the partial or full cost of non-district-sponsored use of its facilities, services or equipment, if permitted by law. In approving new uses of district services or facilities, the criteria for setting fees will include:
  - a. The cost of the use to the district;
  - b. The ability of the user to pay for the service or activity;
  - c. The degree to which the activity supports or detracts from the educational mission of the district;
  - d. Whether the use is by a private organization or individual or by another public entity; and
  - e. The comparable fees charged by other public or private organizations.
3. Periodically, the administration will review and adjust service fees to ensure that rates are equitable and recover the cost of operation. The district reserves the right to deny any use of its facilities or services to prevent possible conflicts with its activities or educational purpose.

### **Capital Improvements Policies**

1. Facilities are essential to the support of the district's instructional programs. The annual operating and capital budget will reflect the need to maintain and repair facilities to preserve the public's investment in district facilities and to minimize future costs of major renovation and/or replacement.
2. Construction, acquisition or improvements of capital assets may be financed with resources outside of the district's normal operating and maintenance budget (e.g., bond

issues or other methods of financing).

3. The district will maintain a current inventory of its capital assets, their condition, and replacement and maintenance costs.
4. The district will operate an ongoing preventive maintenance program to inspect facilities, inventory needs, and perform required repairs and maintenance.
5. The district will plan for capital improvements over a multi-year period. The Capital Improvement Program (CIP) will reflect long-range plans and policies, adopted land-use requirements, and growth projections. The staff and public will be involved in developing the capital improvement plan. The plan document will include estimates of known major capital needs extending beyond five years.
6. The CIP will estimate the changes in operating costs resulting from the improvements in facilities.

### **Intergovernmental Revenue Policies**

The district may use bond resources or nonrecurring grant revenue for one-time services such as capital projects, equipment requirements, services that can be terminated without significant disruption to students and the community, and the development of innovative programs which the district is considering for future adoption.

### **Debt and Investment Management Policies**

1. The district will seek to maintain an Aa Moody's bond rating or equivalent to preserve its access to credit and to minimize the cost of borrowing.
2. The district will use general obligation bonds or other financing instruments permitted by law to finance essential fixed asset purchases, curriculum adoptions, and capital construction and improvements to support its instructional mission.
3. The district will periodically review debt capacity as part of long-range capital planning to ensure that debt levels are prudent and affordable. Retirement of bonded debt shall not exceed the useful life of the capital improvements that have been financed.
4. The district will comply with Oregon debt issuance laws, Internal Revenue Service (IRS) regulations established by the federal government, all bond covenants and with related Board policies.
5. The district will follow state law, local investment guidelines and the district's investment policy and related administrative rule when investing the proceeds of any bond issuance.

### **Organizational Policies**

1. The Superintendent will review the district's organizational structure and operating programs periodically to assure that it is responsive to current needs and avoids service duplication or inefficiencies.

2. The district will maintain a plan for balancing the cost of services with available revenues in order to minimize uncertainty about employment and services. The plan will be consistent with the adopted budget and will be informed by the General Fund forecast.
3. The compensation of employees will be competitive with that of comparable public and private sector employers in the relevant recruiting or market area. The criteria for reviewing employee wages and benefits will also include internal comparability for similar jobs, ability to pay and relevant federal or state requirements.
4. The district will, within available resources, maintain the productivity of staff through a supportive working environment which includes appropriate equipment, supplies, materials and professional staff development.
5. The district will routinely evaluate its support services and determine whether the services are being provided at a competitive market cost. The district will develop corrective plans for any services that are not efficient or effective.
6. The district will use intergovernmental service contracts to minimize the duplication of services and to ensure the most effective and efficient delivery of services to the taxpayers.

END OF POLICY

---

**Legal Reference(s):**

ORS 294.305 to -294.565

OAR 581-023-0035

OR. DEP'T OF EDUC, PROGRAM BUDGET AND ACCOUNTING MANUAL.



## ITEM FOR ACTION AT A FUTURE MEETING (First Read)

### Date of Meeting

January 22, 2025

### Title

Consider for approval: Revisions to Policy CBC–Superintendent Contract

### Presenter

Colt Gill, Interim Superintendent

### Background:

The passage of [Senate Bill 283](#) (2023), is the impetus for updating this policy prior to the Board finalizing a contract with a superintendent for the 2025-26 school year.

