



Regular Board Session of the Board of Directors
BANKS SCHOOL DISTRICT 13
Banks, OR
Monday, January 9, 2023

Note: The District will endeavor to provide the following services if requested 48 hours prior to the meeting: qualified bilingual interpreters or qualified sign language interpreters. These services are provided at no cost to recipient. To obtain services, call 503-324-8591 at least 48 hours prior to this meeting.

1. Preliminaries
 - 1.1. Call to Order
 - 1.2. Flag Salute
 - 1.3. Roll Call
 - 1.4. Public Welcome/Recognition
 - 1.5. Approval of Agenda
 - 1.6. Banks High School Leadership
2. Recognitions
 - 2.1. Fall Sports and Activities
3. Audience Comment
4. Presentations/Reports
 - 4.1. Superintendent's Report
Brian Sica
 - 4.2. 2021-2022 Audit Review
Pauly Rogers
5. Consent
 - 5.1. Board Minutes: December 9, 2022
6. Discussion Items
 - 6.1. First reading of updates to policies EFA, GBEA, GCDA/GDDA-AR,IGBAF, IGBAF-AR,IGBB, IGBBA, IGDJ, IK and JGAB
Brian Sica
7. Action Items
 - 7.1. Proposed BSD Easement
Jolyn Becker
 - 7.2. Approve 2023-2024 NWRESD Local Service Plan
Brian Sica
8. Board Comments
9. Adjourn

The following report will update the Board on the progress of our four collaborative committees. Please feel free to ask any questions related to the goals or progress of the work.

Equity Audit Advisory Team

Our Equity Audit Advisory Team kicked off our work in December. The 2022-2023 goal for the team is to complete an audit of our outcomes and deliver a report to the Superintendent, who will then update the Board.

Our first meeting consisted of a considerable amount of community building and vision work. We welcomed Inger McDowell-Hartye from the NWRESA to facilitate a process known as “Story Circles”. In our stories, team members were able to describe an ideal day for a student they care deeply about. We definitely heard themes of welcoming, acceptance, and relevance.

While our work will focus on the analysis of our outcomes for our students, it is impossible to engage in these dialogues without conversations that push us to better understand the experiences and values of our team members. I appreciate the level of dialog on the team and am truly excited for the true community leadership that this team will deliver.

Long Range Facilities Planning Team

Our Long Range Facilities Planning team has met twice and is beginning to gain traction toward accelerating our efforts. Our current efforts are toward developing a vision of what our school district will need in the year 2040. The use of 2040 is based on a variety of factors, including the predicted development of the residential communities in Banks. The vision will be developed through updated facilities assessments, updated formal long range facilities plans, and architectural consultation. Included in the 2040 plans will be ongoing and deferred maintenance of our existing buildings.

Strategic Plan Steering Committee

Our strategic plan development process has included focus groups and surveys, resulting in over 500 unique individual responses. Five themes have clearly emerged and our steering committee is working to add context and detail to each. The Board can expect to see a draft of a strategic plan in February and will formally consider it in March.

Following the development of the strategic plan, we will immediately engage our school leadership team in developing a “District Scorecard”. The district scorecard will include annual goals to be regularly measured and communicated.

As the goals of the scorecard are developed, our team will create 45 and 90 day actions. These “sprint actions” are designed to keep our teams focused and making progress toward our desired outcomes.

Instructional Leadership Team

Our Instructional Leadership Team continues to partner with the Center for Educational Leadership (University of Washington). Our current focus is to investigate the student experience, specifically the classroom environment and culture in the manner and precision of a medical doctor completing “rounds”. Our long term goal is to create a professional mentorship program where professionals can discuss and analyze the complex act of educating our students.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



12700 SW 72nd Ave.
Tigard, OR 97223

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

For the Year Ended June 30, 2022

ANNUAL FINANCIAL REPORT

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

BOARD OF EDUCATION

TERM EXPIRES

| | |
|--------------------------|---------------|
| Leslee Sipp | June 30, 2025 |
| Corissa Mazurkiewicz | June 30, 2025 |
| Dan Streblow, Vice-Chair | June 30, 2023 |
| Ron Frame, Chair | June 30, 2025 |
| Will Moore | June 30, 2023 |

Board members receive mail at the District Office address listed below

ADMINISTRATION
Jeff Leo, Superintendent
Joni Spencer, Business Manager
12950 NW Main Street
Banks, OR 97106

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON
TABLE OF CONTENTS

| | <u>PAGE</u> <u>NUMBER</u> |
|---|--|
| INDEPENDENT AUDITORS' REPORT | 1 |
| <u>REQUIRED SUPPLEMENTARY INFORMATION</u> | |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 2 |
| <u>BASIC FINANCIAL STATEMENTS</u> | |
| FINANCIAL STATEMENTS AND SCHEDULES: | |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 8 |
| Statement of Activities | 9 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 10 |
| Reconciliation of Balance Sheet of Governmental Funds to | |
| Statement of Net Position | 11 |
| Statement of Revenue, Expenditures and Changes in | |
| Fund Balance – Governmental Funds | 12 |
| Reconciliation of Statement of Revenues, Expenditures and Changes in | |
| Fund Balance – Governmental Funds – To Statement of Activities | 13 |
| Internal Service Fund Financial Statements | |
| Statement of Proprietary Net Position – Internal Service Fund | 14 |
| Statement of Revenue, Expenses and Changes in | |
| Net Position – Internal Service Fund | 15 |
| Statement of Cash Flows – Internal Service Fund | 16 |
| Notes to Basic Financial Statements | 17 |
| <u>REQUIRED SUPPLEMENTARY INFORMATION</u> | |
| Schedule of the Proportionate Share of the Net Pension Liability and Contributions | 49 |
| Schedule of the Proportionate Share of the Net OPEB Liability/(Asset) and Contributions | 50 |
| Schedule of Changes in Other Post-Employment Benefits (OPEB) Liability | 51 |
| Schedule of Revenue, Expenditures and Changes in | |
| Fund Balance – Actual & Budget – General Fund | 52 |
| Schedule of Revenue, Expenditures and Changes in | |
| Fund Balance – Actual & Budget – Special Projects Fund | 53 |

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON
TABLE OF CONTENTS

PAGE
NUMBER

SUPPLEMENTARY INFORMATION

| | |
|---|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget – Debt Service Fund | 54 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget– Capital Projects Fund | 55 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget– Pension Obligation Bond Fund | 56 |
| Schedule of Expenditures of Federal Awards | 57 |

INDEPENDENT AUDITORS’ REPORT REQUIRED BY OREGON STATE REGULATIONS 58

GRANT COMPLIANCE REVIEW

| | |
|---|----|
| Independent Auditors’ Report on Internal Control Structure over Financial Reporting | 60 |
| Independent Auditors’ Report on Compliance with Requirements Applicable to Major Programs and Internal Control Structure | 62 |
| Schedule of Findings and Questioned Costs | 64 |



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December 16, 2022

To the Board of Education
Banks School District No. 13
Washington County, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

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

In our opinion, the 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 Banks School District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 87- Leases during the fiscal year under audit. Our opinions are not modified with respect to this matter.

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 Banks School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Banks School District'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 Banks School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Banks School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 16, 2022 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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 16, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, appearing to read "Kenny Allen". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kenny Allen, CPA
PAULY, ROGERS AND CO., P.C.

**BANKS SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

INTRODUCTION

As management of Banks School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2022. It should be read in conjunction with the District's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2022, the District's government-wide assets exceeded liabilities by \$2,031,174.
- At June 30, 2022, the General Fund had a total fund balance of \$3,089,437. This represents 26.5% of the total General Fund expenditures and 69.8% of the total governmental funds balance.
- The District has \$7,113,834 of long term outstanding debt as of June 30, 2022. The District's total debt decreased by approximately \$1,578,201 during the 2021-22 fiscal year due to the regular scheduled debt service payments.
- The Debt Service Fund's primary revenue source is property taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

Government-wide Financial Statements

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

The *Statement of Net Position* presents information on all of the assets and liabilities of the District at year end. Net position is what remains after the liabilities have been paid 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.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 8 through 9.

**BANKS SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its 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 compliance with finance-related legal requirements. The District funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The District has four major funds; the General Fund, the Special Projects Fund, the Debt Service Fund, and the Capital Projects Fund. The fund financial statements are on pages 10 through 13.

Proprietary Funds

The District maintains an Internal Service Fund. The Internal Service Fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an Internal Service Fund to account for its pension obligation bonds. The financial statements of the Internal Service Fund are found on pages 14 through 16.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them. The notes to the financial statements are on pages 17 through 48.

Other Information

Additional information is included on pages 49-57. This information presents both the Required Supplementary Information and other Supplementary Information, including the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Changes in Other Post Employment Benefits Liability, required budgetary comparison information, the Schedule of Expenditures of Federal Awards, and other required financial schedules.

**BANKS SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position

| | <u>2022</u> | <u>2021</u> |
|--|-------------------------|-------------------------|
| Assets and deferred outflows of resources | | |
| Current assets | \$ 6,720,845 | \$ 6,501,331 |
| Capital assets | 14,921,628 | 15,534,539 |
| Other noncurrent assets | 206,972 | 0 |
| Deferred outflows of resources | <u>3,906,408</u> | <u>3,842,124</u> |
| Total assets and deferred outflows of resources | <u>25,755,853</u> | <u>25,877,994</u> |
| Liabilities and deferred inflows of resources | | |
| Current liabilities | 2,210,473 | 1,885,581 |
| Proportionate share of net pension liability | 6,418,282 | 12,378,189 |
| Other noncurrent liabilities | 9,287,982 | 9,255,189 |
| Deferred inflows of resources | <u>5,807,942</u> | <u>704,988</u> |
| Total liabilities and deferred inflows of resources | <u>23,724,679</u> | <u>24,223,947</u> |
| Net Position | | |
| Invested in capital assets, net of related debt | 9,600,610 | 9,152,598 |
| Restricted for debt service | 194,886 | 221,400 |
| Restricted for special projects | 484,963 | 375,518 |
| Unrestricted | <u>(8,249,285)</u> | <u>(8,095,469)</u> |
| Total net position | <u>\$ 2,031,174</u> | <u>\$ 1,654,047</u> |

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. At June 30, 2022, the District's net assets exceeded liabilities by \$2,031,174.

A large portion of the District's net position reflects its investment in capital assets. Capital assets of the District include land, buildings, improvements, vehicles, and equipment, representing approximately 57.9% of total assets and deferred outflows of resources. Current assets consist mainly of cash, investments, grant and property taxes receivable. Other noncurrent assets include lease assets recognized per the provisions of GASB 87 and an OPEB plan asset recognized per the provisions of GASB 75 for the Retirement Health Insurance Account (RHIA) program available to Oregon PERS retirees.

Deferred outflows and inflows of resources include pension related deferrals recognized per the provisions of GASB 68, and OPEB RHIA and Total OPEB related deferrals recognized per the provisions of GASB 75.

**BANKS SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

The District's proportionate share of the net pension liability is recognized per the provisions of GASB 68 and accounts for 27.1% of total liabilities and deferred inflows of resources. The District's liability for general obligation bonds (including bond premiums) totals \$5,075,577 and is used to finance capital asset acquisition and construction. This liability accounts for 21.4% of total liabilities and deferred inflows of resources. Current liabilities primarily consist of accounts payable, payroll withholdings, and accrued benefits. Other noncurrent liabilities include pension obligation bonds outstanding, a direct borrowing note payable, total OPEB liability recognized per the provisions of GASB 75, and lease obligations recognized per the provisions of GASB 87.

Prior period adjustments affecting net position totaling (\$789,783) were recognized in 2021-22. See page 48 of this report for further information.

Summary Statement of Activities

| | 2022 | 2021 |
|------------------------|---------------|---------------|
| Revenues: | | |
| Program Revenues: | | |
| Instruction | \$ 1,299,039 | \$ 1,340,628 |
| Support Services | 523,531 | 28,017 |
| Community Services | 436,914 | 193,512 |
| Total program revenues | 2,259,484 | 1,562,157 |
| General revenues: | | |
| Property taxes | 4,744,372 | 4,591,029 |
| State school fund | 6,888,383 | 7,263,789 |
| State timber revenue | 1,236,014 | 1,014,600 |
| Earning on investments | 18,914 | 27,732 |
| Other | 291,071 | 736,754 |
| Total general revenues | 13,178,754 | 13,633,904 |
| Total revenues | 15,438,238 | 15,196,061 |
| Program expenses: | | |
| Instruction | 8,652,036 | 9,375,567 |
| Support services | 4,967,341 | 5,062,307 |
| Community services | 322,383 | 279,952 |
| Total program expenses | 13,941,760 | 14,717,826 |
| Other expenses: | | |
| Interest expense | 329,568 | 70,691 |
| Total other expenses | 329,568 | 70,691 |
| Total expenses | \$ 14,271,328 | \$ 14,788,517 |

**BANKS SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Summary Statement of Activities, continued

| | 2022 | 2021 |
|--------------------------|--------------|--------------|
| Change in net position | 1,166,910 | 407,544 |
| Beginning net position | 1,654,047 | 1,246,503 |
| Prior period adjustments | (789,783) | 0 |
| Ending net position | \$ 2,031,174 | \$ 1,654,047 |

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 85.4% of the funding required for governmental programs. The combination of property taxes and the state school fund combine to account for 88.3% of general revenues and 75.3% of total revenues.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction and activities account for 60.6% of total expenses. In addition, costs of supporting services related to students, instructional staff, and school administration account for 34.8% of total expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Government Funds

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

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$4,429,328. Of this amount, \$3,074,194 constitutes unassigned fund balance, which is available for spending at the District's discretion.

**BANKS SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS, continued

General Fund

The General Fund is the chief operating fund of the District. At June 30, 2022, the General Fund ending fund balance was \$3,089,437. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total ending fund balance represents about 26.5% percent of total General Fund expenditures for 2021-22.

Special Projects Fund

At June 30, 2022, the Special Projects Fund had a total fund balance of \$484,963. This fund includes federal and state grants, student body activities, food service and the athletics/activities funds.

Debt Service Fund

In 2021-22, the expenditures of this fund totaled \$1,345,695 and were used for principal and interest payments on general obligation bonds.

Capital Projects Fund

There were no expenditures from this fund for 2021-22.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Banks School District's finances. Questions concerning any of the information provided in the report or request for additional financial information should be addressed to the Banks School District office at 12950 NW Main Street, Banks, OR 97106.

BANKS SCHOOL DISTRICT
WASHINGTON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2022

| | Governmental Activities |
|---|----------------------------|
| ASSETS: | |
| Cash and investments | \$ 5,679,019 |
| Property taxes receivable | 69,696 |
| Accounts receivable | 956,887 |
| Prepaid expense | 15,243 |
| Nocurrent assets: | |
| Lease Assets - GASB 87 | 43,058 |
| OPEB RHIA | 163,914 |
| Capital assets not being depreciated | 911,815 |
| Capital assets, net of accumulated depreciation | 14,009,813 |
| Total assets | 21,849,445 |
| DEFERRED OUTFLOWS OF RESOURCES: | |
| OPEB RHIA deferral | 5,540 |
| Pension related deferral | 3,845,342 |
| Total OPEB related deferral | 55,526 |
| Total deferred outflows of resources | 3,906,408 |
| LIABILITIES: | |
| Accounts payable | 245,803 |
| Payroll liabilities | 1,907,061 |
| Unearned revenue | 57,609 |
| Noncurrent liabilities: | |
| Due within one year: | |
| Leases payable | 14,691 |
| Bonds payable | 1,300,725 |
| Accrued bond interest payable | 310,308 |
| Note Payable | 47,022 |
| Due in more than one year: | |
| Proportionate share of net pension liability | 6,418,282 |
| Total OPEB liability | 473,449 |
| Leases payable | 28,245 |
| Bonds payable | 5,574,852 |
| Accrued bond interest payable | 1,347,455 |
| Note payable | 191,235 |
| Total liabilities | 17,916,737 |
| DEFERRED INFLOWS OF RESOURCES: | |
| OPEB RHIA deferral | 45,999 |
| Pension related deferral | 5,623,556 |
| Total OPEB related deferral | 138,387 |
| Total deferred inflows of resources | 5,807,942 |
| NET POSITION: | |
| Net investment in capital assets | 9,600,610 |
| Restricted for debt service | 194,886 |
| Restricted for special projects | 484,963 |
| Unrestricted | (8,249,285) |
| Total net position | \$ 2,031,174 |

See accompanying notes to basic financial statements.

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

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

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net Revenue (Expense) and Changes in Net Position</u> |
|--------------------------------|----------------------|---------------------------------|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental Activities: | | | | |
| Instruction | \$ 8,652,036 | \$ - | \$ 1,299,039 | \$ (7,352,997) |
| Support Services | 4,967,341 | 146,513 | 377,018 | (4,443,810) |
| Community Services | 322,383 | 744 | 436,170 | 114,531 |
| Interest on Long Term Debt | <u>329,568</u> | <u>-</u> | <u>-</u> | <u>(329,568)</u> |
| Total Governmental Activities | <u>\$ 14,271,328</u> | <u>\$ 147,257</u> | <u>\$ 2,112,227</u> | <u>(12,011,844)</u> |
| General Revenues: | | | | |
| Property taxes | | | | 4,744,372 |
| State school support | | | | 8,124,397 |
| Earnings on investments | | | | 18,914 |
| Other local & intermediate | | | | <u>291,071</u> |
| Total general revenues | | | | <u>13,178,754</u> |
| Change in net position | | | | 1,166,910 |
| Net position beginning of year | | | | <u>1,654,047</u> |
| Prior period adjustments | | | | <u>(789,783)</u> |
| Net position end of year | | | | <u>\$ 2,031,174</u> |

See accompanying notes to basic financial statements.

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

**BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022**

| | GENERAL FUND | SPECIAL PROJECTS FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL |
|--|---------------------|-----------------------------|-------------------------|-----------------------------|---------------------|
| ASSETS: | | | | | |
| Cash and Investments | \$ 4,428,676 | \$ 377,196 | \$ 188,105 | \$ 660,042 | \$ 5,654,019 |
| Receivables: | | | | | |
| Property Taxes | 50,543 | - | 19,153 | - | 69,696 |
| Accounts | 426,645 | 527,169 | 3,073 | - | 956,887 |
| Prepaid Expenses | 15,243 | - | - | - | 15,243 |
| Total Assets | \$ 4,921,107 | \$ 904,365 | \$ 210,331 | \$ 660,042 | \$ 6,695,845 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 106,798 | \$ 139,005 | \$ - | \$ - | \$ 245,803 |
| Payroll Liabilities | 1,684,273 | 222,788 | - | - | 1,907,061 |
| Unearned Revenue | - | 57,609 | - | - | 57,609 |
| Total Liabilities | 1,791,071 | 419,402 | - | - | 2,210,473 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable Revenue - property taxes | 40,599 | - | 15,445 | - | 56,044 |
| Total Deferred Inflows of Resources | 40,599 | - | 15,445 | - | 56,044 |
| Fund Balances: | | | | | |
| Nonspendable | 15,243 | - | - | - | 15,243 |
| Restricted for debt service | - | - | 194,886 | - | 194,886 |
| Restricted for special projects | - | 484,963 | - | - | 484,963 |
| Assigned | - | - | - | 660,042 | 660,042 |
| Unassigned | 3,074,194 | - | - | - | 3,074,194 |
| Total Fund Balance | 3,089,437 | 484,963 | 194,886 | 660,042 | 4,429,328 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 4,921,107 | \$ 904,365 | \$ 210,331 | \$ 660,042 | \$ 6,695,845 |

See accompanying notes to basic financial statements.

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

**Reconciliation of Balance Sheet of Governmental Funds to
Statement of Net Position**

June 30, 2022

| | | |
|--|--------------------|-------------------------|
| Total Fund Balances | \$ | 4,429,328 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. | | |
| Capital Assets, net | | 14,921,628 |
| Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds. | | |
| | | 56,044 |
| Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of: | | |
| Bonds Payable - net of premium/discount | \$ (6,875,577) | |
| Note Payable | (238,257) | |
| Accrued Interest | <u>(1,657,763)</u> | (8,771,597) |
| The right-to-use asset and associated liability related to long term leases are not recognized in the governmental funds under GASB 87 | | |
| Lease Assets - GASB 87 | \$ 43,058 | |
| Leases Payable - GASB 87 | <u>(42,936)</u> | 122 |
| The proportionate share of the PERS net pension liability is not reported as a liability in the District's governmental activities. | | |
| | | (6,418,282) |
| The proportionate share of the OPEB RHIA asset is not reported as an asset in the governmental funds | | |
| | | 163,914 |
| The Total OPEB Liability is liability related to the other post employment benefits for health insurance premiums. | | |
| | | (473,449) |
| The pension related deferrals are not reported as deferred inflows or outflows in the District's governmental activities. | | |
| Deferred Outflow - RHIA | \$ 5,540 | |
| Deferred Inflow - RHIA | (45,999) | |
| Deferred Outflow - PERS | 3,845,342 | |
| Deferred Inflow - PERS | (5,623,556) | |
| Deferred Outflow - OPEB | 55,526 | |
| Deferred Inflow - OPEB | <u>(138,387)</u> | (1,901,534) |
| An internal service fund is used to charge the costs of repaying the pension obligation bonds to the individual funds. The assets and liabilities of the internal service fund are included in the statement net position. | | |
| | | <u>25,000</u> |
| Total Net Position | \$ | <u><u>2,031,174</u></u> |

See accompanying notes to basic financial statements.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

| | GENERAL FUND | SPECIAL PROJECTS FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL |
|--|---------------------|-----------------------------|-------------------------|-----------------------------|---------------------|
| REVENUES: | | | | | |
| Local Sources | | | | | |
| Property Taxes | \$ 3,461,481 | \$ - | \$ 1,285,480 | \$ - | \$ 4,746,961 |
| Other Local Sources | 105,789 | 290,866 | 6,401 | 38,891 | 441,947 |
| Intermediate Sources | 28,893 | 17,172 | - | - | 46,065 |
| State Sources | | | | | |
| State School Fund | 6,695,833 | - | - | - | 6,695,833 |
| Common School Fund | 122,970 | - | - | - | 122,970 |
| Other Restricted State Grants | 1,365,958 | 1,044,161 | - | - | 2,410,119 |
| Federal Grants | - | 976,932 | - | - | 976,932 |
| Total Revenues | 11,780,924 | 2,329,131 | 1,291,881 | 38,891 | 15,440,827 |
| EXPENDITURES: | | | | | |
| Current | | | | | |
| Instruction | 7,050,295 | 1,791,308 | - | - | 8,841,603 |
| Support Services | 4,575,905 | 387,444 | - | - | 4,963,349 |
| Community Services | - | 311,238 | - | - | 311,238 |
| Capital Outlay | 19,736 | - | - | - | 19,736 |
| Debt Service | - | 26,501 | 1,345,695 | - | 1,372,196 |
| Total Expenditures | 11,645,936 | 2,516,491 | 1,345,695 | - | 15,508,122 |
| Excess of Revenues Over, (Under) Expenditures | 134,988 | (187,360) | (53,814) | 38,891 | (67,295) |
| Other Financing Sources, (Uses): | | | | | |
| Lease Proceeds | 19,736 | - | - | - | 19,736 |
| Transfers In | - | 296,805 | 27,300 | - | 324,105 |
| Transfers Out | (324,105) | - | - | - | (324,105) |
| Total Other Financing Sources, (Uses) | (304,369) | 296,805 | 27,300 | - | 19,736 |
| Net Change in Fund Balance | (169,381) | 109,445 | (26,514) | 38,891 | (47,559) |
| Beginning Fund Balance | 3,258,818 | 375,518 | 221,400 | 621,151 | 4,476,887 |
| Ending Fund Balance | <u>\$ 3,089,437</u> | <u>\$ 484,963</u> | <u>\$ 194,886</u> | <u>\$ 660,042</u> | <u>\$ 4,429,328</u> |

See accompanying notes to basic financial statements.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

**Reconciliation of Statement of Revenues, Expenditures
and Changes in Fund Balance – Governmental Funds –
To Statement of Activities**

For the Year Ended June 30, 2022

| | | |
|----------------------------|----|----------|
| Net Change in Fund Balance | \$ | (47,559) |
|----------------------------|----|----------|

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which fixed assets exceed depreciation:

| | | | |
|-------------------------|----|------------------|-----------|
| Capital Asset Additions | \$ | 149,257 | |
| Depreciation expense | | <u>(762,168)</u> | (612,911) |

Repayment of bond principal and post retirement obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to bond principal and post retirement obligations is an other financing source in the governmental funds but reduces the liability in the Statement of Net Position. Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are considered unavailable and amortized in the Statement of Activities.

| | | | |
|----------------------------------|----|---------------|-----------|
| Bond and Loan Proceeds | | | |
| GO Bond Payment and Loan Payment | \$ | 1,560,407 | |
| Bond Premium | | <u>17,794</u> | 1,578,201 |

Under the accrual basis of accounting, interest on long-term debt is accrued when payments are not due until after year end. (186,267)

Lease assets are reported as an expenditure in the governmental funds. The Statement of Net Assets includes those lease assets among the assets of the District as a whole, net of debt payments and amortization 122

Pension expense represents the change in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of the pension plan net position available to pay PERS pension benefits, and is not included in the governmental funds. 407,018

The expense related to OPEB liability represents the net changes in the liability balance from year to year and is not recorded in the governmental funds. (34,996)

RHIA Expense represents the changes in RHIA Asset (Liability) from year to year due to changes in total RHIA liability (asset) and the fair value of RHIA plan net position available to pay RHIA benefits. 123,455

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. (2,589)

An internal service fund is used to charge the costs of repaying the pension obligation bonds to the individual funds. The net revenue of the internal service fund is included in the statement of activities. (57,564)

| | | |
|------------------------|----|-------------------------|
| Change in Net Position | \$ | <u><u>1,166,910</u></u> |
|------------------------|----|-------------------------|

See accompanying notes to basic financial statements.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

STATEMENT OF PROPRIETARY NET POSITION
INTERNAL SERVICE FUND
June 30, 2022

| | Internal Service Fund |
|---|--------------------------|
| ASSETS: | |
| Current Assets | |
| Cash and Investments | \$ 25,000 |
| Total Current Assets | <u>25,000</u> |
| Total Assets | <u>25,000</u> |
| LIABILITIES: | |
| Current Maturities of Pension Obligation Bonds | 260,000 |
| Noncurrent Liabilities: | |
| Pension Obligation Bonds Payable, Net of Current Maturities | <u>1,532,654</u> |
| Total Liabilities | <u>1,792,654</u> |
| NET POSITION: | |
| Unrestricted | <u>(1,767,654)</u> |
| Total Net Position | <u>\$ (1,767,654)</u> |

See accompanying notes to basic financial statements.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022

INTERNAL SERVICE FUND

| | |
|-------------------------------|------------------------------|
| OPERATING REVENUES: | |
| Assessments to other funds | \$ 291,742 |
| Total Revenues | <u>291,742</u> |
| TOTAL OPERATING INCOME | <u>291,742</u> |
| OTHER REVENUES/(EXPENSES): | |
| Debt Service | (114,305) |
| Amortization of bond discount | <u>(1,225)</u> |
| Total other revenue/expenses | <u>(115,530)</u> |
| Change in Net Position | 176,212 |
| Beginning Net Position | <u>(1,943,866)</u> |
| Ending Net Position | <u><u>\$ (1,767,654)</u></u> |

See accompanying notes to basic financial statements.

BANKS SCHOOL DISTRICT
WASHINGTON COUNTY, OREGON
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2022

| | Pension Obligation Bonds |
|--|--------------------------------|
| Cash flows from operating activities: | |
| Assessments received from other funds | \$ 291,742 |
| Net cash provided (used) by operating activities | 291,742 |
| Cash flows from noncapital financing activities | |
| Principal paid on pension bonds | (235,000) |
| Interest paid on pension bonds | (114,306) |
| Net cash used by noncapital financing activities | (349,306) |
| Cash flows from investing activities | |
| Interest received from investments | - |
| Net cash provided by investing activities | - |
| Net increase in cash and cash equivalents | (57,564) |
| Cash and cash equivalents, beginning | 82,564 |
| Cash and cash equivalents, ending | \$ 25,000 |
| Reconciliation of operating income to net cash provided by operating activities | |
| Operating income | \$ 291,742 |
| Net cash provided by operating activities | \$ 291,742 |

See accompanying notes to basic financial statements.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Banks School District No. 13 is a municipal corporation, established under the provisions of Oregon Revised Statutes 332, and is governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present Banks School District No. 13 (the primary government) and any component units. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's financial statements because of the significance of their operational or financial relationships with the District and the existence of a financial benefit/burden. There are no component units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on the District as a whole, excluding nonfiduciary activities, if any. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from internal service activities, which rely to a significant extent on fees and charges for support. The activities are characterized as *governmental activities and business-type activities*.

The statement of activities reports the activities by *function*. The major functions are instruction and support services; however, amounts are also reported for community services (primarily food service). The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are eliminated from the functional categories in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The following *major governmental funds* are reported:

General Fund

This is the primary operating fund. This fund accounts for all financial resources and expenditures not required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Special Projects Fund

This fund consists of all grant activity, fundraising, food service, and student body activities. Grant revenue is primarily from the federal government, while student body, food service, and fundraising revenues are primarily from local sources.

Debt Service Fund

This fund accounts for the repayment of general obligation debt. The primary revenue source is property taxes.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Capital Projects Fund

This fund accounts for the construction and acquisition of capital assets. The primary revenue source is interest on investments.

There is also an internal service fund:

Pension Obligation Bond Fund

This fund accounts for the repayment of the 2007 pension obligation bonds issued to advance fund the unfunded actuarial liability for the Oregon Public Employees Retirement System. The fund assesses other funds to provide the resources to pay the debt service on the pension obligation bonds.

The internal service fund uses the economic resources measurement focus and the accrual basis of accounting and distinguishes operating revenues and expenses from nonoperating items. Operating revenues consist of interfund assessments to other funds, while operating expenses include payments for debt services. All other revenues and expenses are reported as nonoperating revenues and expenses.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, debt and OPEB benefits are recorded as an expenditure when paid and a revenue when issued, capital outlay is recorded as an expenditure rather than capitalized, and depreciation and amortization are not recorded. All annual appropriations lapse at fiscal year end.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances, which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budgeted appropriation amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022.

CASH AND INVESTMENTS

For financial reporting purposes, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Fair Value Inputs and Methodologies and Hierarchy

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

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

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

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments).

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.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES RECEIVABLE

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

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

ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due from intermediate sources and miscellaneous reimbursements. Accounts receivable are considered by management to be fully collectible; therefore, no allowance for uncollectible accounts has been made.

GRANTS

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

PREPAID EXPENSE

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

CAPITAL ASSETS

Capital assets include land, buildings, improvements, vehicles, furniture, fixtures, and equipment. Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditure as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: Building and Improvements over 25 to 40 years, and Vehicles and Equipment over 3 to 20 years. Major outlays for capital assets and improvements are capitalized as projects are constructed. One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported items. These can include the amounts of assets, liabilities, disclosure of contingent assets and liabilities, and the reported amount of revenues and expense/expenditures during the reporting period. Accordingly, actual results could differ from estimates.

ACCRUED COMPENSATED ABSENCES

Certain employees are allowed to earn vacation leave. Employees accumulated unpaid vacation, at June 30, is limited to 50 percent of the amount earned during the year. At June 30, management determined that total accumulated unpaid vacation was not significant to the financial statements.

UNAVAILABLE REVENUE

On the fund financial statements, unavailable revenue arises when resources do not satisfy both the measurable and available criteria for recognition in the current year, for example, if property taxes are received more than 60 days after year-end. In subsequent periods, when recognition criteria are met, the deferred inflow for unavailable revenue is removed and revenue is recognized.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are amortized over the life of the bonds, using the straight line method in the government-wide financial statements. The straight line method does not differ significantly from the effective interest rate method. Unamortized premiums and discounts are presented as additions or subtractions from the face amount of the bonds. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS (CONTINUED)

Early retirement benefits are recognized when the District becomes obligated for the benefits (i.e., when the eligible employee retires). The amount recognized is the undiscounted estimate of the future benefits to be paid.

INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS

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. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

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.

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.

NET POSITION/FUND BALANCE

Net Position

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.

- Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION/FUND BALANCE (CONTINUED)

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

The following order of spending is used regarding net position categories: Restricted resources are spent first when both restricted and unrestricted resources are available for expenses.

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

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

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

There are no committed fund balances reported.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2022 (recorded at fair value) consisted of:

| | 2022 | Reported in: | 2022 |
|------------------|--------------|-----------------------|--------------|
| Demand Deposits: | | | |
| Checking | \$ 4,588,500 | Governmental Funds | \$ 5,654,019 |
| Local Government | | | |
| Investment Pool | 1,090,519 | Internal Service Fund | 25,000 |
| Total | \$ 5,679,019 | | \$ 5,679,019 |

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance at an approved depository as identified by the Treasury. For the fiscal year ended June 30, 2022, the bank balance was \$4,949,473. \$500,000 of the balance was insured by FDIC and the remaining balance was collateralized in accordance with Oregon Law.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be recovered. There is no formal deposit policy for custodial credit risk. For the fiscal year ended June 30, 2022, all deposits were collateralized in accordance with Oregon law.

INVESTMENTS

State statutes authorize the investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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

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

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

These are the following investments and maturities:

| Investment Type | Fair Value | Investment Maturities (in months) | | |
|-----------------------------------|---------------------|-----------------------------------|-------------|-------------|
| | | Less than 3 | 3-17 | 18-19 |
| State Treasurer's Investment Pool | \$ 1,090,519 | \$ 1,090,519 | \$ - | \$ - |
| Total | <u>\$ 1,090,519</u> | <u>\$ 1,090,519</u> | <u>\$ -</u> | <u>\$ -</u> |

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date of more than 3 months.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the investment will not be able to be recovered by collateral securities that are in the possession of an outside party. There is no formal investment policy for custodial credit risk.

Concentration Risk

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

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. The receivables are considered fully collectible by management, and no allowance for doubtful accounts has been made.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2022 are as follows:

| | Balance Beginning of Year | Additions | (Deletions) | Balance End Of Year |
|--------------------------|---------------------------------|--------------|-------------|---------------------------|
| Capital Assets | | | | |
| Land & Land Improvements | \$ 911,815 | \$ - | \$ - | \$ 911,815 |
| Buildings & Improvements | 25,629,559 | - | - | 25,629,559 |
| Equipment | 1,013,904 | 149,257 | - | 1,163,161 |
| Total | 27,555,278 | 149,257 | - | 27,704,535 |
| Accumulated Depreciation | | | | |
| Buildings & Improvements | 11,312,737 | 613,581 | - | 11,926,318 |
| Equipment | 708,003 | 148,587 | - | 856,590 |
| Total | 12,020,739 | 762,168 | - | 12,782,907 |
| Total Net Capital Assets | \$ 15,534,539 | \$ (612,911) | \$ - | \$ 14,921,628 |

Depreciation was allocated to the functions as follows:

| | |
|-------------|------------|
| Instruction | \$ 477,376 |
| Support | 267,985 |
| Community | 16,807 |
| Total | \$ 762,168 |

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN

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

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

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

- a) **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- i. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$1,234,471, excluding amounts to fund employer specific liabilities. In addition approximately \$365,934 in employee contributions were paid or picked up by the District in fiscal 2022. At June 30, 2022, the District reported a net pension liability of \$6,418,282 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers,

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .054 percent and .057 percent, respectively. Pension expense for the year ended June 30, 2022 was (\$407,018).

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

- (1) Tier 1/Tier 2 – 21.96%
- (2) OPSRP general services – 18.85%

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 600,793 | \$ - |
| Changes in assumptions | 1,606,689 | 16,891 |
| Net difference between projected and actual earnings on pension plan investments | - | 4,751,405 |
| Net changes in proportionate share | 282,144 | 813,447 |
| Differences between contributions and proportionate share of contributions | 121,245 | 41,813 |
| Subtotal - Amortized Deferrals (below) | 2,610,871 | 5,623,556 |
| Contributions subsequent to measuring date | 1,234,471 | - |
| Deferred outflow (inflow) of resources | \$ 3,845,342 | \$ 5,623,556 |

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

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

| Year ending June 30, | Amount |
|----------------------|----------------|
| 2023 | \$ (547,017) |
| 2024 | (522,967) |
| 2025 | (803,672) |
| 2026 | (1,251,484) |
| 2027 | 112,455 |
| Thereafter | - |
| Total | \$ (3,012,685) |

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

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

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the 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 wit new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

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

(Source: June 30, 2021 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

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

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

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

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. 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 | \$ 12,603,971 | \$ 6,418,282 | \$ 1,243,106 |

Changes Subsequent to the Measurement Date

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

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

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.

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District made approximately \$365,934 of optional contributions to member IAP accounts for the year ended June 30, 2022.

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

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

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA)

Plan Description:

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

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating Districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were \$1,460, \$1,277 and \$1,100, respectively, which equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB liability/(asset) of \$(163,914) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .05 percent and .05 percent, respectively. OPEB expense for the year ended June 30, 2022 was (\$25,813).

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

| | |
|---|-------------|
| Employer's proportionate share of collective system OPEB Expense/(Income) | \$ (26,808) |
| Net amortization of employer-specific deferred amounts from: | |
| - Changes in proportionate share (per paragraph 64 of GASB 75) | 995 |
| - Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75) | - |
| Employer's Total OPEB Expense/(Income) | \$ (25,813) |

Components of Deferred Outflows/Inflows of Resources:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ - | \$ 4,560 |
| Changes in assumptions | 3,225 | 2,438 |
| Net difference between projected and actual earnings on pension plan investments | - | 38,955 |
| Net changes in proportionate share | 2,315 | 46 |
| Differences between contributions and proportionate share of contributions | - | - |
| Subtotal - Amortized Deferrals (below) | 5,540 | 45,999 |
| Contributions subsequent to measuring date | - | - |
| Deferred outflow (inflow) of resources | \$ 5,540 | \$ 45,999 |

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

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 |
|----------------------|-------------|
| 2023 | \$ (12,227) |
| 2024 | (7,034) |
| 2025 | (8,893) |
| 2026 | (12,305) |
| 2027 | - |
| Thereafter | - |
| Total | \$ (40,459) |

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

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

Actuarial Methods and Assumptions:

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2021 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.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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

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

| | 1% Decrease (5.90%) | Discount Rate (6.90%) | 1% Increase (7.90%) |
|--|---------------------------|-----------------------------|---------------------------|
| Proportionate share of the net OPEB liability (asset) | \$ (144,958) | \$ (163,914) | \$ (180,107) |

Changes Subsequent to the Measurement Date

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

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (GASB #75)

Plan Description: The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan

Funding Policy: The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of July 1, 2021 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

| | |
|---------------------------------|-------|
| Discount Rate per year | 2.16% |
| General Inflation Rate per year | 2.40% |
| Salary Scale per year | 3.40% |

Health Care Cost Trends:

| <u>Year</u> | <u>Trend</u> | |
|-------------|--------------|---|
| 2022 | 5.00 | % |
| 2023 | 5.25 | |
| 2024-25 | 5.00 | |
| 2026-28 | 4.75 | |
| 2029-61 | 4.50 | |
| 2062-67 | 4.25 | |
| 2068-72 | 4.00 | |
| 2073+ | 3.75 | |

Mortality rates were based on rates adopted by the Oregon Public Employees Retirement System (PERS) in its valuation as of December 31, 2020.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

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

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, and duration of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability:

| | 2022 | 2021 |
|--|------------|------------|
| Total OPEB Liability - Beginning | \$ 563,154 | \$ 489,060 |
| Changes for the Year: | | |
| Service Cost | 50,886 | 42,680 |
| Interest | 13,317 | 18,113 |
| Effect of Economic/Demographic gains or losses | (69,806) | - |
| Changes of Assumptions or Other Input | (61,040) | 42,023 |
| Benefit Payments | (23,062) | (28,722) |
| Net Changes for the Year | (89,705) | 74,094 |
| Total OPEB Liability - Ending | \$ 473,449 | \$ 563,154 |

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates:
The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 2.16 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate. A similar sensitivity analysis is then presented for changes in healthcare cost trend assumptions.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|----------------|--------------------------|----------------|
| June 30, 2022 | | | |
| Total OPEB Liability | \$ 513,617 | \$ 473,449 | \$ 435,579 |
| | | | |
| | 1% Decrease | Current Trend Rate | 1% Increase |
| June 30, 2022 | | | |
| Total OPEB Liability | \$ 413,478 | \$ 473,449 | \$ 545,484 |

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ | \$ (67,421) |
| Changes in assumptions | 39,801 | (70,966) |
| Benefit Payments | 15,725 | - |
| Deferred outflow (inflow) of resources | \$ 55,526 | \$ (138,387) |

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

| Year ending June 30, | Amount |
|----------------------|-------------|
| 2023 | \$ (13,482) |
| 2024 | (13,482) |
| 2025 | (13,482) |
| 2026 | (12,598) |
| 2027 | (10,185) |
| Thereafter | (35,357) |
| Total | \$ (98,586) |

8. DEBT

BONDS

General Obligation Bonds

General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government funds and are reported in the Governmental Activities section of the government-wide financial statements. General obligation bonds are direct obligations and pledge the full faith and credit of the District. One of three of the 2012 general obligation bonds remain. Series 2012C are deferred interest bonds issued in the amount of \$6,972,495, with interest rates ranging from 2.68% - 3.12%. The full amount of interest owed on each grouping of deferred interest bonds becomes due and payable when the bonds mature.

Upon the occurrence and continuance of any Event of Default the Owners of fifty-one (51 %) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Resolution or the Bonds or in aid of the exercise of any power granted in the Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEBT (CONTINUED)

Total debt service requirements to maturity for general obligation bonds, as of June 30, 2022, are as follows:

| | | | |
|-------------------------------------|--------------|--------------|--------------|
| General Obligation Bonds: | | | |
| By Fiscal Year: | Principal | Interest | Total |
| 2023 | 1,022,931 | 342,069 | 1,365,000 |
| 2024 | 1,010,982 | 394,018 | 1,405,000 |
| 2025 | 999,456 | 450,544 | 1,450,000 |
| 2026 | 984,786 | 510,214 | 1,495,000 |
| 2027 | 969,675 | 565,325 | 1,535,000 |
| Total Debt Service Requirements for | | | |
| GO Bonds | \$ 4,987,830 | \$ 2,262,170 | \$ 7,250,000 |

Pension Obligation Bonds: In 2007, pension obligation bonds were issued to provide funds for the advance funding of the unfunded actuarial liability for the Oregon Public Employees Retirement System. The Pension Obligation Bond Fund accounts for the repayment of these bonds, and assesses other funds to provide the resources to pay the debt service on the pension obligation bonds.

There is one pension obligation bond issue of \$2,870,000 of limited tax pension bonds, series 2007, term bond, with interest at 5.617% and principal payable between 2017 and 2028. If an Event of Default occurs and is continuing, the Series 2007 Trustee may exercise any remedy available at law or in equity; however, the Pension Bond Payments will not be subject to acceleration.

Total debt service requirements to maturity for pension obligation bonds, as of June 30, 2022, are as follows:

| | | | |
|---------------------------------|--------------|------------|--------------|
| Pension Obligation Bonds: | | | |
| By Fiscal Year: | Principal | Interest | Total |
| 2023 | 260,000 | 101,106 | 361,106 |
| 2024 | 285,000 | 86,502 | 371,502 |
| 2025 | 315,000 | 70,493 | 385,493 |
| 2026 | 350,000 | 52,800 | 402,800 |
| 2027 | 385,000 | 33,140 | 418,140 |
| 2028-32 | 205,000 | 11,515 | 216,515 |
| Total Debt Service Requirements | | | |
| for Pension Obligation Bonds | \$ 1,800,000 | \$ 355,556 | \$ 2,155,556 |

DIRECT BORROWING

State of Oregon Department of Energy Loan: On October 25, 2011, the District entered a loan agreement with State of Oregon Department of Energy in the amount \$636,538 to provide funds for various energy efficiency projects at the District's school as part of the Department of Energy's "Cool Schools Program." Payments are made monthly. The interest rate for the loan is 3.5% and the maturity date is March 1, 2027. Collateral includes all presently existing and hereafter acquired items of machinery, equipment, improvements and related equipment and property that save energy which are located on the Premises and are a part of or related to the Project (including but not limited to those items described in Owner's Small Scale Local Energy Loan Program loan application and any exhibits and supplementary specifications, contracts, invoices or other documents submitted to and accepted by Lender hereafter, and all accessions,

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEBT (CONTINUED)

parts, additions, and replacements thereto, and all proceeds of any of the foregoing. Upon the occurrence of an Event of Default or declaration of an Event of Default by Lender, Lender may:(a) Cease to make any further disbursements hereunder; Accelerate the Maturity Date and declare the unpaid principal balance of the Loan, together with all unpaid accrued: interest, immediately due and payable, together with the additional amounts, (c) Judicially foreclose Lender's lien against the Collateral, in the same manner as mortgages are foreclosed, (d) Exercise the rights provided to the State in ORS 470.180, (E) Pay, compromise or settle any liens on the Project, or pay other sums required to be paid by Borrower in connection with the Project using any undisbursed Loan proceeds and such additional money as may be reasonably required. In the event of payment by Lender of any encumbrance, lien, claim, or demand, Lender may, at its option, be subrogated to the extent of the amount of such payment to all the rights, powers, privileges, and remedies of the payor or payee, as the case may be, and any such subrogation rights shall be additional and cumulative security for this Agreement.