The revisions to Policy CBC–Superintendent Contract were reviewed with the Policy Work Group in October 2024. The questions posed by the Policy Work Group were regarding “*The employment contract, if it includes a mutually agreed to termination-without-cause provision by the Board, will include a 12-month notice of termination for such provision,*” to Policy CBC – Superintendent Contract.

Contracts for the last four superintendents in 4J as well as a few superintendent contracts from other districts in Oregon were reviewed.

There is a termination-without-cause provision included one 4J contract. That clause requires a 12-month written notice (or an amount of time equal to the time remaining on the agreement, whichever is less). Other termination provisions exist across these contracts, including:

- Termination by mutual agreement
- Termination for cause
- Termination by the District for any reason
- Termination due to disability
- Termination by resignation
- Termination by death

### Statute Review

[ORS 332.505](#) requires 12-month notice if a school board and superintendent agree to include a termination-without-cause clause.

### Summary:

The proposed language states that the Board may not issue a contract that includes terms which direct the superintendent to take any action that conflicts with a local, state or federal law that applies to the district, or which allows the Board to take an adverse employment action against the superintendent for complying with such laws.

The Board may not enter into an employment contract that contains provisions that expressly obligate the district to compensate the superintendent for work that is not performed.

Best practice is to ensure the Superintendent's contract language aligns with Board policy language.

The current policy CBC–Superintendent Contract was adopted on August 2, 2017.

Code: CBC  
Adopted: 8/02/17  
Revised/Readopted: ~~XX/XX/XX~~

**Proposed Revisions Format:**

Revised content presented in **RED Font**;  
Deleted content presented in **GREEN Font**;  
Continuing policy content in **BLACK Font**

**Options and Alternatives:**

The Board may choose to approve the proposed policy CBC–Superintendent Contract. The Board may wish to direct staff to make further revisions.

The Board has the authority to approve a policy on the “First Read” should they choose to do so

**Recommendation:** The superintendent recommends the Board approve revisions to policy CBC–Superintendent Contract.

# Eugene School District 4J

Code: CBC  
Adopted: 8/02/17;  
Revised/Readopted: XX/XX/XX

## Superintendent's Contract

The superintendent, upon appointment by the Board, will receive a written contract which will state the terms of employment such as compensation, benefits and other conditions. **The Board may not issue a contract that includes terms which direct the superintendent<sup>1</sup> to take any action that conflicts with a local, state or federal law<sup>2</sup> that applies to the district, or which allows the Board to take an adverse employment action against the superintendent for complying with such laws.** Contracts shall not be issued for more than three years in duration. The contract shall automatically expire at the end of its term. The Board may elect to issue a subsequent contract at any time for up to three years.

The compensation and benefits for the position of superintendent will be fixed by the Board and based upon the responsibilities required of the superintendent in performing **their his/her** duties. The Board may not enter into an employment contract that contains provisions that expressly obligate the district to compensate the superintendent for work that is not performed.

Provisions for termination of the superintendent's employment, either by the Board or the superintendent, will also be set forth in the superintendent's employment contract. **The employment contract, if it includes a mutually agreed to termination-without-cause provision by the Board, will include a 12-month notice of termination for such provision.**

The district may provide health benefits for a superintendent that is no longer employed by the district until the superintendent:

1. Reaches 65 years of age; or
2. Finds new employment that provides health benefits.

For a period of one year after termination of the contract, the superintendent may not:

1. Purchase property or surplus property owned by the district or public charter school; or
2. Use property owned by the district or public charter school in a manner other than the manner permitted for the general public.

END OF POLICY

---

### Legal Reference(s):

[ORS 332.432](#)  
[ORS 332.505](#)  
[ORS 342.549](#)

[ORS 342.815](#)  
[OAR 584-005-0005\(51\)](#)

---

<sup>1</sup> The term "superintendent" includes an interim superintendent.

<sup>2</sup> "Local, state or federal law" means a local, state or federal directive having the force of law, including an ordinance, a city or county resolution, a statute, a court decision, an administrative rule or regulation, an order issued in compliance with ORS Chapter 183, an executive order or any other directive, declaration or statement that is issued in compliance with the law as having the force of law and that is issued by a local government as defined in ORS 174.116, the state government as defined in ORS 174.111 or the federal government.