Total debt service requirements to maturity for the loan, as of June 30, 2022, are as follows:

State of Oregon Department of Energy Loan

| By Fiscal Year: | Principal | Interest | Total |
|--|-------------------|------------------|-------------------|
| 2023 | 47,022 | 7,578 | 54,600 |
| 2024 | 48,679 | 5,921 | 54,600 |
| 2025 | 50,425 | 4,175 | 54,600 |
| 2026 | 52,219 | 2,381 | 54,600 |
| 2027 | 39,912 | 571 | 40,483 |
| Total Debt Service Requirements for Department of Energy Loan | <u>\$ 238,257</u> | <u>\$ 20,626</u> | <u>\$ 258,883</u> |

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

| | Beginning Balance 7/1/21 | Additions | Deletions | Ending Balance 6/30/22 | Due Within One Year |
|--|-----------------------------|-------------|---------------------|---------------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General Obligation Bonds | \$ 6,267,830 | \$ - | \$ 1,280,000 | \$ 4,987,830 | \$ 1,022,931 |
| Pension Obligation Bonds | 2,035,000 | - | 235,000 | 1,800,000 | 260,000 |
| Direct Borrowing | | | | | |
| Department of Energy Loan | 283,664 | - | 45,407 | 238,257 | 47,022 |
| Premium related to Bond | | | | | |
| Unamortized bond premiums and (discounts) | 105,541 | - | 17,794 | 87,747 | 17,794 |
| Total Liabilities | <u>\$ 8,692,035</u> | <u>\$ -</u> | <u>\$ 1,578,201</u> | <u>\$ 7,113,834</u> | <u>\$ 1,347,747</u> |

During 2021-2022, \$188,601 of interest accrued on outstanding bonds and \$2,334 of previously accrued interest was paid, bringing the total balance of accrued interest at June 30, 2022 to \$1,657,763. Of this amount, \$310,308 is due and payable within one year. All General Obligation Debt is being paid by the Debt Service Fund. All Pension Obligation Debt is being paid by the Pension Obligation Bond Fund.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LEASES PAYABLE AND RIGHT-TO-USE ASSETS

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 12/17/2021, Banks School District entered into a 60 month lease as Lessee for the use of District Office - Color Printer. An initial lease liability was recorded in the amount of \$11,601.28. As of 06/30/2022, the value of the lease liability is \$10,272.62. Banks School District is required to make monthly fixed payments of \$199.00. The lease has an interest rate of 1.1771%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$11,601.28 with accumulated amortization of \$1,250.36 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Banks School District entered into a 52 month lease as Lessee for the use of BES Downstairs - Multifunctional Printer. An initial lease liability was recorded in the amount of \$9,641.36. As of 06/30/2022, the value of the lease liability is \$7,445.90. Banks School District is required to make monthly fixed payments of \$189.00. The lease has an interest rate of 0.8927%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$9,641.36 with accumulated amortization of \$2,209.35 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Banks School District entered into a 30 month lease as Lessee for the use of BES Upstairs - Multifunctional Printer. An initial lease liability was recorded in the amount of \$5,617.11. As of 06/30/2022, the value of the lease liability is \$3,382.50. Banks School District is required to make monthly fixed payments of \$189.00. The lease has an interest rate of 0.7268%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$5,617.11 with accumulated amortization of \$2,246.85 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Banks School District entered into a 30 month lease as Lessee for the use of New Downstairs High School - Printer. An initial lease liability was recorded in the amount of \$6,604.84. As of 06/30/2022, the value of the lease liability is \$4,060.36. Banks School District is required to make monthly fixed payments of \$215.00. The lease has an interest rate of 0.7268%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$6,604.84 with accumulated amortization of \$2,601.47 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Banks School District entered into a 37 month lease as Lessee for the use of Middle School Downstairs - Copier. An initial lease liability was recorded in the amount of \$4,697.19. As of 06/30/2022, the value of the lease liability is \$3,223.58. Banks School District is required to make monthly fixed payments of \$125.00. The lease has an interest rate of 0.7268%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$4,697.19 with accumulated amortization of \$1,515.22 is included with Equipment on the Lease Class activities table found below.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LEASES PAYABLE AND RIGHT-TO-USE ASSETS (CONTINUED)

On 07/01/2021, Banks School District entered into a 49 month lease as Lessee for the use of BMS Upstairs - Multifunctional Printer. An initial lease liability was recorded in the amount of \$8,469.40. As of 06/30/2022, the value of the lease liability is \$6,420.84. Banks School District is required to make monthly fixed payments of \$176.00. The lease has an interest rate of 0.8927%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$8,469.40 with accumulated amortization of \$2,057.34 is included with Equipment on the Lease Class activities table found below.

On 04/28/2022, Banks School District entered into a 63 month lease as Lessee for the use of Student SVCS - Color Printer. An initial lease liability was recorded in the amount of \$8,134.89. As of 06/30/2022, the value of the lease liability is \$7,755.48. Banks School District is required to make monthly fixed payments of \$138.00. The lease has an interest rate of 2.6149%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$8,134.89 with accumulated amortization of \$271.16 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Banks School District entered into a 15 month lease as Lessee for the use of Student Services - Monochrome Color Printer. An initial lease liability was recorded in the amount of \$1,870.33. As of 06/30/2022, the value of the lease liability is \$374.76. Banks School District is required to make monthly fixed payments of \$125.00. The lease has an interest rate of 0.3871%. The Equipment estimated useful life was 84 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$1,870.33 with accumulated amortization of \$1,426.52 is included with Equipment on the Lease Class activities table found below.

Principal and Interest Requirements to Maturity

| Fiscal Year | Governmental Activities | | |
|-------------|-------------------------|-------------------|----------------|
| | Principal Payments | Interest Payments | Total Payments |
| 2023 | \$ 14,691 | \$ 456 | \$ 15,147 |
| 2024 | 12,253 | 310 | 12,563 |
| 2025 | 8,484 | 190 | 8,674 |
| 2026 | 4,883 | 93 | 4,976 |
| 2027 | 2,625 | 26 | 2,651 |
| Total | \$ 42,936 | \$ 1,075 | \$ 44,011 |

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LEASES PAYABLE AND RIGHT-TO-USE ASSETS (CONTINUED)

Activity (Rollforward Schedule)

| GOVERNMENTAL ACTIVITIES: | Balance as of July 1, 2021 | Additions | Reductions | Balance as of June 30, 2022 |
|---|-------------------------------|-----------|------------|--------------------------------|
| Lease Liability | | | | |
| Equipment | | | | |
| District Office - Color Printer | - | 11,601 | 1,329 | 10,273 |
| BES Downstairs - Multifunctional Printer | 9,641 | - | 2,195 | 7,446 |
| BES Upstairs - Multifunctional Printer | 5,617 | - | 2,235 | 3,383 |
| New Downstairs High School - Printer | 6,605 | - | 2,544 | 4,060 |
| Middle School Downstairs - Copier | 4,697 | - | 1,474 | 3,224 |
| BMS Upstairs - Multifunctional Printer | 8,469 | - | 2,049 | 6,421 |
| Student SVCS - Color Printer | - | 8,135 | 379 | 7,755 |
| Student Services - Monochrome Color Printer | 1,870 | - | 1,496 | 375 |
| Total Equipment Lease Liability | 36,900 | 19,736 | 13,700 | 42,936 |
| Total Lease Liability | 36,900 | 19,736 | 13,700 | 42,936 |

| GOVERNMENTAL ACTIVITIES: | Balance as of July 1, 2021 | Additions | Reductions | Balance as of June 30, 2022 |
|---|-------------------------------|-----------|------------|--------------------------------|
| Lease Asset | | | | |
| Equipment | | | | |
| District Office - Color Printer | - | 11,601 | - | 11,601 |
| BES Downstairs - Multifunctional Printer | 9,641 | - | - | 9,641 |
| BES Upstairs - Multifunctional Printer | 5,617 | - | - | 5,617 |
| New Downstairs High School - Printer | 6,605 | - | - | 6,605 |
| Middle School Downstairs - Copier | 4,697 | - | - | 4,697 |
| BMS Upstairs - Multifunctional Printer | 8,469 | - | - | 8,469 |
| Student SVCS - Color Printer | - | 8,135 | - | 8,135 |
| Student Services - Monochrome Color Printer | 1,870 | - | - | 1,870 |
| Total Equipment Lease Asset | 36,900 | 19,736 | - | 56,636 |
| Total Lease Asset | 36,900 | 19,736 | - | 56,636 |

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LEASES PAYABLE AND RIGHT-TO-USE ASSETS (CONTINUED)

| GOVERNMENTAL ACTIVITIES: | Balance as of July 1, 2021 | Additions | Reductions | Balance as of June 30, 2022 |
|--|-------------------------------|---------------|------------|--------------------------------|
| Lease Accumulated Amortization | | | | |
| Equipment | | | | |
| District Office - Color Printer | - | 1,250 | - | 1,250 |
| BES Downstairs - Multifunctional Printer | - | 2,209 | - | 2,209 |
| BES Upstairs - Multifunctional Printer | - | 2,247 | - | 2,247 |
| New Downstairs High School - Printer | - | 2,601 | - | 2,601 |
| Middle School Downstairs - Copier | - | 1,515 | - | 1,515 |
| BMS Upstairs - Multifunctional Printer | - | 2,057 | - | 2,057 |
| Student SVCS - Color Printer | - | 271 | - | 271 |
| Student Services - Monochrome Color Printer | - | 1,427 | - | 1,427 |
| Total Equipment Lease Accumulated Amortization | - | 13,578 | - | 13,578 |
| Total Lease Accumulated Amortization | - | 13,578 | - | 13,578 |
| Total Governmental Lease Assets, Net | 36,900 | 6,158 | - | 43,058 |

10. COMMITMENTS AND CONTINGENCIES

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2022 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although management expects such amounts to be immaterial.

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

11. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. PROPERTY TAX LIMITATIONS (CONTINUED)

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

12. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is carried to minimize the exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three years.

Worker's compensation insurance is purchased from a commercial carrier. Premiums are determined based on payroll paid at various employment classification rates. Loss prevention services are available from the carrier, and there is no potential liability beyond the premiums paid.

13. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

| Transfers Out: | | Transfers In: | |
|-----------------------|---------------------|----------------------|-------------------|
| General Fund | | Special Projects | \$ 296,805 |
| | <u>(324,105)</u> | Debt Service | <u>27,300</u> |
| Total | <u>\$ (324,105)</u> | Total | <u>\$ 324,105</u> |

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

14. DEFICIT NET POSITION IN INTERNAL SERVICE FUND

The internal service fund had a negative net position amount of (\$1,767,654). The negative net position is expected to reverse in future years as the PERS Pension Bond approaches maturity.

15. PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments totaling (\$789,783) were recognized in 2021-2022:

Beginning Net Position was reduced by \$1,469,162 to account for unpaid interest that had accrued in prior years on the District's Deferred Interest Bonds.

Beginning Net Position was increased by \$679,379 to account for additional Deferred Outflows related to the District's Pension Obligations.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| Year Ended June 30, | (a) Employer's proportion of the net pension liability (NPL) | (b) Employer's proportionate share of the net pension liability (NPL) | (c) District's covered payroll | (b/c) NPL as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---------------------|---|--|-----------------------------------|---|--|
| 2022 | 0.05 % | \$ 6,418,282 | \$ 5,480,029 | 117.1 % | 87.6 % |
| 2021 | 0.06 | 12,378,189 | 5,604,291 | 220.9 | 75.8 |
| 2020 | 0.06 | 10,190,405 | 5,425,655 | 187.8 | 80.2 |
| 2019 | 0.05 | 8,119,517 | 5,100,003 | 159.2 | 82.1 |
| 2018 | 0.06 | 8,277,095 | 5,102,393 | 162.2 | 83.1 |
| 2017 | 0.06 | 8,670,228 | 4,907,979 | 176.7 | 80.5 |
| 2016 | 0.06 | 3,394,703 | 4,562,114 | 74.4 | 91.9 |
| 2015 | 0.06 | (1,344,125) | 4,197,672 | (32.0) | 103.6 |
| 2014 | 0.06 | 3,026,083 | 3,749,603 | 80.7 | 92.0 |

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

SCHEDULE OF CONTRIBUTIONS

| Year | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Employer's covered payroll | Contributions as a percent of covered payroll |
|------|-----------------------------------|--|----------------------------------|----------------------------|---|
| 2022 | \$ 1,234,471 | \$ 1,234,471 | \$ - | \$ 5,738,989 | 21.5 % |
| 2021 | 1,235,209 | 1,235,209 | - | 5,480,029 | 22.5 |
| 2020 | 1,301,447 | 1,301,447 | - | 5,604,291 | 23.2 |
| 2019 | 1,062,672 | 1,062,672 | - | 5,425,655 | 19.6 |
| 2018 | 998,724 | 998,724 | - | 5,100,003 | 19.6 |
| 2017 | 741,306 | 741,306 | - | 5,102,393 | 14.5 |
| 2016 | 559,335 | 559,335 | - | 4,907,979 | 11.4 |
| 2015 | 690,917 | 690,917 | - | 4,562,114 | 15.1 |
| 2014 | 725,087 | 725,087 | - | 4,197,672 | 17.3 |

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2022**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE PERS - RHIA

| Year Ended June 30, | (a) Employer's proportion of the net pension liability (Asset) | (b) Employer's proportionate share of the net pension liability (Asset) | (c) Employer's covered payroll | (b/c) NPL as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---------------------|---|--|-----------------------------------|---|--|
| 2022 | 0.05 % | \$ (163,914) | \$ 5,480,029 | (3.0) % | 183.9 % |

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

SCHEDULE OF CONTRIBUTIONS - PERS RHIA

| Year | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Employer's covered payroll | Contributions as a percent of covered payroll |
|------|-----------------------------------|--|----------------------------------|----------------------------|---|
| 2022 | \$ 1,100 | \$ 1,100 | \$ - | \$ 5,738,989 | 0.0 % |

The amounts presented for each fiscal year were actuarial determined at 12/31 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.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the fiscal year ended June 30, 2022

Schedule of changes in the total OPEB liability

| Year ended June 30 | Service Cost | Interest | Changes of Benefit Terms | Effect of Economic/ Demographic Gains or Losses | Changes of Assumption or Output Input | Benefit Payments | Net Changes for the Year |
|-----------------------|--------------|-----------|--------------------------------|---|---|---------------------|-----------------------------|
| 2022 \$ | 50,886 \$ | 13,317 \$ | \$ | (69,806) \$ | (61,040) \$ | (23,062) \$ | (89,705) |
| 2021 | 42,680 | 18,113 | - | - | 42,023 | (28,722) | 74,094 |
| 2020 | 36,687 | 18,682 | - | (7,521) | 9,870 | (29,161) | 28,557 |
| 2019 | 36,413 | 16,986 | - | - | (10,429) | (40,683) | 2,287 |
| 2018 | 38,690 | 13,949 | - | - | (25,531) | (39,024) | (11,916) |

Schedule of total OPEB liability and related ratios

| Year ended June 30 | Total OPEB Liability Beginning (asset) | Net Changes for the Year | Total OPEB Liability (asset) Ending | Covered Payroll | Net Single Employer Pension Plan as a Percentage of Covered Payroll |
|-----------------------|---|-----------------------------|--|--------------------|---|
| 2022 \$ | 563,154 | (89,705) | 473,449 | 5,738,989 | 8.25% |
| 2021 | 489,060 | 74,094 | 563,154 | 5,480,029 | 10.28% |
| 2020 | 460,503 | 28,557 | 489,060 | 5,604,291 | 8.73% |
| 2019 | 458,216 | 2,287 | 460,503 | 5,425,655 | 8.49% |
| 2018 | 470,133 | (11,916) | 458,216 | 5,100,003 | 8.98% |

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 75 in the fiscal year ending June 30, 2018.

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

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

GENERAL FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|----------------------------|-------------------------|---------------------|---------------------|
| REVENUES: | | | | |
| Taxes | \$ 3,407,500 | \$ 3,407,500 | \$ 3,461,481 | \$ 53,981 |
| Other Local Sources | 190,000 | 190,000 | 105,789 | (84,211) |
| Intermediate Sources | 25,000 | 25,000 | 28,893 | 3,893 |
| State Sources | 8,002,665 | 8,002,665 | 8,184,761 | 182,096 |
| Total Revenues | 11,625,165 | 11,625,165 | 11,780,924 | 155,759 |
| EXPENDITURES: | | | | |
| Instruction | 7,571,917 | 7,571,917 (1) | 7,058,430 | 513,487 |
| Support Services | 4,774,772 | 4,774,772 (1) | 4,587,506 | 187,266 |
| Contingency | 50,000 | 50,000 (1) | - | 50,000 |
| Total Expenditures | 12,396,689 | 12,396,689 | 11,645,936 | 750,753 |
| Excess of Revenues Over (Under) Expenditures | (771,524) | (771,524) | 134,988 | 906,512 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Lease Proceeds | - | - | 19,736 | 19,736 |
| Transfers Out | (375,000) | (375,000) (1) | (324,105) | 50,895 |
| Total Other Financing Sources (Uses) | (375,000) | (375,000) | (304,369) | 70,631 |
| Net Change in Fund Balance | (1,146,524) | (1,146,524) | (169,381) | 977,143 |
| Beginning Fund Balance | 2,800,000 | 2,800,000 | 3,258,818 | 458,818 |
| Ending Fund Balance | \$ 1,653,476 | \$ 1,653,476 | \$ 3,089,437 | \$ 1,435,961 |

(1) - Appropriation level

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

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

SPECIAL PROJECTS FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|----------------------------|-------------------------|-------------------|-------------------|
| REVENUES: | | | | |
| Local Sources | \$ 762,800 | \$ 762,800 | \$ 290,866 | \$ (471,934) |
| Intermediate Sources | 85,000 | 85,000 | 17,172 | (67,828) |
| State Sources | 1,308,125 | 1,308,125 | 1,044,161 | (263,964) |
| Federal Sources | 1,019,777 | 1,019,777 | 976,932 | (42,845) |
| Total Revenues | <u>3,175,702</u> | <u>3,175,702</u> | <u>2,329,131</u> | <u>(846,571)</u> |
| EXPENDITURES: | | | | |
| Instruction | 2,893,694 | 2,893,694 (1) | 1,791,308 | 1,102,386 |
| Support Services | 468,408 | 468,408 (1) | 387,444 | 80,964 |
| Enterprise & Community Services | 364,500 | 364,500 (1) | 311,238 | 53,262 |
| Debt Service | 27,300 | 27,300 (1) | 26,501 | 799 |
| Total Expenditures | <u>3,753,902</u> | <u>3,753,902</u> | <u>2,516,491</u> | <u>1,237,411</u> |
| Excess of Revenues Over (Under) Expenditures | (578,200) | (578,200) | (187,360) | 390,840 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 347,700 | 347,700 | 296,805 | (50,895) |
| Total Other Financing Sources (Uses) | <u>347,700</u> | <u>347,700</u> | <u>296,805</u> | <u>(50,895)</u> |
| Net Change in Fund Balance | (230,500) | (230,500) | 109,445 | 339,945 |
| Beginning Fund Balance | <u>325,500</u> | <u>325,500</u> | <u>375,518</u> | <u>50,018</u> |
| Ending Fund Balance | <u>\$ 95,000</u> | <u>\$ 95,000</u> | <u>\$ 484,963</u> | <u>\$ 389,963</u> |

(1) Appropriation Level

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

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

DEBT SERVICE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE |
|--|--------------------|-----------------|--------------|-------------|
| REVENUES: | | | | |
| Local Sources | | | | |
| Current Year's Taxes | \$ 1,296,400 | \$ 1,296,400 | \$ 1,270,184 | \$ (26,216) |
| Prior Year's Taxes | 12,000 | 12,000 | 15,296 | 3,296 |
| Interest | 10,000 | 10,000 | 6,401 | (3,599) |
| Total Revenues | 1,318,400 | 1,318,400 | 1,291,881 | (26,519) |
| EXPENDITURES: | | | | |
| Debt Service | 1,345,700 | 1,345,700 (1) | 1,345,695 | 5 |
| Total Expenditures | 1,345,700 | 1,345,700 | 1,345,695 | 5 |
| Excess of Revenues Over (Under) Expenditures | (27,300) | (27,300) | (53,814) | (26,514) |
| Other Financing Sources, (Uses) | | | | |
| Transfers In | 27,300 | 27,300 | 27,300 | - |
| Total Other Financing Sources, (Uses) | 27,300 | 27,300 | 27,300 | - |
| Net Change in Fund Balance | - | - | (26,514) | (26,514) |
| Beginning Fund Balance | 200,000 | 200,000 | 221,400 | 21,400 |
| Ending Fund Balance | \$ 200,000 | \$ 200,000 | \$ 194,886 | \$ (5,114) |

(1) Appropriation level

**B ANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

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

CAPITAL PROJECTS FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|---------------------------------------|----------------------------|-------------------------|-------------------|-------------------|
| REVENUES: | | | | |
| Local Sources | \$ 81,500 | \$ 81,500 | \$ 38,891 | \$ (42,609) |
| Total Revenues | <u>81,500</u> | <u>81,500</u> | <u>38,891</u> | <u>(42,609)</u> |
| EXPENDITURES: | | | | |
| Facilities Acquisition & Construction | <u>691,500</u> | <u>691,500</u> (1) | <u>-</u> | <u>691,500</u> |
| Total Expenditures | <u>691,500</u> | <u>691,500</u> | <u>-</u> | <u>691,500</u> |
| Net Change in Fund Balance | (610,000) | (610,000) | 38,891 | 648,891 |
| Beginning Fund Balance | <u>610,000</u> | <u>610,000</u> | <u>621,151</u> | <u>11,151</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 660,042</u> | <u>\$ 660,042</u> |

(1) Appropriation level

**B ANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

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

PENSION OBLIGATION BONDS FUND - INTERNAL SERVICE FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|----------------------------|----------------------------|-------------------------|-------------------|--------------------|
| REVENUES | | | | |
| Local Sources: | | | | |
| Assessments to Other Funds | <u>\$ 349,306</u> | <u>\$ 349,306</u> | <u>\$ 291,742</u> | <u>\$ (57,564)</u> |
| Total Revenues | <u>349,306</u> | <u>349,306</u> | <u>291,742</u> | <u>(57,564)</u> |
| EXPENDITURES | | | | |
| Debt Service | <u>349,306</u> | <u>349,306 (1)</u> | <u>349,306</u> | <u>-</u> |
| Total Expenditures | <u>349,306</u> | <u>349,306</u> | <u>349,306</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | (57,564) | (57,564) |
| Beginning Fund Balance | <u>25,000</u> | <u>25,000</u> | <u>82,564</u> | <u>57,564</u> |
| Ending Fund Balance | <u><u>\$ 25,000</u></u> | <u><u>\$ 25,000</u></u> | <u>\$ 25,000</u> | <u><u>\$ -</u></u> |

(1) Appropriation level

Reconciliation to Net Position:

| | |
|----------------------------------|------------------------------|
| Pension Obligation Bonds Payable | <u>(1,792,654)</u> |
| Ending Net Position | <u><u>\$ (1,767,654)</u></u> |

**BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022**

| PROGRAM TITLE | PASS-THROUGH ORGANIZATION | FEDERAL AL NUMBER | SUB GRANT AWARD | GRANT PERIOD | EXPENDITURES | PASS-THROUGH EXPENDITURES |
|---|--------------------------------|-------------------|-----------------|-----------------|-------------------|---------------------------|
| US DEPARTMENT OF EDUCATION | | | | | | |
| Title 1 Grants to Local Educational Agencies | Oregon Department of Education | 84.010 | 60354 | 4/1/20-9/30/22 | \$ 34,458 | \$ - |
| Title 1 Grants to Local Educational Agencies | Oregon Department of Education | 84.010 | 66923 | 7/1/21-9/30/22 | 80,597 | - |
| Total Title 1 Grants to Local Educational Agencies | | | | | 115,055 | - |
| Special Education Grants to States | Oregon Department of Education | 84.027 | 68323 (ARP) | 7/1/21-9/30/23 | 7,317 (1) | - |
| Special Education Grants to States | Oregon Department of Education | 84.027 | 68572 | 7/1/21-9/30/23 | 184,645 | - |
| Total Special Education Cluster | | | | | 191,962 | - |
| Supporting Effective Instruction State Grants | Oregon Department of Education | 84.367 | 53480 | 7/1/19-9/30/22 | 879 | - |
| Supporting Effective Instruction State Grants | Oregon Department of Education | 84.367 | 67356 | 7/1/21-9/30/22 | 11,606 | - |
| Total Supporting Effective Instruction State Grants | | | | | 12,485 | - |
| Student Support and Academic Enrichment State Grant | Oregon Department of Education | 84.424 | 66712 | 7/1/21-9/31/22 | 10,000 | - |
| Education Stabilization Fund (ESF) | Oregon Department of Education | 84.425 | 64530 | 3/13/20-9/30/23 | 211,260 (1) | - |
| TOTAL US DEPARTMENT OF EDUCATION | | | | | 540,762 | - |
| US DEPARTMENT OF AGRICULTURE | | | | | | |
| School Breakfast Program | Oregon Department of Education | 10.553 | Fund 280 | 7/1/21-6/30/22 | 80,584 | - |
| National School Lunch Program | Oregon Department of Education | 10.555 | Fund 280 | 7/1/21-6/30/22 | 330,555 | - |
| National School Lunch Program - Noncash assistance | Oregon Department of Education | 10.555 | Fund 280 | 7/1/21-6/30/22 | 24,417 | - |
| Total Child Nutrition Cluster | | | | | 435,556 | - |
| SNAP State and Local EBT | Oregon Department of Education | 10.649 | Fund 280 | 7/1/21-6/30/22 | 614 | - |
| TOTAL US DEPARTMENT OF AGRICULTURE | | | | | 436,170 | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | | \$ 976,932 | \$ - |

(1) Covid-19 Funding



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December 16, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Banks School District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 16, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the 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, 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the Banks School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered internal control 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

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

A handwritten signature in black ink, appearing to read "Kenny Allen". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kenny Allen, CPA
PAULY, ROGERS AND CO., P.C.

BANKS SCHOOL DISTRICT NO. 13
WASHINGTON COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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December 16, 2022

To the Board of Education
Banks School District
Washington 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 Banks School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 16, 2022.

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.

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

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*.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



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December 16, 2022

To the Board of Education
Banks School District
Washington 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 Banks School District'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, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Banks School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

BANKS SCHOOL DISTRICT
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

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

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

IDENTIFICATION OF MAJOR PROGRAMS

| <u>AL NUMBER</u> | <u>NAME OF FEDERAL PROGRAM CLUSTER</u> |
|-------------------------|---|
| 10.553 & 10.555 | Child Nutrition Cluster |
| 84.425 | Education Stabilization Fund (ESF) |

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

Auditee qualified as low-risk auditee? yes no

BANKS SCHOOL DISTRICT
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

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



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December 16, 2022

To the Board of Education
Banks School District

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Banks School District for the year ended June 30, 2022. 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

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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 no instances of non-compliance.
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 the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management letter – No separate management letter was issued

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 2022 with the exception of the District’s adoption of GASB-87, Leases. 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 estimate(s) affecting the basic financial statements were Management’s estimate of Capital Asset Depreciation, which is based on useful lives of assets. We evaluated the key factors and assumptions 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.

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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, none of the misstatements detected as a result of audit procedures and corrected by management 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 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 96 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The effective date for this Statement is for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB 97 – CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS – AN AMENDMENT OF GASB 14 & 84, AND A SUPERSESSION OF GASB 32

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension

plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

Local Wellness Program

The district's comprehensive age-appropriate nutrition program will be implemented in district schools in accordance with the following requirements:

Definitions:

1. "Accompaniment foods" means food items served along with another food to enhance palatability such as butter, jelly, cream cheese, salad dressing, croutons and condiments.
2. "Combination foods" means products that contain two or more components representing two or more of the recommended food groups: fruit; vegetable; dairy; protein; or grains.
3. "Competitive foods" means any food or drink sold in competition with the National School Lunch Program (NSLP) and/or School Breakfast Program (SBP) during the school day;
4. "Dietary Guidelines for Americans" means the current set of recommendations of the federal government that are designed to help people choose diets that will meet nutrient requirements, promote health, support active lives and reduce chronic disease risks;
5. "Entree item" means an item that is either:
 - a. A combination food of meat or meat alternate and whole grain rich food; or
 - b. A combination food of vegetable or fruit and meat or meat alternate; or
 - c. A meat or meat alternate alone with the exception of yogurt, low-fat or reduced fat cheese, nuts, seeds and nut or seed butters and meat snacks (such as dried beef jerky); or
 - d. Grains only when served in the SBP.
6. "Food service area" means any area on school premises where NSLP or SBP meals are both served and eaten, as well as any areas in which NSLP or SBP meals are either served or eaten;
7. "Meal period" means the period(s) during which breakfast or lunch meals are served and eaten, and as identified on the school schedule.
8. "Nutrition education" means a planned sequential instructional program that provides knowledge and teaches skills to help students adopt and maintain lifelong healthy eating habits.
9. "Oregon Smart Snacks"¹ means the minimum nutrition standards for competitive foods and beverages.

¹Oregon Department of Education, www.ode.state.or.us

- a Food items, including accompaniment foods, must:
1. Be a grain product that contains 50 percent or more whole grains by weight or have as the first ingredient a whole grain (e.g., flour, flake or meal); or
 2. Have as the first ingredient, one of the non-grain major food groups: fruits; vegetables; dairy or protein foods (e.g., meat, beans, poultry, seafood, eggs, nuts, seeds); or
 3. Be a combination food that contains one-quarter cup of fruit and/or vegetable, or
 4. Have one of the food items above as a second ingredient if water is the first ingredient; or
 5. Contain 10 percent of the Daily Value of a nutrient of public health concern based on the most recent *Dietary Guidelines for Americans* (e.g., calcium, potassium, vitamin D or dietary fiber)²; and
 6. Meet all the competitive food nutrient standards:
 - a Calories:
 - i Snacks contain no more than:
 1. 150 calories as packaged or served for elementary level;
 2. 180 calories as packaged or served for middle school level;
 3. 200 calories as packaged or served for high school level.
 - ii. Entrees contain no more than 350 calories as packaged or served.
 - b Total fat: contains 35 percent or less of total calories from fat per item as packaged or served.
 - i Exemptions to the total fat standard are granted for reduced fat cheese and part-skim mozzarella cheese, nuts, seeds, nut or seed butters, products consisting of only dried fruit with nuts and/or seeds with no added nutritive sweeteners or fat and seafood with no added fat.
 - c Saturated fat: contains no more than 10 percent of total calories from saturated fat per item as packaged or served.
 - i Exemptions to the saturated fat standard are granted for reduced fat cheese and part-skim mozzarella cheese, nuts and products consisting of only dried fruit with nuts and/or seeds with no added nutritive sweeteners or fat.
 - d Transfat: contains 0 grams of trans fat per item as packaged or served.
 - e Sugar must be no more than 35 percent by weight.
 - i Exempt from the sugar standard are:

²Effective for the period through June 30, 2016. Effective July 1, 2016, this criterion is obsolete and may not be used to qualify as a competitive food.

1. Dried whole fruits or vegetables;
 2. Dried whole fruit or vegetable pieces;
 3. Dehydrated fruits or vegetables with no added nutritive sweeteners; and
 4. Dried fruits with nutritive sweeteners that are required for processing and/or palatability purposes (i.e., cranberries, blueberries, tart cherries).
- f. Sodium:
- i. Snacks contain no more than 230 mg sodium³ per item as packaged or served.
 - ii. Entrees contain no more than 480 mg sodium per item as packaged or served.
- g. Caffeine free, except for naturally occurring trace amounts, for elementary and middle school level.
- h. Exempt from all nutrients standards on any day are:
- i. Fresh, canned and frozen fruits or vegetables with no added ingredients except water.
 - ii. Fruit packed in 100 percent juice, extra light or light syrup.
 - iii. Canned vegetables that contain a small amount of sugar for processing purposes.
 - iv. Sugar-free chewing gum.
- i. Entrees in same or smaller portion served on the day or the day following in the National School Lunch or School Breakfast Programs:
- i. Are exempt from the nutrient standards for:
 1. Saturated fat,
 2. Trans fat;
 3. Sodium; and
 4. Sugar.
 - ii. Must contain:
 1. Calories not to exceed 450 per item as packaged or served; and
 2. Total fat not to exceed 36 percent of total calories or 4 grams per 100 calories per item as packaged or served.
- b. Beverages must be:
1. For elementary level students:
 - a. Plain water, carbonated or uncarbonated, with portion size unlimited;
 - b. Lowfat milk (unflavored), with portion size not to exceed 8 ounces and 150 calories;

³On July 1, 2016, the sodium standard will move to 200 mg per item as packaged or served.

- c. Nonfat milk (including flavored), with portion size not to exceed 8 ounces and 150 calories;
- d. Nutritionally equivalent milk alternatives, portion size not to exceed 8 ounces and 150 calories;
- e. Full strength fruit or vegetable juices, portion size not to exceed 8 ounces and 120 calories;
- f. Caffeine free, except for naturally occurring trace amounts.

2 For middle school level students:

- a. Plain water, carbonated or uncarbonated, with portion size unlimited;
- b. Lowfat milk (unflavored), portion size not to exceed 10 ounces and 190 calories;
- c. Nonfat milk (including flavored), portion size not to exceed 10 ounces and 190 calories;
- d. Nutritionally equivalent milk alternatives, portion size not to exceed 10 ounces and 190 calories;
- e. Full strength fruit or vegetable juices, portion size not to exceed 10 ounces and 150 calories;
- f. Caffeine free, except for naturally occurring trace amounts.

3 For high school level students:

- a. Plain water, carbonated or uncarbonated, with portion size unlimited;
- b. Lowfat milk (unflavored), portion size not to exceed 12 ounces and 225 calories;
- c. Nonfat milk (including flavored), portion size not to exceed 12 ounces and 225 calories;
- d. Nutritionally equivalent milk alternatives, portion size not to exceed 12 ounces and 225 calories;
- e. Full strength fruit or vegetable juices, portion size not to exceed 12 ounces and 180 calories;
- f. Low or no calorie beverage is less than 5 calories per 8 ounce serving or less than or equal to 15 calories per 20 fluid ounces, portion size not to exceed 20 ounce serving;
- g. Other beverages are not to exceed 40 calories per 8 fluid ounces (or 60 calories per 12 fluid ounces) with portion size not to exceed 12 ounces.

- c. Use the nutrient standard for the lowest grade group when mixed grades have open access to competitive foods.

10. "School day" means a student education day beginning at midnight and ending at the conclusion of afternoon student activities, such as athletic, music or drama practices, clubs, academic support and enrichment activities.

11. "Snack" means a food that is generally regarded as supplementing a meal and includes, but is not limited to, chips, crackers, onion rings, nachos, french fries, doughnuts, cookies, pastries, cinnamon rolls and candy.

Nutrition Promotion and Nutrition Education

Nutrition promotion and nutrition education shall focus on students' eating behaviors, be based on theories and methods proven effective by research and be consistent with state and local district health education standards. Nutrition education at all levels of the district's curriculum shall include, but not be limited to, the following essential components designed to help students learn:

1. Age-appropriate nutritional knowledge, including the benefits of healthy eating, essential nutrients, nutritional deficiencies, principles of healthy weight management, the use and misuse of dietary supplements, safe food preparation, handling and storage and cultural diversity related to food and eating;
2. Age-appropriate nutrition-related skills, including, but not limited to, planning a healthy meal, understanding and using food labels and critically evaluating nutrition information, misinformation and commercial food advertising; and
3. How to assess one's personal eating habits, set goals for improvement and achieve those goals.

In order to reinforce and support district nutrition education efforts, the principal is responsible for ensuring:

4. Nutrition instruction is closely coordinated with the school's nutrition and food services operation and other components of the school health program to reinforce messages on healthy eating and includes social learning techniques. To maximize classroom time, nutrition concepts shall be integrated into the instruction of other subject areas where possible;
5. Links with nutrition service providers (e.g., qualified public health and nutrition professionals) are established to: provide screening, referral and counseling for nutritional problems; inform families about supplemental nutritional services available in the community (e.g., ~~food stamps~~SNAP, local food pantries, summer food services program, child and adult care food program), and implement nutrition education and promotion activities for school staff, Board members and parents;
6. In keeping with the district's nutrition program goals, all classroom reward or incentive programs involving food items are reviewed for approval to ensure that the foods served meet the requirements of the district's nutrition policy and regulation (i.e., all foods served fit in a healthy diet as recommended in the Dietary Guidelines for Americans, and contribute to the development of lifelong healthy eating habits for the district's students).
7. Child Nutrition Staff support nutrition education by marketing healthy meals and providing nutrition information to students and families.

Physical Activity

In order to insure students are afforded the opportunity to engage in physical activity in the school setting, the following guidelines apply:

1. Physical activity will be integrated across curricula and throughout the school day. Movement will be made a part of science, math, social studies, and language arts;

2. Physical education will be a course of study that focuses on students' development of motor skills, movement forms, and health related fitness;
3. Physical education courses will be the environment where students learn, practice and are assessed on developmentally appropriate motor skills, social skills, and knowledge;
4. All physical education classes will be taught by highly qualified physical education instructors;
5. A daily recess period will be provided which will not be used as a punishment or a reward;
6. Physical education instruction shall be a sequential, developmentally appropriate curriculum that is designed, implemented and evaluated to help students develop the knowledge, motor skills, self management skills, attitudes and confidence needed to adopt and maintain physical activity throughout their lives.

Nutrition Guidelines and Food Services Operation

In order to support the school's nutrition and food services operation as an essential partner in the educational mission of the district and its role in the district's comprehensive nutrition program, the principal is responsible for ensuring:

1. The school encourages all students to participate in the school's NSLP and SBP meal opportunities;
2. The school notifies families of need based programs for free or reduced-price meals and encourages eligible families to apply;
3. The school's NSLP and SBP maintains the confidentiality of students and families applying for or receiving free or reduced-priced meals in accordance with the National School Lunch Act;
4. The school's NSLP and SBP operates to meet dietary specifications in accordance with the Healthy Hunger-Free Kids Act of 2010 and applicable state laws and regulations;
5. The school sells or serves varied and nutritious food choices consistent with the applicable federal government Dietary Guidelines for Americans. Schools contracting out the food service part of their NSLP and SBP shall form a nutrition advisory committee comprised of teachers, students and parents to assist in menu planning. A nutrition committee comprised of students, family members and school personnel will be encouraged to provide input in menu planning for districts operating their own food service component of the NSLP and SBP (i.e., food services purchasing, menu planning, food production and meal service). Cultural norms and preferences will be considered;
6. Food prices set by the district are communicated to students and parents. District pricing strategies will encourage students to purchase full meals and nutritious items;
7. Procedures are in place for providing to families, on request, information about the ingredients and nutritional value of the foods served;

8. Modified meals are prepared for students with special food needs:
 - a. The district will provide substitute foods to students with disabilities upon written parental permission and a medical statement by a physician that identifies the student's disability, states why the disability restricts the student's diet, identifies the major life activity affected by the disability, and states the food or foods to be omitted and the food or choice of foods that must be substituted;
 - b. Such food substitutions will be made for students without disabilities on a case-by-case basis when the parent submits a signed request that includes a medical statement signed by a physician, physician assistant, registered dietitian or nurse practitioner. The medical statement must state the medical condition or special dietary need that restricts the student's diet and provide a list of food(s) that may be substituted in place of the lunch or breakfast menu being served.
9. Food service equipment and facilities meet applicable local and state standards concerning health, safe food preparation, handling and storage, drinking water, sanitation and workplace safety;
10. Students are provided adequate time and space to eat meals in a pleasant and safe environment. School dining areas will be reviewed to ensure:
 - a. Tables and chairs are of the appropriate size for students;
 - b. Seating is not overcrowded;
 - c. Students have a relaxed environment;
 - d. Noise is not allowed to become excessive;
 - e. Rules for safe behavior are consistently enforced;
 - f. Tables and floors are cleaned between meal periods;
 - g. The physical structure of the eating area is in good repair;
 - h. Appropriate supervision is provided.
11. The guidelines for reimbursable school meals shall not be less restrictive than regulations and guidance issued by the Secretary of Agriculture pursuant to subsections (a) and (b) of section 10 of the Child Nutrition Act (42 U.S.C. 1779) and sections 9(f)(1) and 17(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(1), 1766(a)), as those regulations and guidance apply to schools.

Other School-Based Activities

The district will provide the following activities and encourage the following practices which promote local wellness:

1. Scoliosis screenings;
2. Intramural sports;
3. Foodless Fundraisers;
4. Monthly/Weekly school walks;
5. Assemblies which focus on wellness issues such as obesity and obesity-related diseases, healthy eating, and the benefits of physical exercise;
6. The use of alternates to food as rewards in the classroom;
7. Limit the amount of foods with no nutritional value that are sold in vending machines; and
8. Support groups for overweight students.

Foods of Minimal Nutritional Value (FMNV) and Competitive Food Sales

In keeping with federal regulations, the district controls the sale of FMNV and all competitive foods.

Accordingly, the district will select that meet the Oregon Smart Snacks nutrition standards.

The sale of in competition with the district's NSLP and SBP meals shall be permitted only when all income from the food sales accrues to the benefit of the district's nutrition and food services operation or school or student organization as approved by the Board.

Other Foods Offered or Sold

Foods offered in classrooms or school-sponsored activities and food and beverages items sold after the school day as part of an approved school fund-raising events shall meet minimum state requirements unless otherwise exempt by state law.

Staff Development

Ongoing pre-service and professional development training opportunities for staff will be encouraged. Staff responsible for nutrition education will be encouraged to participate in professional development activities to effectively deliver the nutrition education program as planned. Nutrition and food services personnel receive opportunities to participate in professional development activities that address strategies for promoting healthy eating behavior, food safety, maintaining safe, orderly and pleasant eating

environments and other topics directly relevant to the employee's job duties. The principal is responsible to ensure such training is made available including, but not limited to, the following:

1. Personnel management;
2. Financial management and record keeping;
3. Cost- and labor-efficient food purchasing and preparation;
4. Sanitation and safe food handling, preparation and storage;
5. Planning menus for students with special needs and students of diverse cultural backgrounds;
6. Customer service and student and family involvement;
7. Marketing healthy meals; and
8. Principles of nutrition education, including selected curriculum content and innovative nutrition teaching strategies;
9. Assessment by staff of their own eating practices and increased awareness of behavioral messages staff provide as role models.

Family and Community Involvement

In order to promote family and community involvement in supporting and reinforcing nutrition education in the schools, the principal is responsible for ensuring:

1. Nutrition education materials and cafeteria menus are sent home with students;
2. Parents are encouraged to send healthy snacks/meals to school;
3. Parents and other family members are invited to periodically eat with their student in the cafeteria;
4. Families are invited to attend exhibitions of student nutrition projects or health fairs;
5. Nutrition education workshops and screening services are offered;
6. Nutrition education homework that students can do with their families is assigned (e.g., reading and interpreting food labels, reading nutrition-related newsletters, preparing healthy recipes, etc.);
7. School staff are encouraged to cooperate with other agencies and community groups to provide opportunities for student volunteer or paid work related to nutrition, as appropriate;
8. School staff encourages and provides support for parental involvement in their children's physical education.

Program Evaluation

In order to evaluate the effectiveness of the local wellness program in promoting healthy eating, increased physical activity among students and to implement program changes as necessary to increase its effectiveness, the superintendent or designee is responsible for ensuring:

1. Board policy and this administrative regulation are implemented as written;
2. All building, grade-level nutrition education curricula and materials are assessed for accuracy, completeness, balance and consistency with state and local district educational goals and standards;
3. Nutrition education is provided throughout the student's school years as part of the district's age-appropriate, comprehensive nutrition program;
4. Teachers deliver nutrition education through age-appropriate, culturally relevant, participatory activities that include social learning strategies and activities;
5. Teachers and school nutrition and food services personnel have undertaken joint project planning and action;
6. Teachers have received curriculum-specific training;
7. Families and community organizations are involved, to the extent practicable, in nutrition education; and
8. One or more persons within the district or at each school, as appropriate, will be charged with the operational responsibility of ensuring that the policy and administrative regulations are followed and will develop an evaluation plan to be used to assess the district's level of compliance with state and federal requirements-

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Local Wellness

The district is committed to the optimal development of every student and believes that a positive, safe and health-promoting learning environment is necessary for students to have the opportunity to achieve personal, academic, developmental and social success.

To help ensure students possess the knowledge and skills necessary to make healthy choices for a lifetime, the superintendent shall prepare and implement a comprehensive district nutrition program consistent with state and federal requirements for districts sponsoring the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP). The program shall reflect the Board's commitment to providing adequate time for instruction that fosters healthy eating through nutrition education and promotion, serving healthy and appealing foods at district schools, developing food-use guidelines for staff and establishing liaisons with nutrition service providers, as appropriate.

{1} The district superintendent or designee shall establish a Wellness Advisory Committee to advise the district in the development, review and update of the local wellness policy.

WELLNESS POLICY IMPLEMENTATION, MONITORING, ACCOUNTABILITY AND COMMUNITY ENGAGEMENT

Implementation

The district shall manage and coordinate the implementation of this local wellness policy.

Implementation will consist of, but not be limited to, the following:

1. Delineating roles, responsibilities, actions and timelines specific to each school;
2. Generating and disseminating information about who will be responsible to make what change, by how much, where and when;
- ~~3. Include specific goals and objectives for nutrition standards for all foods and beverages available on the school campus, and in food and beverage marketing; and~~
- ~~4. Include specific goals and objectives for nutrition promotion and education, physical activity, physical education and other school-based activities that promote student wellness;~~
5. Establishing standards for all foods and beverages provided (but not sold) to students during the school day on participating school campuses;

6. Establishing standards and nutrition guidelines for all foods and beverages sold to students during the school day on participating school campuses that meet state and federal nutrition standards for NSLP and SBP, competitive foods, permit marketing of same that meets the competitive food nutrition standards, and promotes student health and reduces child obesity; and
7. Establishing specific goals for nutrition promotion and education, physical activity, physical education and other school-based activities that promote student wellness.

Record Keeping

The district will retain the following records to document compliance with the local wellness policy requirements at the district's administrative offices:

1. The written local wellness policy;
2. Documentation to demonstrate the policy has been made available to the public;
3. Documentation of efforts to review and update the local wellness policy, including an indication of who participates in the update and the methods the district uses to make stakeholders aware of their ability to participate;
4. Documentation to demonstrate compliance with the annual public notification requirements;
5. Documentation of the district's most recent assessment on the implementation of the local wellness policy;
6. Documentation to demonstrate the most recent assessment on the implementation of the local wellness policy has been made available to the public.

Annual Notification of Policy

~~The district will make available to the public annually, an assessment of the implementation, including the extent to which the schools are in compliance with policy, how the policy compares to model policy and a description of the progress being made in attaining the goals of the policy. The district will make this information available. The district will also publicize the name and contact information of the district or school official(s) leading and coordinating the policy, as well as information on how the public can get involved with the local wellness policy.~~

The district will inform the public about the content and implementation of the local wellness policy, and post the policy and any updates to the policy on the district website annually. Included will be, if available, the most recent assessment of the implementation, and a description of the progress being made in attaining the goals of the policy.

The district will publicize the name and contact information of the district or school official(s) leading and coordinating the policy and information on how the public can get involved with the local wellness policy. This information will be published on the district's website and in district communications.

Triennial Progress Assessments

At least once every three years, the district will evaluate the implementation of this policy and its progress with a triennial assessment and produce a progress report that will include:

1. The extent to which schools under the jurisdiction of the district are in compliance with the policy;
2. The extent to which the district's policy compares to model local school wellness policy; and
3. A description of the progress made in attaining the goals of the district's policy.

~~The district will actively notify households/families of the availability of the triennial progress report.~~

The district will publish the triennial progress report on the district website when available. The district will update or modify the policy based on results of the triennial assessment.

Revisions and Updating the Policy

~~The district will update or modify the local wellness policy based on the results of the triennial assessments and/or as district priorities change; community needs change; wellness goals are met; new health science, information and technology emerge; and new federal or state guidance or standards are issued. The local wellness policy will be assessed and updated as indicated at least every three years following the triennial assessment.~~

Community Involvement, Outreach and Communications

The district will actively communicate ways in which the community can participate in the development, implementation and periodic review and update of the local wellness policy through a variety of means appropriate for the district. The district will also ensure that communications are culturally and linguistically appropriate to the community, and accomplished through means similar to other ways that the district and individual schools are communicating important school information with parents.

Parents, students, representatives of the school food authority, teachers of physical education, school health professionals, the Board, school administrators, and the general public will be solicited to participate in the

Wellness Advisory Committee¹

The district supports a wellness advisory committee to assist the development, implementation, and periodic review and update of the local wellness policy. The superintendent or designee will be a member of this committee.

The district will publicize information about the wellness advisory committee [in community news, in communications to parents, and/or on websites operated by the district] to communicate to parents, students and the community at large to explain the committee's purpose, process and an invitation to volunteer.

¹ {A Wellness Advisory Committee is not required. If the district chooses to have a committee, the district should amend the language here to establish the membership and responsibilities of the committee. [School Wellness Committee Toolkit](#) published by the Alliance for a Healthier Generation}

1. The wellness advisory committee membership will include, to the extent possible, but not be limited to:
 - a. Parents, caregivers and students;
 - b. Representatives of the school nutrition program (e.g., school nutrition director);
 - c. Physical education and/or health education teachers;
 - d. School health professionals (e.g., school nurses, physicians, dentists, health educators and other allied health personnel who provide school health services);
 - e. Mental health and social services staff (e.g., school counselors, psychologists, social workers, or psychiatrists);
 - f. School administrators (e.g., superintendent, assistant superintendent, principal, vice principal);
 - g. Board members;
 - h. Supplemental Nutrition Assistance Program (SNAP) education coordinators;
 - i. Healthcare professionals and/or other health related professionals (e.g., dietitians, doctors, nurses, dentists); and
 - j. Members of the general public.
2. The committee, appointed by the superintendent or designee, will meet to organize and vote on a committee chair and a secretary prior to or at the beginning of the school year. The chair and secretary will serve for one year minimum and may be reappointed.
3. The wellness advisory committee will meet **[four]** times per year to review of the local wellness policy.
4. The committee will facilitate the development, review and update of the wellness policy, and evaluate each participating school's compliance with the policy.

The district will create building-level committees to establish school-specific goals and activities that implement this policy. A school coordinator will be designated to support compliance with this policy.]

NUTRITION PROMOTION AND NUTRITION EDUCATION

Nutrition promotion and nutrition education positively influence lifelong eating behaviors by using evidence-based strategies and techniques and nutrition messages and by creating food environments that support healthy nutrition choices. ~~Students and staff will receive consistent nutrition messages throughout the school environment. Nutrition promotion also includes marketing and advertising nutritious foods and beverages to students and is most effective when implemented consistently through a comprehensive and multi-channel approach by staff, teachers, parents, students and the community.~~

Nutrition promotion and nutrition education shall be a sequential and integrated focus on improving students' eating behaviors, reflect evidence-based strategies and be consistent with state and local district health education standards.

To promote nutrition education in the schools, the principal is responsible for ensuring the following goals are implemented:

1. ^{2}[Students and staff will receive consistent nutrition messages throughout the school environment];
2. Nutrition education is provided throughout the student’s school years as part of the district’s age-appropriate, comprehensive nutrition program[(which includes the benefits of healthy eating, essential nutrients, nutritional deficiencies, principles of healthy weight management, the use and misuse of dietary supplements, safe food preparation, and handling and storage related to food and eating)], and is aligned and coordinated with the Oregon Health Education Standards and school health education programs;
3. Nutrition education will include culturally relevant, participatory activities that include social learning strategies and activities that are aligned and coordinated with the Oregon Health Education Standards and school health education programs;
4. Teachers will receive curriculum-specific training;
5. Parents and families are encouraged through school communications to send healthy snacks/meals and [reusable] water bottles with their student to school;
6. Families and community organizations are involved, to the extent practicable, in nutrition education;
7. Nutrition education homework that students can do with their families is assigned (e.g., reading and interpreting food labels, reading nutrition-related newsletters, preparing healthy recipes);
8. Materials on how to assess one’s personal eating habits, set goals for improvement and achieve those goals.]

Nutrition promotion, including marketing and advertising nutritious foods and beverages to students, will be implemented consistently through a comprehensive and multi-channel approach, (e.g., in the classroom, cafeteria and at home) by staff, teachers, parents, students and the community.

To ensure adequate nutrition promotion, the following goals will be implemented:

1. ^{3}[Information about available meal programs is distributed prior to or at the beginning of the school year and at other times throughout the school year;
7. Information about availability and location of a Summer Food Service Program (SFSP) is distributed;

² {The goals listed are not required, but districts are required to include goals in the policy. Districts are encouraged to evaluate needs and resources and to develop specific goals. Districts are required to “review and consider evidence-based strategies and techniques” (7 CFR 210.31(c)(1)). Model Wellness Policy resource published by the [Alliance for a Healthier Generation](#). OSBA makes no representation of its compliance by providing this resource.}

³ {The goals listed are not required, but districts are required to include goals in the policy. Districts are encouraged to evaluate needs and resources and to develop specific goals. Districts are required to “review and consider evidence-based strategies and techniques” (7 CFR 210.31(c)(1)). Model Wellness Policy resource published by the [Alliance for a Healthier Generation](#). OSBA makes no representation of its compliance by providing this resource.}

8. Nutrition promotion materials are sent home with students, published on the district website, and distributed at parent-teacher conferences;
9. Families are invited to attend exhibitions of student nutrition projects or health fairs;
10. Physical activity is a planned part of all school-community events.]

School Meals

~~All schools within the district participate in U.S. Department of Agriculture (USDA) child nutrition programs, administered through the Oregon Department of Education (ODE), including the National School Lunch Program (NSLP) and the School Breakfast Program (SBP).~~

Schools within the district participate in U.S. Department of Agriculture (USDA) child nutrition program(s), administered through the Oregon Department of Education (ODE) which may include the NSLP, the SBP, Fresh Fruit & Vegetable Program (FFVP), After School Snack Program (ASSP), Special Milk Program (SMP), Summer Food Service Program (SFSP), Supper programs or others. The district also operates additional nutrition-related programs and may include activities including Farm-to-School programs, school gardens, Breakfast in the Classroom, Mobile Breakfast carts or Grab 'n' Go Breakfast.

The district's available meal program(s) will operate to meet meal pattern requirements and dietary specifications in accordance with the Healthy, Hunger-Free Kids Act and applicable federal laws and regulations.

The principal(s) will support nutrition and food services operation as addressed in Board policy EFAA – District Nutrition and Food Services and its accompanying administrative regulation EFAA-AR – Reimbursable Meals and Milk Programs.

Staff Qualifications and Professional Development

~~All school nutrition program directors, managers and staff will meet or exceed hiring and annual continuing education/training requirements in the USDA Professional Standards for Child Nutrition Professionals.~~

Water

Free, safe, unflavored, drinking water will be available to all students throughout the school day and throughout every school campus. The district will make drinking water available where school meals are served during mealtimes.

Competitive Foods and Beverages

The district controls the sale of all competitive foods. All foods and beverages outside the reimbursable school meal programs that are **sold** to students on the school campus during the school day will meet or exceed the nutrition standards set by the USDA and the Oregon Smart Snacks Standards. These standards will apply in all locations and through all services where foods and beverages are sold, which may include, but are not limited to, à la carte options in cafeterias, vending machines, school stores and snack or food carts- and fund raising.

Celebrations and Rewards/Incentives

All foods and beverages offered on the school campus [will meet or exceed] [are encouraged to meet] the nutrition standards set by the USDA and the Oregon Smart Snacks Standards. This includes, but is not limited to, celebrations, parties, and classroom snacks brought by parents. Food will not be used as a reward or incentive. This information will be conveyed to staff and parents.

Fund Raising

Foods and beverages that meet or exceed the nutrition standards set by the USDA and the Oregon Smart Snacks Standards may be sold through fund raisers on the school campus during the school day. Such requests to conduct a fundraiser will be submitted to the principal for approval before starting.

Food and Beverage Marketing in Schools

Any foods and beverages marketed or promoted to students on the school campus during the school day will meet or exceed the nutrition standards for competitive foods set by the USDA.

~~“Food and beverage marketing” is defined as advertising and other promotion in schools. Food and beverage marketing often includes an oral, written or graphic statement made for the purpose of promoting the sale of a food or beverage product made by the producer, manufacturer, seller or any other entity with a commercial interest in the product.~~

The district (i.e school nutrition services, athletics department, PTA, PTO) will review existing contracts, new contracts and equipment, and product purchase or replacement to reflect the applicable food and beverage marketing guidelines.

PHYSICAL ACTIVITY AND PHYSICAL EDUCATION

~~Physical activity should be included in the school’s daily education program for grades pre-K through 12 and include regular, instructional physical education, as well as co-curricular activities and recess.~~

~~The Board realizes that a quality physical education program is an essential component for all students to learn about and participate in physical activity. The district will develop and assess student performance standards in order to meet the ODE's physical education content standards.~~

A quality physical education program is an essential component for all students to learn about and participate in physical activity. The district will develop and assess student performance standards and program minute requirements in order to meet ODE's physical education content standards and state law.

Physical activity should be included in the school's daily education program for grades [pre-]K through 12 and include regular, instructional physical education, as well as co-curricular activities and recess.

In order to ensure students are afforded the opportunity to engage in physical education and physical activity in the school setting, the following goals are established:

1. Physical education will be a course of study that focuses on students' physical literacy and development of motor skills;
2. Staff encourages and provides support for parental involvement in their children's physical education;
3. Physical education courses will be the environment where students learn, practice and are assessed on developmentally appropriate knowledge, skills and confidence to become physically literate;
4. Instruction, provided by adequately prepared teachers, i.e., licensed or endorsed to teach physical education, will meet the state adopted academic content standards for physical education (Oregon Revised Statute (ORS) 329.045). Teachers of physical education shall regularly participate in professional development activities annually;
5. Every public school student in [pre-]kindergarten through grade 8 shall participate in physical education for the entire school year. Students in kindergarten through grade [5] [6] shall participate for a least 150 minutes during each school week, and students in grades [6] [7] through 8 for at least 225 minutes per school week;
6. Physical activity will be integrated across curricula and throughout the school day. Movement will be made a part of all classes or courses as part of a well-rounded education;
7. Physical activity during the school day (including, but not limited to, recess, classroom physical activity breaks or physical education) will not be used as a punishment or a reward;
8. At least 50 percent of the weekly physical education class time in grades K through 8 shall be devoted to actual physical activity;
9. Physical activity is a planned part of all school-community events;
10. Materials promoting physical activity are sent home with students and published on the district website.

A student with a disability shall have suitably adapted physical education incorporated as part of their individualized education program (IEP) developed under ORS 343.151. A student who does not have an

IEP but has chronic health problems, other disabling conditions or other special needs that preclude them from participating in regular physical education instruction, shall have suitably adapted physical education incorporated as part of their individualized health plan, developed by the district.]

Other Activities that Promote Student Wellness

The district will integrate wellness activities throughout the entire school environment (districtwide), ~~not just in the cafeterias, other food and beverage venues and physical activity facilities~~. The district will coordinate and integrate other initiatives related to physical activity, physical education, nutrition and other wellness components so all efforts are complementary, not duplicated and work toward the same set of goals promoting student well-being, optimal development and strong educational outcomes.

The district will provide the following activities and encourage the following practices which promote local wellness:

1. Scoliosis screenings;
2. Safe Routes to Schools Program;
3. Physically active family and community engagement activities for families to learn about healthy eating or to practice being active together (e.g., skate night, fun run, dance night);
4. Nonfood-related fund raisers;
5. Physical activity energizers during transitions from one subject to another;
6. Intramural sports;
7. Monthly/Weekly school walks;
8. Assemblies which focus on wellness issues such as the importance of breakfast, healthy beverages, and how students and staff can incorporate 60 minutes of physical activity into their day;
9. Use of alternates to food as rewards in the classroom;
10. Creation of connections between out-of-school time (OST) programs that involve staff members from OST programs, both school- and community-based, in school initiatives that address healthy eating, such as school wellness teams or wellness committees;
11. Integration of social, emotional and mental health supports into school programs (e.g., promote a positive school climate where respect is encouraged and students can seek help from trusted adults);
12. Communication between classroom teachers and nutrition staff, so that menus and nutrition promotion can be tied into classroom learning and coursework;
13. Include wellness as a standing agenda item for school-based meetings (e.g., staff meetings, site council meetings, PTO).

{⁴}Employee Wellness

The district encourages staff to pursue a healthy lifestyle that contributes to their improved health status, improved morale and a greater personal commitment to the school's overall wellness program. Many actions and conditions that affect the health of staff may also influence the health and learning of students. The physical and mental health of staff is integral to promoting and protecting the health of students and helps foster their academic success. The district's Employee Wellness Program will promote health, reduce risky behaviors of employees and identify and correct conditions in the workplace that can compromise the health of staff, reduce their levels of productivity, impede student success and contribute to escalating health-related costs such as absenteeism.

The district will collaborate with community partners to identify programs, services and/or resources to compliment and enrich employee wellness endeavors.

The district's Employee Wellness Program may include the following:

1. Health education and health promoting activities that focus on skill development and lifestyle behavior that change along with awareness building, information dissemination, access to facilities, and are preferably tailored to employees' needs and interests;
2. Safe, supportive social and physical environments including organizational expectations about healthy behavior, and implementation of policy that promotes health and safety and reduces the risk of disease;
3. Linkage to related programs such as employee assistance programs, emergency care and programs that help employees balance work life and family life;
4. Education and resources to help employees make decisions about health care; and
5. Nutrition and fitness educational opportunities that may include but are not limited to, the distribution of educational and informational materials, and the arrangement of presentations and workshops that focus on healthy lifestyles, health assessments, fitness activities and other appropriate nutrition and physical activity related topics.

The district encourages participation from all employees. "Employees" are not limited to instructional staff (i.e., teachers and instructional assistants), but includes all administrators and support staff.

The following groups are seen as essential for establishing, implementing and sustaining an effective employee wellness program:

1. School personnel who implement existing wellness programs in the district (i.e., employee wellness committee);
2. District personnel who implement health programs for students (e.g., school health coordinator, school nurses, psychologist, health and physical educators, nutrition professionals, counselors and other staff); and

⁴ *{This language is optional and is not required by state or federal law.}*

3. Decision makers who have the authority to approve policy and provide administrative support essential for a school wellness program (e.g., Board members, superintendents, human resource administrators, fiscal services administrators and principals).

DEFINITIONS

1. “Competitive food” means all food and beverages other than meals reimbursed under programs authorized by the Richard B. Russell National School Lunch Act and the Child Nutrition Act available for sale to students on the school campus during the school day.
2. “Food and beverage marketing^[5]” is defined as advertising and other promotion in schools. Food and beverage marketing often includes an oral, written or graphic statement made for the purpose of promoting the sale of a food or beverage product made by the producer, manufacturer, seller or any other entity with a commercial interest in the product.
3. “Oregon Smart Snacks Standards”⁶ means the State’s minimum nutrition standards for competitive foods and beverages (ORS 336.423).
4. “School day” means, for the purpose of competitive food standards implementation, the period from the midnight before, to 30 minutes after the end of the official school day[, i.e., at the conclusion of afternoon student activities, such as athletic, music or drama practices, clubs, academic support and enrichment activities.
5. “School campus” means, for the purpose of competitive food standards implementation, all areas of property under the jurisdiction of the school that are accessible to students during the school day.

END OF POLICY

Legal Reference(s):

⁵ [This term includes, but is not limited to, the following: brand names, trademarks, logos or tags, except when placed on a physically present food or beverage product or its container; displays, such as on vending machine exteriors; corporate brand, logo, name or trademark on school equipment, such as marquees, message boards, scoreboards or backboards (Note: Immediate replacement of these items is not required; however, districts will replace or update scoreboards or other durable equipment when existing contracts are up for renewal or to the extent that is financially possible over time so that items are in compliance.); corporate brand, logo, name or trademark on cups used for beverage dispensing, menu boards, coolers, trash cans and other food service equipment; as well as on posters, book covers, student assignment books or school supplies displayed, distributed, offered or sold by the district; advertisements in school publications or school mailings; free product samples, taste tests or coupons of a product, or free samples displaying advertising of a product.]

⁶ Oregon Department of Education, [Oregon Smart Snacks Standards](#)

[ORS 327.531](#)
[ORS 327.537](#)
[ORS 329.496](#)
[ORS 332.107](#)

[ORS 336.423](#)
[OAR 581-051-0100](#)
[OAR 581-051-0305](#)

[OAR 581-051-0306](#)
[OAR 581-051-0310](#)
[OAR 581-051-0400](#)

Healthy, Hunger-Free Kids Act of 2010, 42 U.S.C. §1758b (2018).
National School Lunch Program, 7 C.F.R. Part 210 (2022).
School Breakfast Program, 7 C.F.R. Part 220 (2022).

Workplace Harassment

Workplace harassment is prohibited and shall not be tolerated. This includes workplace harassment that occurs between district employees or between a district employee and the district in the workplace or at a work-related event that is off district premises and coordinated by or through the district, or between a district and a district employee off district premises. Elected school board members, volunteers and interns are subject to this policy.

Any district employee who believes they have been a victim of workplace harassment may file a report with the district employee designated in the administrative regulation GBEA-AR - Workplace Harassment Reporting and Procedure, may file a report through the Bureau of Labor and Industries' (BOLI) complaint resolution process or under any other available law. The reporting of such information is voluntary. The district employee making the report is advised to document any incidents of workplace harassment.

“Workplace harassment” means conduct that constitutes discrimination prohibited by Oregon Revised Statute (ORS) 659A.030 (discrimination in employment based on race, color, religion, sex, sexual orientation, gender identity, national origin, marital status, age, or expunged juvenile record), including conduct that constitutes sexual assault¹ or that constitutes conduct prohibited by ORS 659A.082 (discrimination against person in uniformed service) or 659A.112 (discrimination in employment based on disability).

The district, upon receipt of a report from a district employee who believes they are a victim of workplace harassment, shall provide information about legal resources and counseling and support services, including any available employee assistance services. The district employee receiving the report, whether a supervisor of the employer or the district employee designated to receive reports, is advised to document any incidents of workplace harassment, and shall provide a copy of this policy and accompanying administrative regulation to the victim upon their disclosure about alleged workplace harassment.

All incidents of behavior that may violate this policy shall be promptly investigated.

Any person who reports workplace harassment has the right to be protected from retaliation.

The district may not require or coerce a district employee to enter into a nondisclosure² or nondisparagement³ agreement.

¹ “Sexual assault” means unwanted conduct of a sexual nature that is inflicted upon a person or compelled through the use of physical force, manipulation, threat or intimidation.

² A “nondisclosure” agreement or provision prevents either party from disclosing the contents of or circumstances surrounding the agreement.

³ A “nondisparagement” agreement or provision prevents either party from making disparaging statements about the other party.

The district may not enter into an agreement with an employee or prospective employee, as a condition of employment, continued employment, promotion, compensation, or the receipt of benefits, that contains a nondisclosure provision, a nondisparagement provision or any other provision that has the purpose or effect of preventing the employee from disclosing or discussing workplace harassment that occurred between district employees or between a district employee and the district, in the workplace or at a work-related event that is off district premises and coordinated by or through the district, or between a district employee and employer off district premises.

The district may enter into a settlement agreement, separation or severance agreement that includes one or more of the following provisions only when a district employee claiming to be aggrieved by workplace harassment requests to enter into the agreement: 1) a nondisclosure or nondisparagement provision; 2) a provision that prevents disclosure of factual information relating to the claim of workplace harassment; or 3) a no-rehire provision that prohibits the employee from seeking reemployment with the district as a term or condition of the agreement. The agreement must provide the district employee at least seven days after signing the agreement to revoke it.

If the district determines in good faith that an employee has engaged in workplace harassment, the district may enter into a settlement, separation or severance agreement that includes one or more of the provisions described in the previous paragraph.

It is the intent of the Board that appropriate corrective action will be taken by the district to stop workplace harassment, prevent its recurrence and address negative consequences. Staff members in violation of this policy shall be subject to discipline, up to and including dismissal and/or additional workplace harassment awareness training, as appropriate. Other individuals (e.g., board members, witnesses, and volunteers) whose behavior is found to be in violation of this policy shall be subject to appropriate sanctions as determined and imposed by the superintendent or the Board.

The district shall make this policy available to all district employees and shall be made a part of district orientation materials provided and copied to new district employees at the time of hire.

The superintendent will establish a process of reporting incidents of workplace harassment and the prompt investigation.

END OF POLICY

Legal Reference(s):

| | | |
|---------------------------------------|------------------------------|----------------------------------|
| ORS 174.100 | ORS 659A.029 | ORS 659A.820 |
| ORS 243.317 - 243.323 | ORS 659A.030 | ORS 659A.875 |
| ORS 659A.001 | ORS 659A.082 | ORS 659A.885 |
| ORS 659A.003 | ORS 659A.112 | OAR 584-020-0040 |
| ORS 659A.006 | ORS 659A.370 | OAR 584-020-0041 |

Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d (2018).

Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e (2018).

Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681-1683 (2018); Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance, 34 C.F.R. Part 106 (2020).

Bartsch v. Elkton School District, FDA-13-011 (March 27, 2014).

~~House Bill 3041 (2021)~~

Criminal Records Checks and Fingerprinting

Requirements

1. Any individual newly hired employee¹, [whether full-time or part-time,] and not requiring licensure under Oregon Revised Statute (ORS) 342.223 as a teacher, administrator, personnel specialist or school nurse, shall submit to a criminal records check and fingerprinting.
2. Any individual applying for reinstatement of an Oregon license with the Teacher Standards and Practices Commission (TSPC) that has lapsed for more than three years shall be required to undergo a criminal records check and fingerprinting with TSPC.
3. Any individual registering with the TSPC for student teaching, practicum or internship as a teacher, administrator or personnel specialist shall be required to submit to a criminal records check and fingerprinting with TSPC.
4. Any individual hired as or by a contractor², [whether part-time or full-time,] into a position having direct, unsupervised contact with students as determined by the district shall be required to submit to a criminal records check and fingerprinting.

The superintendent will identify contractors who are subject to such requirements.

5. Any community college faculty member providing instruction at the site of an early childhood education program, a school site as part of an early childhood program or at a grade K through 12 school site during the regular school day, shall be required to undergo a criminal records check and fingerprinting.
6. Any individual who is an employee of a public charter school not requiring licensure under ORS 342.223 shall be required to undergo a criminal records check and fingerprinting.
7. A volunteer allowed to have direct, unsupervised contact with students, into a volunteer position identified in Board policy³ by the district as requiring a fingerprint-based criminal records check, shall undergo a state and national criminal records check based on fingerprints.

¹ Any individual hired within the last three months. A subject individual does not include an employee hired within the last three months if the district has evidence on file that meets the definition in Oregon Administrative Rule (OAR) 581-021-0510(11)(b).

² A person hired as or by a contractor and their employees may not be required to submit to fingerprinting until the contractor has been offered a contract by the district.

³ See policy GCDA/GDDA – Criminal Records Checks and Fingerprinting.

Exceptions

A newly hired employee⁴ is not subject to fingerprinting if:

1. The district has evidence on file that the ~~employee~~ person successfully completed a state and national criminal records check for a previous employer that was a school district or private school, and has not resided outside the state between the two periods of employment; or
2. The Oregon Department of Education (ODE) determines the person:
 - a. Submitted to a criminal records check for the person's immediately previous employer, the employer is a school district or private school and the person has not lived outside this state between the two periods of employment;
 - b. Submitted to a criminal records check conducted by TSPC within the previous three years; or
 - c. Remained continuously licensed or registered with the TSPC.

Notification

1. The district will provide the following notification to individuals subject to criminal records checks and/or fingerprinting:
 - a. Such criminal records checks and/or fingerprinting are required by law or Board policy;
 - b. Any action resulting from such checks completed by the ~~Oregon Department of Education (ODE)~~ that impact employment, contract or volunteering may be appealed as a contested case to ODE;
 - c. All employment or contract offers [or the ability to volunteer] are contingent upon the results of such checks;
 - d. A refusal to consent to a required criminal records check and/or fingerprinting shall result in immediate termination from employment[,] [or] contract status[or the ability to volunteer in the district];
 - e. An individual determined to have knowingly made a false statement as to the conviction of any crime on district employment applications, contracts[,] [or] ODE forms [(written or electronic)] [may][will] result in immediate termination from employment or contract status;
 - f. An individual determined to have been convicted of any crime that would prohibit employment or contract will be immediately terminated from employment or contract status[;] [.]
 - g. [A volunteer candidate who knowingly made a false statement or has a conviction of the crimes listed in ORS 342.143, or the substantial equivalent of any of those crimes if the conviction occurred in another jurisdiction or in Oregon under a different statutory name or number [may] [will] result in immediate termination from the ability to volunteer in the district.] [The district [may] [will] remove the volunteer from the position allowing direct, unsupervised contact with students.]

⁴ Any individual hired within the last three months.

2. The district will provide the written notice described above through means such as staff handbooks, employment applications, contracts or [volunteer] forms.

Processing and Reporting Procedures

1. Immediately following an offer and acceptance of employment or contract, an individual subject to criminal records checks and/or fingerprinting shall complete the appropriate forms authorizing such checks and report to an authorized fingerprinter as directed by the district. The district shall send such authorization, any collection of fingerprint information, and the request to ODE pursuant to law.
2. Fingerprints may be collected by one of the following:
 - a. Employing district staff;
 - b. Contracted agent of employing district; or
 - c. Local or state law enforcement agency.
3. To ensure the integrity of the fingerprinting collection and prevent any compromise of the process, the district will provide the name of the individual to be fingerprinted to the authorized fingerprinter.
4. The authorized fingerprinter will obtain the necessary identification and fingerprinting and notify ODE of the results. ODE will then review and notify the district of said results as well as the identity of any individual it believes has knowingly made a false statement as to conviction of a crime, has knowingly made a false statement as to conviction of any crime or has a conviction of a crime prohibiting employment[,] [or] contract[or volunteering].
5. A copy of the fingerprinting results will be kept by the district.

Fees

1. Fees associated with criminal records checks and/or fingerprinting for individuals applying for employment with the district and not requiring licensure, including persons hired as or by contractors⁵, shall be paid by the [individual] [district].
2. [An individual offered a contract or employment by the district may, only upon request, request that the amount of the fee be withheld from the amount otherwise due the individual in accordance with Oregon law.]
3. Fees associated with required criminal records checks for volunteers shall be paid by the [individual] [district].
4. [Fees associated with a required fingerprinting for volunteers shall be paid by the [individual] [district].]

Termination of Employment or Withdrawal of Employment/Contract Offer/Volunteer Status

⁵ A person hired as or by a contractor and their employees may not be required to submit to fingerprinting until the contractor has been offered a contract by the district.

1. A subject individual required to submit to a criminal records check and/or fingerprinting in accordance with law and/or Board policy will be terminated from employment or contract status, or withdrawal of offer of employment or contract will be made by the district upon:
 - a. Refusal to consent to a criminal records check and/or fingerprinting; or
 - b. Notification⁶ from the Superintendent of Public Instruction that the employee has a conviction of any crimes listed in ORS 342.143, or the substantial equivalent of any of those crimes if the conviction occurred in another jurisdiction or in Oregon under a different statutory name or number.
2. A subject individual [may] [will] be terminated from employment or contract status upon notification from the Superintendent of Public Instruction that the employee has knowingly made a false statement as to the conviction of any crime.
3. Employment termination shall remove the individual from any district policies, collective bargaining provisions regarding dismissal procedures and appeals and the provisions of Accountability for Schools for the 21st Century Law.
4. [A volunteer who refuses to submit, when required, to a criminal records check or a fingerprint-based criminal records check in accordance with law and/or Board policy will be denied such ability to volunteer in the district.]
5. [If the district has been notified by the Superintendent of Public Instruction that a volunteer knowingly made a false statement or has a conviction for any crimes listed in ORS 342.143, or the substantial equivalent of any of those crimes if the conviction occurred in another jurisdiction or in Oregon under a different statutory name or number, the individual [will] [may] be denied the ability to volunteer.]
6. [A volunteer who knowingly makes a false statement, as determined by the district, on a district volunteer application form [will] [may] be denied the ability to volunteer in the district.]

Appeals

A subject individual may appeal a determination from ODE that prevents employment or eligibility to contract with the district to the Superintendent of Public Instruction as a contested case under ORS 183.413 – 183.470.

A volunteer may appeal a determination from a fingerprint-based criminal records checks by ODE that prevents the ability to volunteer with the district to the Superintendent of Public Instruction as a contested case under ORS 183.413 – 183.470.

⁶ Prior to making a determination that results in this notification and opportunity for a hearing, the Superintendent of Public Instruction may cause an investigation pursuant to OAR 581-021-0511; involved parties shall cooperate with the investigation pursuant to law.

Special Education - Individualized Education Program (IEP)

An individualized education program (IEP) shall be developed and implemented for each student with disabilities in the district, kindergarten through 21 years of age, including those who attend a public charter school located in the district, are placed in or referred to a private school or facility by the district; or receive related services from the district. The district is responsible for initiating and conducting the meetings to develop, review and revise the IEP of a student with disabilities. The district will ensure that one or both parents are present at each meeting or are afforded the opportunity to participate and are given a copy of the IEP. A meeting to develop an IEP shall be held within 30 calendar days of a determination that the student needs special education and related services, once every 365 days thereafter and when considering a change in the IEP or placement.

If a student is to be placed or referred to a private school or facility or attends a private or parochial school, the district will ensure that a representative of the private school or facility attends the IEP meeting. If the representative of the private school or facility is unable to attend the IEP meeting, the district shall use other methods to ensure participation including but not limited to, individual or conference telephone calls or individual meetings.

END OF POLICY

Legal Reference(s):

[ORS 343.151](#)
[ORS 343.155](#)

[OAR 581-015-2000](#)
[OAR 581-015-2190](#)
[OAR 581-015-2195](#)
[OAR 581-015-2200](#)

[OAR 581-015-2205](#)
[OAR 581-015-2210](#)
[OAR 581-015-2215](#)
[OAR 581-015-2220](#)
[OAR 581-015-2225](#)
[OAR 581-015-2229](#)
[OAR 581-015-2230](#)

[OAR 581-015-2235](#)
[OAR 581-015-2055](#)
[OAR 581-015-2600](#)
[OAR 581-015-2065](#)
[OAR 581-015-2265](#)

Assistance to States for the Education of Children with Disabilities, 34 C.F.R. §§ 300.5 to -300.6, 300.22 to -300.24, 300.34, 300.43, 300.105 to -106, 300.112, 320.325, 300.328, 300.501 (2012).

Special Education - Individualized Education Program (IEP)**

1. General IEP Information

- a. The district ensures that an IEP is in effect for each eligible student:
 - (1) Before special education and related services are provided to a student;
 - (2) At the beginning of each school year for each student with a disability for whom the district is responsible; and
 - (3) Before the district implements all the special education and related services, including program modifications, supports and/or supplementary aids and services, as identified on the IEP.
- b. The district uses:
 - (1) The Oregon standard IEP; or
 - (2) An IEP form that has been approved by the Oregon Department of Education.
- c. The district develops and implements all provisions of the IEP as soon as possible following the IEP meeting.
- d. The IEP will be accessible to each of the student's regular education teacher(s), the student's special education teacher(s) and the student's related services provider(s) and other service provider(s).
- e. The district takes steps to ensure that parent(s) are present at each IEP meeting or have the opportunity to participate through other means.
- f. The district ensures that each teacher and service provider is informed of:
 - (1) Their specific responsibilities for implementing the IEP specific accommodations, modifications and/or supports that must be provided for, or on behalf of the student; and
 - (2) Their responsibility to fully implement the IEP including any amendments the district and parents agreed to make between annual reviews.

The district takes whatever action is necessary to ensure that parents understand the proceedings of the IEP team meeting, including arranging for an interpreter for parents with deafness or whose native language is other than English.

- g. The district provides a copy of the IEP to the parents at no cost.

2. IEP Meetings

- a. The district conducts IEP meetings within 30 calendar days of the determination that the student is eligible for special education and related services.
- b. The district convenes IEP meetings for each eligible student periodically, but not less than once per year.
- c. At IEP meetings, the team reviews and revises the IEP to address any lack of expected progress toward annual goals and in the general curriculum, new evaluation data or new information from the parent(s), the student's anticipated needs, or the need to address other matters.
- d. Between annual IEP meetings, the district and the parent(s) may amend or modify the student's current IEP without convening an IEP team meeting using the procedures in the Agreement to Amend or Modify IEP subsection.
- e. When the parent(s) requests a meeting, the district will either schedule a meeting within a reasonable time or provide timely written prior notice of the district's refusal to hold a meeting.
- f. If an agency other than the district fails to provide agreed upon transition services contained in the IEP, the district convenes an IEP meeting to plan alternative strategies to meet the transition objectives and, if necessary, to revise the IEP.

3. IEP Team Members

- a. The district's IEP team members include the following:
 - (1) The student's parent(s);
 - (2) The student, if the purpose of the IEP meeting is to consider the student's postsecondary goals and transition services (beginning for IEPs in effect at age 16), or for younger students, when appropriate;
 - (3) At least one of the student's special education teachers or, if appropriate, at least one of the student's special education providers;
 - (4) At least one of the student's regular education teachers if the student is or may be participating in the regular education environment. If the student has more than one regular education teacher, the district will determine which teacher or teachers will participate;
 - (5) A representative of the district (who may also be another member of the team) who is qualified to provide or supervise the provision of special education and is knowledgeable about district resources. The representative of the district will have the authority to commit district resources and be able to ensure that all services identified in the IEP can be delivered;
 - (6) An individual, who may also be another member of the team, who can interpret the instructional implications of the evaluation results; and
 - (7) At the discretion of the parent or district, other persons who have knowledge or special expertise regarding the student.
- b. Student participation:
 - (1) Whenever appropriate, the student with a disability is a member of the team.

- (2) If the purpose of the IEP meeting includes consideration of postsecondary goals and transition services for the student, the district includes the student in the IEP team meeting.
 - (3) If the purpose of the IEP meeting includes consideration of postsecondary goals and transition services for the student, and the student does not attend the meeting, the district will take other steps to consider the student's preferences and interests in developing the IEP.
- c. Participation by other agencies:
- (1) With parent or adult student written consent, and where appropriate, the district invites a representative of any other agency that is likely to be responsible for providing or paying for transition services if the purpose of the IEP meeting includes the consideration of transition services (beginning at age 16, or younger if appropriate); and
 - (2) If the district refers or places a student in an education service district, state-operated program, private school or other educational program, IEP team membership includes a representative from the appropriate agencies. Participation may consist of attending the meeting, conference call or participating through other means.

4. Agreement for Nonattendance and Excusal

- a. The district and the parent may consent to excuse an IEP team member from attending an IEP meeting, in whole or in part, when the meeting involves a discussion or modification of team member's area of curriculum or service. The district designates specific individuals to authorize excusal of IEP team members.
- b. If excusing an IEP team member whose area is to be discussed at an IEP meeting, the district ensures:
 - (1) The parent and the district consent in writing to the excusal;
 - (2) The team member submits written input to the parents and other members of the IEP team before the meeting; and
 - (3) The parent is informed of all information related to the excusal in the parent's native language or other mode of communication according to consent requirements.

5. IEP Content

- a. In developing the IEP, the district considers the student's strengths, the parent's concerns, the results of the initial or most recent evaluation, and the academic, developmental and functional needs of the student.
- b. The district ensures that IEPs for each eligible student includes:
 - (1) A statement of the student's present levels of academic achievement and functional performance that:
 - (a) Includes a description of how the disability affects the progress and involvement in the general education curriculum;

- (b) Describes the results of any evaluations conducted, including functional and developmental information;
 - (c) Is written in language that is understood by all IEP team members, including parents;
 - (d) Is clearly linked to each annual goal statement;
 - (e) Includes a description of benchmarks or short-term objectives for children with disabilities who take alternative assessments aligned to alternate achievement standards.
- (2) A statement of measurable annual goals, including academic and functional goals, or for students whose performance is measured by alternate assessments aligned to alternate achievement standard, statements of measurable goals and short-term objectives. The goals and, if appropriate, objectives:
- (a) Meet the student's needs that are present because of the disability, or because of behavior that interferes with the student's ability to learn, or impedes the learning of other students;
 - (b) Enable the student to be involved in and progress in the general curriculum, as appropriate; and
 - (c) Clearly describe the anticipated outcomes, including intermediate steps, if appropriate, that serve as a measure of progress toward the goal.
- (3) A statement of the special education services, related services, supplementary aids and services that the district provides to the student:
- (a) The district bases special education and related services, modifications and supports on peer-reviewed research to the extent practicable to assist students in advancing toward goals, progressing in the general curriculum and participating with other students (including those without disabilities), in academic, nonacademic and extracurricular activities.
 - (b) Each statement of special education services, related or supplementary services, aids, modifications or supports includes a description of the inclusive dates, amount or frequency, location and who is responsible for implementation.
- (4) A statement of the extent, if any, to which the student will not participate with nondisabled students in regular academic, nonacademic and extracurricular activities.
- (5) A statement of any individual modifications and accommodations in the administration of state or districtwide assessments of student achievement.
- (a) A student will not be exempt from participation in state or districtwide assessment because of a disability unless the parent requests an exemption;
 - (b) If the IEP team determines that the student will take the alternate assessment instead of the regular statewide or a districtwide assessment, a statement of why the student cannot participate in the regular assessment and why the alternate assessment is appropriate for the student.

- (6) A statement describing how the district will measure student's progress toward completion of the annual goals and when periodic reports on the student's progress toward the annual goals will be provided.

6. Individualized COVID-19 Recovery Services¹

Individualized COVID-19 Recovery Services are defined as those services determined necessary for eligible students based on the unique needs that arise from their disability due to the impact of the COVID-19 pandemic, which may include but are not limited to:

- a. Special education and related services;
- b. Supplementary aides and services;
- c. Additional or intensified instruction;
- d. Social emotional learning support; and
- e. Peer or adult support.

The IEP team for each eligible student shall consider the need for Individualized COVID-19 Recovery Services at least at each initial IEP meeting and each regularly scheduled annual review meeting.

- a. IEP teams shall consider the impact COVID-19 on the eligible student's ability to engage in their education, develop and re-establish social connections with peers and school personnel, and adapt to the structure of in-person learning.
- b. For initial IEPs, IEP teams shall also review the impact of COVID-19 on the eligible student's initial evaluation timeline and eligibility determination in considering the need for Individualized COVID-19 Recovery Services.
- c. For annual reviews, IEP teams shall also consider the impact of COVID-19 on the implementation of the eligible student's IEP considering the need for Individualized COVID-19 Recovery Services.

Any member of the IEP team, including parents and eligible students, may request that the IEP team meet to review the need for Individualized COVID-19 Recovery Services at any time.

- a. IEP teams are not required to meet more than once annually to consider the need for Individualized COVID-19 Recovery Services unless updated information indicates the eligible student's circumstances have changed or there is reason to suspect that the eligible student may need any additions or modifications to their Individualized COVID-19 Recovery Services.
- b. IEP teams that considered the need for Individualized COVID-19 Recovery Services at an initial IEP or annual review meeting on or after June 24, 2021 shall review the need for Individualized COVID-19 Recovery Services at the next annual review, but are not required to do so before then unless the eligible student's circumstances have changed or there is reason to suspect that the eligible student may need any additions or modifications to their Individualized COVID-19 Recovery Services.

¹ The requirements of this section are in effect until July 1, 2023 unless extended by the State Board of Education.

When Individualized COVID-19 Recovery Services are recommended, the eligible student's IEP must be updated to reflect the recommendation.

The district or program shall provide written notice to the parents of each eligible student regarding the opportunity for the IEP team to meet to consider Individualized COVID-19 Recovery Services.

After each determination is made, the district or program shall provide written notice to the parent and/or adult student with a disability regarding the determination of need for Individualized COVID-19 Recovery Services. This notice shall include the following documentation:

- a. A statement of the Individualized COVID-19 Recovery Services recommended based on the meaningful input of all IEP team members, including parents and eligible students, as appropriate;
- b. The projected dates for initiation and duration of Individualized COVID-19 Recovery Services
- c. The anticipated frequency, amount, location, and provider of the services described in item a. above and whether these services are being provided within the standard instructional day for the eligible student.

If the district and parent hold an IEP meeting to discuss the need for Individualized COVID-19 Recovery Services and do not reach an agreement regarding such services, the district and parent may request a Facilitated IEP meeting. If the district and the parent choose to participate in a Facilitated IEP meeting, the district shall notify ODE.

Nothing in this section shall affect or otherwise alter a parent's right to seek mediation under OAR 581-015-2335, request a due process hearing under OAR 581-015-2345, a complaint under OAR 581-015-2030, or other parental rights under the procedural safeguards.

Nothing in this section relieves the district of its duty to create an appropriate IEP for every eligible student, regardless of whether the eligible student requires Individualized COVID-19 Recovery Services.

7. Agreement to Amend or Modify IEP

Between annual IEP meetings, the district and the parent may agree to make changes in the student's current IEP without holding an IEP meeting. These changes require a signed, written agreement between the district and the parent.

- a. The district and the parent record any amendments, revisions or modifications on the student's current IEP. If additional IEP pages are required these pages must be attached to the existing IEP.
- b. The district files a complete copy of the IEP with the student's education records and informs the student's IEP team and any teachers or service providers of the changes.
- c. The district provides the parent prior written notice of any changes in the IEP and upon request, provides the parent with a revised copy of the IEP with the changes incorporated.

8. IEP Team Considerations and Special Factors

- a. In developing, reviewing and revising the IEP, the IEP team considers:
 - (1) The strengths of the student and concerns of the parent for enhancing the education of the student;
 - (2) The results of the initial or most recent evaluation of the student;
 - (3) As appropriate, the results of the student's performance on any general state or districtwide assessments;
 - (4) The academic, developmental and functional needs of the child.

- b. In developing, reviewing and revising the student's IEP, the IEP team considers the following special factors:
 - (1) The communication needs of the student; and
 - (2) The need for assistive technology services and/or devices.

- c. As appropriate, the IEP team also considers the following special factors:
 - (1) For a student whose behavior impedes their learning or that of others, strategies, positive behavioral intervention and supports to address that behavior;
 - (2) For a student with limited English proficiency, the language needs of the student as those needs relate to the IEP;
 - (3) For a student who is blind or visually impaired, instruction in Braille and the use of Braille unless the IEP team determines (after an evaluation of reading and writing skills, needs and media, including evaluation of future needs for instruction in Braille or the use of Braille, appropriate reading and writing), that instruction in Braille or the use of Braille is not appropriate;
 - (4) For a student who is deaf or hard of hearing, the student's language and communication needs, including opportunities for direct communication with peers and professional personnel in the student's language and communication mode, academic level and full range of needs, including opportunities for direct instruction in the student's language and communication mode;
 - (5) If a student is deaf, deafblind, or hard of hearing, the district will provide information about relevant services and placements offered by the school district, the education service district, regional programs, and the Oregon School for the Deaf; and
 - (6) A statement of any device or service needed for the student to receive a free appropriate public education (FAPE).

- d. In addition to the above IEP contents, the IEP for each eligible student of transition age includes:
 - (1) Beginning not later than the first IEP in effect when the student turns 16, or as early as 14 or younger, if determined appropriate by the IEP team (including parent(s)), and updated annually thereafter, the IEP must include:

- (a) Appropriate measurable postsecondary goals based upon age-appropriate transition assessments related to training education, employment, and where appropriate, independent living skills; and
- (b) The transition services (including courses of study) needed to assist the student in reaching those goals.

Regarding employment planning, the parent shall be provided information about and opportunities to experience employment services provided by Oregon Vocational Rehabilitation or the Oregon Office of Developmental Disability Services. These services must be provided in a competitive integrated employment setting, as defined by Oregon Administrative Rule (OAR) 411-345-0020. Information about these services shall also be provided to the parent by the district at each annual review for IEPs to be in effect when the child turns 16, or as early as 14 or younger, if determined appropriate by the IEP team (including parent(s)).

- (2) At least one year before a student reaches the age of majority (student reaches the age of 18, or has married or been emancipated, whichever occurs first), a statement that the district has informed the student that all procedural rights will transfer at the age of majority; and
 - (3) If identified transition service providers, other than the district, fail to provide any of the services identified on the IEP, the district will initiate an IEP meeting as soon as possible to address alternative strategies and revise the IEP if necessary.
- e. To promote self-determination and independence, the district shall provide the student and the student's parents with information and training resources regarding supported decision-making as a less restrictive alternative to guardianship, and with information and resources regarding strategies to remain engaged in the student's secondary education and post-school outcomes. The district shall provide this information at each IEP meeting that includes discussion of post-secondary education goals and transition services.

9. Incarcerated Youth

- a. For students with disabilities who are convicted as adults, incarcerated in adult correctional facilities and otherwise entitled to FAPE, the following IEP requirements do not apply:
 - (1) Participation of students with disabilities in state and districtwide assessment; and
 - (2) Transition planning and transition services, for students whose eligibility will end because of their age before they will be eligible to be released from an adult correctional facility based on consideration of their sentence and eligibility for early release.
- b. The IEP team may modify the student's IEP, if the state has demonstrated a bona fide security or other compelling interest that cannot be otherwise accommodated.

10. Extended School Year Services

- a. The district makes extended school year (ESY) services available to all students for whom the IEP team has determined that such services are necessary to provide FAPE.

- b. ESY services are:
 - (1) Provided to a student with a disability in addition to the services provided during the typical school year;
 - (2) Identified in the student's IEP; and
 - (3) Provided at no cost to the parent.
- c. The district does not limit consideration of ESY services to particular categories of disability or unilaterally limit the type, amount or duration of service.
- d. The district provides ESY services to maintain the student's skills or behavior, but not to teach new skills or behaviors.
- e. The district's criteria for determining the need for extended school year services include:
 - (1) Regression (a significant loss of skills or behaviors) and recoupment time based on documented evidence; or
 - (2) If no documented evidence, on predictions according to the professional judgment of the team.
- f. "Regression" means significant loss of skills or behaviors in any area specified on the IEP as a result of an interruption in education services.
- g. "Recoupment" means the recovery of skills or behaviors specified on the IEP to a level demonstrated before the interruption of education services.

11. Assistive Technology

- a. The district ensures that assistive technology devices or assistive technology services, or both, are made available if they are identified as part of the student's IEP. These services and/or devices may be part of the student's special education, related services or supplementary aids and services.
- b. On a case-by-case basis, the district permits the use of district-purchased assistive technology devices in the student's home or in other settings if the student's IEP team determines that the student needs access to those devices to receive a free appropriate public education. In these situations, district policy will govern liability and transfer of the device when the student ceases to attend the district.

12. Transfer Students

- a. In state:

If a student with a disability (who had an IEP that was in effect in a previous district in Oregon) transfers into the district and enrolls in a district school within the same school year, the district (in consultation with the student's parents) provides a free appropriate public education to the student (including services comparable to those described in the student's IEP from the previous district), until the district either:

- (1) Adopts the student's IEP from the previous district; or

- (2) Develops, adopts and implements a new IEP for the student in accordance with all of the IEP provisions.

b. Out of state:

If a student transfers into the district with a current IEP from a district in another state, the district, in consultation with the student's parents, will provide a free appropriate public education to the student, including services comparable to those described in the student's IEP from the previous district, until the district:

- (1) Conducts an initial evaluation (if determined necessary by the district to determine Oregon eligibility) with parent consent and determines whether the student meets eligibility criteria described in the OARs.
- (2) If the student is eligible under Oregon criteria, the district develops, adopts and implements a new IEP for the student using the Oregon Standard IEP or an approved alternate IEP.
- (3) If the student does not meet Oregon eligibility criteria, the district provides prior written notice to the parents explaining that the student does not meet Oregon eligibility criteria and specifying the date when special education services will be terminated.

Talented and Gifted Students - Identification

In order to serve ~~academically~~-talented and ~~intellectually~~ (TAG) gifted students in grades K through 12, the district directs the superintendent ~~after due consideration of the input of staff, parents and the community~~ to establish an ~~written~~ identification process.

This process of identification shall include as a minimum:

1. Use of ~~research based best evidence based practices to identify talented and gifted students from under-represented populations such as ethnic minorities, students with disabilities, students who are culturally and/or linguistically diverse or economically disadvantaged.~~ that include a variety of tools and procedures to determine if a student demonstrates a pattern of exceptional performance and/or achievement that is relevant to the identification of TAG students under ORS 343.395
2. ~~Behavioral, learning and/or performance information.~~ Collection and use of multiple modes and methods of qualitative and quantitative evidence to allow appropriate members of a student's identification team to make a determination about the identification and eligibility of the students for TAG services, supports and/or programs; with no single test or piece of evidence eliminating a student from eligibility.
- ~~3. A nationally standardized mental ability test for assistance in the identification of intellectually gifted students.~~
3. Use of methods and practices that minimize or seek to eliminate the effects of bias in assessment and identification of students from historically underrepresented populations including, but not limited to:
 - a. Students who are racially/ethnically diverse;
 - b. Students experiencing disability;
 - c. Students who are culturally and/or linguistically diverse;
 - d. Students experiencing poverty; and
 - e. Students experiencing high mobility.
4. Incorporate assessments, tools and procedures that will inform the development of an appropriate plan of instruction for students who are identified as TAG and describe how information from the assessments, tools and procedures used in the identification for TAG students will be used to support development of the plan of instruction.
5. Identify how the educational record under ORS 326.565 of the student being considered will document and reflect the record of the team's decision and the procedures and data used by the team to make the decision.

~~6. A nationally standardized academic achievement test of reading or mathematics or a test of total English Language Arts/Literacy or total mathematics on the Smarter Balanced Assessment for assistance in identifying academically talented students.~~

~~Identified students shall score at or above the 97th percentile on one of these tests. Other students who demonstrate the potential to perform at the eligibility criteria, as well as additional students who are talented and gifted may be identified.~~

The district will provide professional development for staff assigned the responsibility for identification of talented and gifted students.

The identification team may use sources of evidence described in OAR 581-022-2325(3) to provide students with multiple opportunities to demonstrate a pattern or preponderance of evidence of talent or giftedness.

Academic evidence reviewed shall align to the full depth, breadth, and complexity of Oregon’s content standards and benchmarks. Standardized assessments used for academic/achievement-based identification shall include technical documentation demonstrating alignment or documentation of intended use for the purpose of TAG identification. Standardized assessments used for intellectually gifted identification shall include technical documentation demonstrating alignment to research-based best practices inclusive of students from underrepresented populations.

When a student is identified for TAG, the district shall inform parents of the programs and services available to their student and provide an opportunity for parents to provide input to, and discuss TAG instruction proposed for their student. The instruction provided shall be designed to accommodate the student’s assessed levels of learning and accelerated rates of learning. Parents may request the withdrawal of their student from TAG at any time.

If a parent is dissatisfied with the identification process or placement of their student, they may submit an appeal ~~the decision~~ through Board policy KL - Public Complaints- and begin at Step 2 with the superintendent [or designee] and the accompanying administrative regulation, IGBBA-AR - Appeal Procedure for Talented and Gifted Student Identification and Placement**.

After exhausting the district’s appeal procedure and receiving the district’s final decision, a parent may appeal the decision to the Deputy Superintendent of Public Instruction under Oregon Administrative Rule (OAR) 581-002-0001 – 581-002-0023. The district shall provide a copy of the OARS upon request.

END OF POLICY

Legal Reference(s):

[ORS 343.395](#)
[ORS 343.407](#)
[ORS 343.411](#)

[OAR 581-021-0030](#)
[OAR 581-022-2325](#)
[OAR 581-022-2330](#)

[OAR 581-022-2370](#)
[OAR 581-022-2500](#)

Interscholastic Activities**

The Board recognizes the integral role interscholastic activities¹ play in the character development and general enhancement of the education of its students. Accordingly, administrators, coaches, advisors, student participants, and others associated with the district's high school activities programs and events² shall conduct themselves in a manner that is consistent with the letter and spirit of policies, rules, and regulations of the district and ~~of the Oregon School Activities Association (OSAA) and the fundamental values of sportsmanship~~ any associated voluntary organization³. Each will be held accountable for their actions.

The district and its schools may only be members of and pay fees, if any, to a voluntary organization that administers interscholastic activities or that facilitates the scheduling and programming of interscholastic activities if the organization:

1. Implements and adheres to equity focused policies that:
 - a. Address the use of derogatory or inappropriate names, insults, verbal assaults, profanity, or ridicule that occurs at an interscholastic activity, including by spectators of the interscholastic activity;
 - b. Prohibit discrimination;
 - c. Permit a student to wear religious clothing in accordance with the student's sincerely held religious belief and consistent with any safety and health requirements; and
 - d. Balance the health, safety, and reasonable accommodation needs of participants on an activity-by-activity basis;
2. Maintains a transparent complaint process that:
 - a. Has a reporting system to allow participants of interscholastic activities or members of the public to make complaints about student, coach, or spectator behavior;
 - b. Responds to a complaint made within 48 hours of the complaint being received; and
 - c. Resolves a complaint within 30 days of the complaint being received unless the organization determines that there is good cause to extend the timeline for resolving the complaint;

¹ Interscholastic activities includes: for students any grade from kindergarten through grade 12, athletics, music, speech and other similar or related activities; for students in any grade from kindergarten through grade eight, activities that are offered only before or after regular school hours and that may, but are not required to, involve interaction among other schools.

~~² This applies to only OSAA-sanctioned activities and events.~~

³ Includes a voluntary organization that administers interscholastic activities or that facilitates the scheduling and programming of interscholastic activities.

3. Develops and implements a system of sanctions against schools, students, coaches, and spectators if a complaint is verified; and
4. Performs an annual survey of students and their parents to understand and respond to potential violations of equity focused policies or other discrimination.

The district shall allow homeschooled students that reside in the district, students eligible to attend school and enrolled in a ~~district- or ESD-provided General Education Development (GED)~~ high school equivalency program⁴ that reside in the district, and students attending a public charter school that does not provide interscholastic activities that reside in the district, the opportunity to participate in available interscholastic activities when the requirements found in Oregon law are met.

Interscholastic activities when provided by the district will comply with Title IX and other nondiscrimination laws.

[District employees, students, parents, alumni, and activity volunteers are prohibited from inducing or attempting to induce a student to attend a district school for interscholastic activity eligibility or participation. The principal, activities director, advisors and coaches are each responsible for ensuring student participants meet all district ~~and OSAA~~ eligibility requirements of participation and those of the associated voluntary organization. The principal or designee is responsible for ensuring accurate certification regarding the eligibility of participating students and for verifying that athletic directors, coaches of sports, and activity advisors have all required certifications prior to assuming their duties. The principal or designee shall ensure that a program is in place to effectively evaluate the performance of all coaches and activity advisors under their supervision.

Volunteers may be approved to assist with district activities with prior approval from the principal.

The principal shall investigate all allegations of district student ineligibility, staff recruitment violations or other student or staff conduct that may violate Board policies, administrative regulations, and/or OSAA the rules and regulations of the associated voluntary organization. The principal shall notify the superintendent or designee of conduct that violates the terms of this policy and report to the associated voluntary organization ~~OSAA as if~~ required.

An employee determined to have violated Board policies and/or rules and regulations of the associated voluntary organization ~~OSAA~~ [will] [may] be subject to discipline, up to and including, dismissal. A student in violation of Board policies and/or the ~~OSAA~~ rules and regulations of the associated voluntary organization will be subject to discipline, up to and including, dismissal from an interscholastic activity or program, suspension and/or expulsion from school. Volunteers in violation of Board policies and/or the ~~OSAA~~ rules and regulations of the associated voluntary organization shall be subject to discipline, up to and including, removal from district programs and activities and such other sanctions as may be deemed appropriate by the district.

Employees, volunteers, or students in violation of ~~OSAA~~ such policies, rules and/or regulations [will] [may] be required to remunerate the district in the event ~~of fines are~~ assessed by ~~OSAA~~ as a result of their actions.

⁴ “High school equivalency program” means a program provided to assist a student in earning a certificate for passing an approved high school equivalency test such as the General Educational Development (GED) test.

The superintendent will develop procedures, as necessary, to implement this policy, including a process to ensure that all district rules governing the conduct of students, staff, and volunteers engaged in district activities are regularly reviewed and updated.

The district will annually review interscholastic activities and participation to determine whether the current offerings reflect the students the district serves.

END OF POLICY

Legal Reference(s):

[ORS 326.051](#)

[ORS 332.075\(1\)\(e\)](#)

[ORS 332.107](#)

[ORS 339.450 - 339.460](#)

[OAR 581-015-2255](#)

[OAR 581-021-0045 – 0049](#)

[OAR 581-022-2308\(2\)](#)

[OAR 581-026-0005](#)

[OAR 581-026-0700](#)

[OAR 581-026-0705](#)

[OAR 581-026-0710](#)

Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681-1683 (2018); Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance, 34 C.F.R. Part 106 (2022).

~~OREGON SCHOOL ACTIVITIES ASSOCIATION, OSA A HANDBOOK.~~

Montgomery v. Bd. of Educ., 188 Or. App. 63 (2003).

Senate Bill 1522 (2022).

Academic Achievement

The Board believes it is important that teachers have as much accurate knowledge of student achievement as possible to assess students' needs and growth; thus, a sharing of information among parent, teacher and student is essential.

The district shall ensure that all students have the opportunity to demonstrate progress toward mastery of the knowledge and skills of the student's current grade level or course content level. Students who have not yet met or who exceed all of the standards at any grade level, will be offered additional services or alternative educational or public school options.

The Board directs staff to follow these guidelines in measuring and determining student progress:

1. Parents and students [will] [may] be informed [at least annually,] of their student's progress toward achieving the academic content standards, including but not limited to:
 - a. Information on progress in each subject area to meet or exceed the academic content standards at the student's current grade level or course content level, including major goals used to determine the information;
 - b. Specific evidence of student progress toward mastery of a continuum of academic knowledge and skills (academic content standards) of a subject area, upon request from a parent;
 - c. [Evidence of the student's progress in a continuum of knowledge and skills that are not academic and that may include student behaviors that are defined by the district;]
 - d. Student scores on all state and local assessments indicating any of the requirements that have been waived for the district or the individual and time periods for the waiver; and
 - e. Student progress toward completion of diploma requirements to parents of students in grades 9-12, including credits earned, demonstration of extended application and demonstration of the Essential Skills.
2. Parents will be alerted and conferred with as soon as possible when a student's performance or attitude becomes unsatisfactory or shows marked or sudden deterioration;
3. Grades and/or portfolio content assessment will be based upon academic performance and will not include student attitude[or behavior]. Grades will not be used for disciplinary purposes. Absenteeism or misconduct shall not be the sole criterion for the reduction of a student's grade.
4. At comparable levels, the school system will strive for consistency in grading and reporting except when this consistency is inappropriate for certain classes or certain students;
5. When no grades are given but the student is evaluated in terms of progress, the school staff will ~~also provide a realistic appraisal of the student's standing in relation to his/her peers~~ show whether the student is achieving course requirements at the student's current grade level;

6. The staff will take particular care to explain to students the meaning of marks and symbols used to reflect student performance.

END OF POLICY

Legal Reference(s):

[ORS 107.154](#)
[ORS 329.485](#)

[ORS 343.295](#)
[OAR 581-021-0022](#)

[OAR 581-022-2260](#)
[OAR 581-022-2270](#)

Use of Restraint or Seclusion

The Board is dedicated to the development and application of best practices within the district's public educational/behavioral programs. The Board establishes this policy and its administrative regulation to define the circumstances that must exist and the requirements that must be met prior to, during, and after the use of restraint or seclusion as an intervention with district students.

The use of the following types of restraint on a student in the district is prohibited:

1. Chemical restraint.
2. Mechanical restraint.
3. Prone restraint.
4. Supine restraint.
5. Any restraint that involves the intentional and nonincidental use of a solid object¹, including a wall or the floor, to impede a student's movement, unless the restraint is necessary to prevent an imminent life-threatening injury or to gain control of a weapon.
6. Any restraint that places, or creates a risk of placing, pressure on a student's mouth, neck or throat.
7. Any restraint that places, or creates a risk of placing, pressure on a student's mouth, unless the restraint is necessary for the purpose of extracting a body part from a bite.
8. Any restraint that impedes, or creates a risk of impeding, breathing.
9. Any restraint that involves the intentional placement of the hands, feet, elbow, knee or any object on a student's neck, throat, genitals or other intimate parts.
10. Any restraint that causes pressure to be placed, or creates a risk of causing pressure to be placed, on the stomach or back by a knee, foot or elbow bone.
11. Any action designed for the primary purpose of inflicting pain.

The use of a seclusion cell is prohibited.

¹ The use of a solid object, including furniture, a wall, or the floor, by district staff performing a restraint is not prohibited if the object is used for the staff's own stability or support while performing the restraint and not as a mechanism to apply pressure directly to the student's body.

Restraint or seclusion may not be used for discipline, punishment, retaliation or convenience of staff, contractors or volunteers of the district.

Restraint may be imposed on a student in the district only under the following circumstances:

1. The student's behavior imposes a reasonable risk of imminent and substantial physical or bodily injury to the student or others; and
2. Less restrictive interventions would not be effective.

Seclusion may be used on a student in the district only under the following circumstances:

1. The student's behavior imposes a reasonable risk of imminent and serious bodily injury to the student or others; and
2. Less restrictive interventions would not be effective.

If restraint or seclusion is used on a student, by trained staff or other staff available in the case of an emergency when trained staff are not immediately available due to the unforeseeable nature of the emergency, e.g., teacher or administrator, it will be used only for as long as the student's behavior poses a reasonable risk of imminent and substantial physical or bodily injury to the student or others and less restrictive interventions would not be effective. Students will be continuously monitored by staff for the duration of the restraint or seclusion.

Definitions

1. "Restraint" means the restriction of a student's actions or movements by holding the student or using pressure or other means.

"Restraint" does not include:

- a. Holding a student's hand or arm to escort the student safely and without the use of force from one area to another;
 - b. Assisting a student to complete a task if the student does not resist the physical contact; or
 - c. Providing reasonable intervention with the minimal exertion of force necessary if the intervention does not include a restraint prohibited under Oregon Revised Statute (ORS) 339.288 and the intervention is necessary to:
 - (1) Break up a physical fight;
 - (2) Interrupt a student's impulsive behavior that threatens the student's immediate safety, including running in front of a vehicle or climbing on unsafe structures or objects; or
 - (3) Effectively protect oneself or another from an assault, injury or sexual contact with the minimum physical contact necessary for protection.
2. "Seclusion" means the involuntary confinement of a student alone in a room from which the student is physically prevented from leaving. Seclusion includes, but is not limited to, the involuntary confinement of a student alone in a room with a closed door, whether the door is locked or unlocked.

“Seclusion” does not include the removal of a student for a short period of time to provide the student with an opportunity to regain self-control if the student is in a setting from which the student is not physically prevented from leaving, or a student being left alone in a room with a closed door for a brief period of time if the student is left alone for a purpose that is unrelated to the student’s behavior.

3. “Seclusion cell” means a freestanding, self-contained unit that is used to isolate the student from other students or physically prevent a student from leaving the unit or cause the student to believe that the student is physically prevented from leaving the unit.
4. “Serious bodily injury” means any significant impairment of the physical condition of a person, as determined by qualified medical personnel, whether self-inflicted or inflicted by someone else.
5. “Substantial physical or bodily injury” means any impairment of the physical condition of a person that requires some form of medical treatment.
6. “Mechanical restraint” means a device used to restrict the movement of a student or the movement or normal function of a portion of the body of a student.

“Mechanical restraint” does not include:

- a. A protective or stabilizing device ordered by a licensed physician; or
 - b. A vehicle safety restraint when used as intended during the transport of a student in a moving vehicle.
7. “Chemical restraint” means a drug or medication that is used on a student to control behavior or restrict freedom of movement that is not prescribed by a licensed physician or other qualified health professional acting under the professional’s scope of practice for standard treatment of the student’s medical or psychiatric condition; and administered as prescribed by a licensed physician or other qualified health professional acting under the professional’s scope of practice.
 8. “Prone restraint” means a restraint in which a student is held face down on the floor.
 9. “Supine restraint” means a restraint in which a student is held face up on the floor.

Any student being restrained or secluded within the district whether in an emergency or as a part of a plan shall be constantly monitored by staff for the duration of the intervention. Any room used for seclusion of a student must meet the standards as outlined in Oregon Administrative Rule (OAR) 581-021-0568.

The district shall utilize the SYNC training program of restraint or seclusion for use in the district. As required by state regulation, the selected program shall be one approved by the Oregon Department of Education (ODE) and include, but not limited to, positive behavior support, conflict prevention, de-escalation and crisis response techniques. Any program selected by the district must be in compliance with state and federal law with respect to the use of restraint and seclusion.

An annual review of the use of restraint and seclusion during the preceding school year shall be completed and submitted to ODE to ensure compliance with district policies and procedures.

The results of the review and annual report shall be documented and shall include at a minimum:

1. The total number of incidents involving restraint;
2. The total number of incidents involving seclusion;
3. The total number of seclusions in a locked room;
4. The total number of students placed in restraint;
5. The total number of students placed in seclusion;
6. The total number of incidents that resulted in injuries or death to students or staff as a result of the use of restraint or seclusion;
7. The total number of students placed in restraint or seclusion more than 10 times in a school year and an explanation of what steps have been taken by the district to decrease the use of restraint and seclusion for each student;
8. The total number of restraint or seclusion incidents carried out by untrained individuals;
9. The demographic characteristics² of all students upon whom restraint or seclusion was imposed;
10. The total number of rooms available for use by the district for seclusion of a student and a description of the dimensions and design of the rooms.

This annual report shall be made available to the public at the district's main office and on the district's website, and to the Board.

At least once each school year the parents and guardians of students of the district shall be notified about how to access the report.

The district shall investigate all complaints regarding the use of restraint and/or seclusion practices according to the procedures outlined in Board policy KL - Public Complaints and KL-AR - Public Complaint Procedure. The complaint procedure is available at the district's administrative office and is available on the home page of the district's website.

The complainant, whether an organization or an individual, may appeal a district's final decision to the Oregon Department of Education pursuant to OAR 581-002-0001 - 581-002-0023.

The superintendent shall develop administrative regulations to carry out the requirements set forth in this policy and to meet any additional requirements established by law related to the use, reporting, and written documentation of the use of restraint or seclusion by district staff.

END OF POLICY

² Including race, ethnicity, gender, disability status, migrant status, English proficiency and status as economically disadvantaged, unless the demographic information would reveal personally identifiable information about an individual student.

Legal Reference(s):

[ORS 161.205](#)
[ORS 339.250](#)
[ORS 339.285](#)
[ORS 339.288](#)
[ORS 339.291](#)
[ORS 339.294](#)
[ORS 339.297](#)

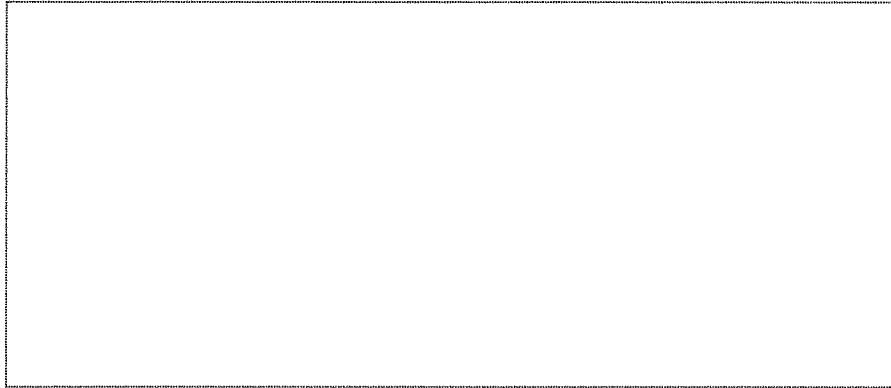
[ORS 339.300](#)
[ORS 339.303](#)

[OAR 581-021-0061](#)
[OAR 581-021-0550](#)
[OAR 581-021-0553](#)
[OAR 581-021-0556](#)

[OAR 581-021-0563](#)
[OAR 581-021-0566](#)
[OAR 581-021-0568](#)
[OAR 581-021-0569](#)
[OAR 581-021-0570](#)
[OAR 581-022-2267](#)
[OAR 581-022-2370](#)

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EASEMENT AGREEMENT

PARTIES:

| | |
|--|-----------|
| Banks School District 12950 NW Main Street Banks, OR 97106 | "Grantor" |
| City of Banks Attn: City Manager 13680 NW Main Street Banks, OR 97106 | "Grantee" |

RECITALS

WHEREAS, Grantor Banks School District ("Grantor" herein) is the fee title owner of that certain real property located at 13050 NW Main Street, Banks, OR 97106 (Tax Lot 2N331BC06900) in Washington County Oregon and more particularly described in Exhibit 1, attached hereto and incorporated herein by this reference (the "Burdened Property"); and

WHEREAS, the City of Banks, an Oregon municipal corporation ("Grantee" herein), owns and operates a municipal drinking water system that includes distribution pipes located within private rights-of-way and private alleys, one of which runs through the Burdened Property; and

WHEREAS, Grantee is in the process of replacing the public water distribution pipes located within the private alley that provides access to Grantor's home, that also provides water service to Grantors' home and will improve the pressure and reliability of Grantors' water service; and

WHEREAS, to complete this public works project, Grantee requires a temporary construction easement ("TCE") and a permanent pipeline easement ("Permanent Easement") from Grantor over, under and through the Burdened Property to construct, install and then operate a new water distribution pipe that will, among other things, serve Grantor's home (collectively the "Easements"); and

WHEREAS, Grantor desires to convey to Grantee temporary access rights for Grantee to construct its water pipeline project and then a permanent easement on, over,

under and through the Burdened Property to allow Grantee to operate, maintain, repair and replace its water distribution pipe.

NOW, THEREFORE, based on the foregoing Recitals, which are incorporated herein, the Parties agree as follows:

1. Temporary Construction Easement. Grantor hereby grants and conveys to Grantee a Temporary Construction Easement ("TCE") on, over, under and through the Burdened Property as described in Exhibit 2 to enter, survey, excavate, install and otherwise construct a buried water pipeline. The TCE herein granted shall be subject to the following terms:

- a. Pursuant to this TCE Grantee and Grantee's employees and agents may access the Easement Area, described in Exhibit 2, on, over and through the Burdened Property, conduct surveys, exploratory excavations and larger excavations and all manner of construction work to replace the existing water pipeline with a new water pipeline. When complete, Grantee shall repair and restore the Burdened Property to its original condition or better.
- b. The TCE shall be valid and effective upon execution of this Agreement and shall remain in effect until _____ at 12:00 midnight, at which point the TCE shall automatically expire unless extended pursuant to Section 4 (Amendment) of this Agreement
- c. Recordation of this executed Agreement shall be sufficient to convey the TCE as herein described.
- d. At the conclusion of construction activities, Grantee shall provide Grantor with a fully compliant smooth, clear and clean paved surface for Grantor's driveway as full compensation for the TCE described herein.

2. Permanent Waterline Easement. Grantor hereby grants to Grantee a permanent nonexclusive easement ("Permanent Easement") on, over, under and through the Burdened Property as described in Exhibit 3 for the purpose of Grantee's construction, operation, maintenance, repair and replacement of its water pipeline and related infrastructure. Grantor's conveyance and Grantee's use of the permanent easement shall be subject to the following terms:

- a. Pursuant to the Permanent Easement, Grantee, Grantee's employees and agents may construct, place, maintain, operate, repair, and replace a buried water pipeline and associated facilities, including but not limited to valves, pumps, pressure reducing valves and similar and equipment.
- b. Grantee shall notify Grantor at least 7 calendar days prior to beginning any construction activities within the Permanent Easement.
- c. Grantee shall pay Grantor \$1 upon execution of this Agreement, and other good and sufficient consideration described herein, such as driveway/alley improvements, as full compensation for the Permanent Easement described herein.

3. Terms Common to Both Easements.

- a. Within the area of the TCE and Permanent Easement, Grantee and Grantor shall not store, use, manufacture, dispose of any materials that are hazardous or constitute a public health hazard as defined by law.
 - b. Grantee shall notify Grantor at least 7 calendar days prior to beginning any construction activities within the Easement Areas.
 - c. Grantor warrants that (1) Grantor has marketable title to the TCE and Permanent Easement Area, (2) Grantee may peaceably enjoy the rights and benefits of these Easements, (3) the Easement Areas are free of encumbrances which conflict with the allowed use except those of which Grantor has notified Grantee or those of record in the official records of Washington County, Oregon, and (4) Grantor has the unrestricted right to grant these Easements without additional consent or permission.
 - d. To the extent allowed by law, Grantee shall indemnify, hold harmless, and defend Grantor from all claims arising out of Grantee's use of the Easements. To the extent allowed by law, Grantor shall indemnify, hold harmless, and defend Grantee and its employees, agents, contractors, and invitees from all claims to the extent related to the Easements that do not arising out of Grantee's use of the Easements.
 - e. This Agreement and the easements it conveys shall bind and inure to the benefit of the immediate parties and their respective heirs, executors, administrators, successors, and assigns. The rights and responsibilities described herein shall run with title to the Burdened Property for the duration of the term stated herein for the TCE and in perpetuity for the Permanent Easement.
4. Amendment. This Agreement and any of its provisions may be modified or amended at any time, but only by a written instrument that is executed by both parties hereto.

IT IS SO AGREED and the Easements described herein are so Conveyed.

Grantor Banks School District:

By: _____ Date _____

State of Oregon)
) ss
County of Washington)

This instrument was acknowledged before me on _____, 2022 by _____ as the authorized representative of the Banks School District, owner of the Burdened Property described herein in Exhibit 1.

Notary Public – State of Oregon
My commission expires: _____

///

///

Grantee City of Banks:

By: _____ Date _____
Jolynn Becker, City Manager of Banks

State of Oregon)
) ss
County of Washington)

This instrument was acknowledged before me on _____, _____, 2022 by Jolynn Becker as the duly appointed and authorized City Manager of the City of Banks, Oregon.

Notary Public – State of Oregon
My commission expires: _____

EXHBIT 1

LEGAL DESCRIPTION OF THE BURDENED PROPERTY

EXHBIT 2

LEGAL DESCRIPTION OF THE TEMPORARY CONSTRUCTION EASEMENT

EXHBIT 3

LEGAL DESCRIPTION OF THE PERMANENT EASEMENT



9715 SW Buckskin Ter.
Beaverton, Oregon 97008
Ph: 503-330-8646
Email: dave@davemillsconsulting.com

EXHIBIT "A"

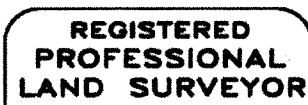
PROPOSED WATERLINE EASEMENT (E)

BANKS SCHOOL DISTRICT NO. 13 to the CITY OF BANKS

A TRACT OF LAND FOR THE PURPOSE OF A WATERLINE EASEMENT BEING A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED UNION HIGH SCHOOL DISTRICT NO. 1 OF WASHINGTON COUNTY RECORDED FEBRUARY 9, 1920 IN BOOK 116, PAGE 349 DEED RECORDS OF WASHINGTON COUNTY, SITUATED IN THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 31, TOWNSHIP 2 NORTH, RANGE 3 WEST, WILLAMETTE MERIDIAN, WASHINGTON COUNTY OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF LOT 10 OF THE DULY RECORDED PLAT OF "WILKES ESTATES"; THENCE ALONG THE SOUTH LINE OF SAID LOT 10, SOUTH 86°46'23" EAST A DISTANCE OF 113.29 FEET TO THE WESTERLY RIGHT OF WAY OF THE PORT OF TILLAMOOK BAY RAILROAD; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 30°32'40" EAST A DISTANCE OF 11.67 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 62°01'56" WEST A DISTANCE OF 15.75 FEET; THENCE NORTH 85°55'03" EAST A DISTANCE OF 105.93 FEET; THENCE NORTH 01°51'51" EAST A DISTANCE OF 16.28 TO THE POINT OF BEGINNING.

CONTAINING 1965 SQUARE FEET.



David W. Mills



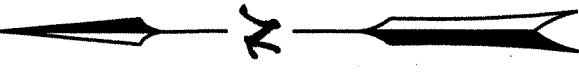
WILKES STREET WATERLINE IMPROVEMENT PROJECT

BEARINGS ARE BASED ON NAD_83(2011)
 DERIVED BY GPS OBSERVATION AND OPUS SOLUTION.
 ALL DISTANCES ARE GROUND.

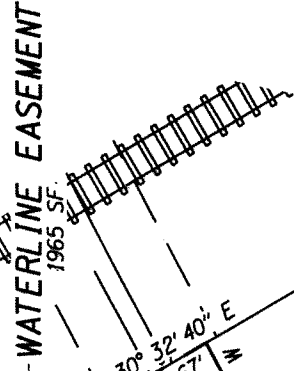
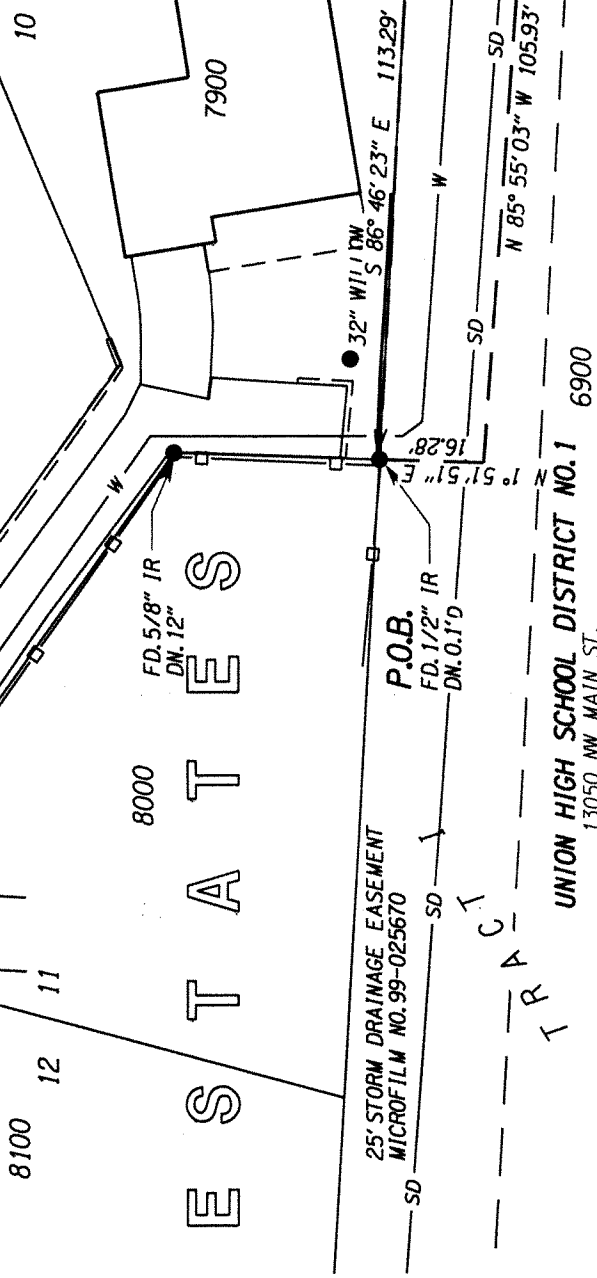
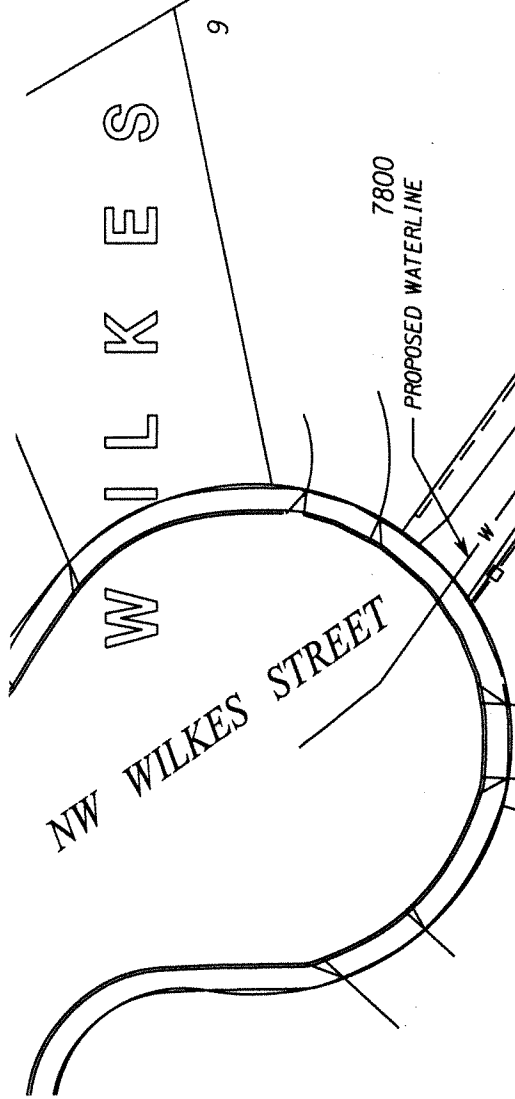
REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

David W. Mills

OREGON
 JULY 18, 1980
 DAVID W. MILLS
 01915
 EXPIRES 12-31-22



OF TILLAMOOK BAY RAILROAD



UNION HIGH SCHOOL DISTRICT NO. 1 6900
 13050 NW MAIN ST.
 BOOK 116, PAGE 349
 2/9/1920

EXHIBIT "B"
WATERLINE EASEMENT (E)
"BANKS SCHOOL DISTRICT NO. 13"

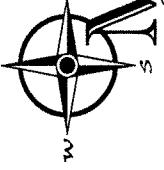
JOB NO: 21-02
 SCALE: 1" = 30'
 FILE: COB WILKES SCHOOL.DGN
 DATE: 8/24/22

TL 6900 (MAP 2N331BC)
 IN THE SW 1/4 of the NW 1/4 SECTION 31, T.2 N., R.3 W., WM.
 WASHINGTON COUNTY, OREGON
 for the benefit of the CITY OF BANKS

PROFESSIONAL LAND SURVEYING
 SERVICES

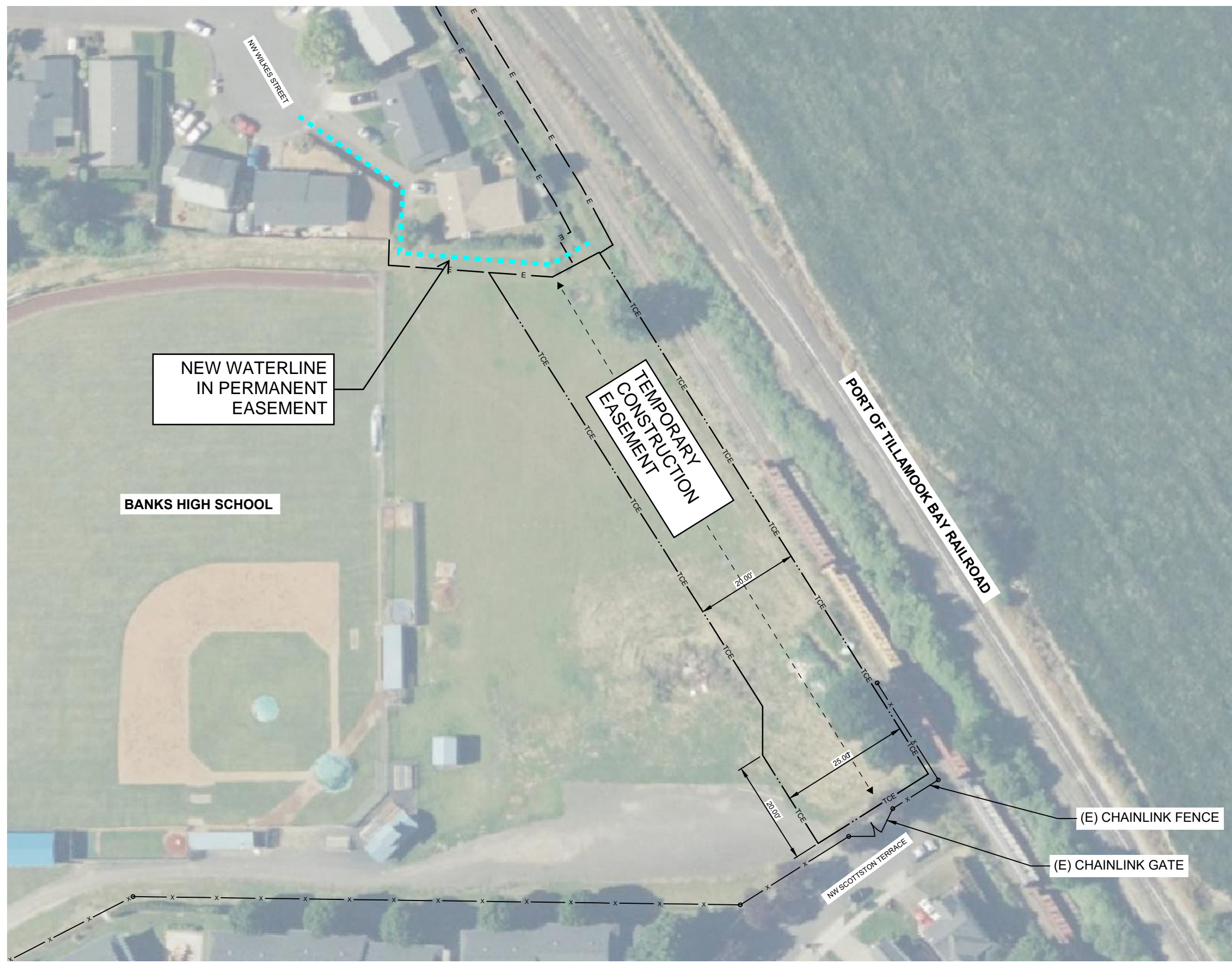
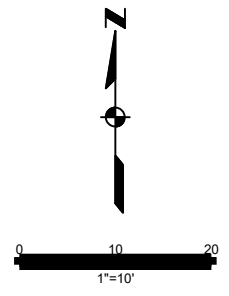
DAVE MILLS
 9715 SW BUCKSKIN TER.
 BEAVERTON, OREGON

PHONE
 503-330-8646



DAVE@DAVEMILLSCONSULTING.COM

pw:\kpc-pw\Documents\Clients\Banks, City of OR\Projects\Wilkes Street Waterline & Street Improvements_2176011.00\10-Design\10.06-Drawings\General\217601100-G-01.dwg



TEMPORARY EASEMENT AREA= 2534 SQ. FT.

| NO | REVISION | DATE | BY |
|----|----------|------|----|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

SCALES
 0" = 1"
 0" = 25mm
 IF THIS BAR IS NOT DIMENSION SHOWN, ADJUST SCALES ACCORDINGLY.

| | |
|----------|-----|
| DESIGNED | JC |
| DRAWN | CEC |
| CHECKED | RSP |

City of Banks
 Washington County, Oregon

WILKES STREET WATERLINE & STREET IMPROVEMENTS PROJECT

BANKS SCHOOL DISTRICT EASEMENT EXHIBITS

| | |
|--------|----------------|
| SCALE | AS SHOWN |
| JOB NO | 2176011.00 |
| DATE | SEPTEMBER 2022 |
| SHEET | 01 OF - |
| | EXH1 |