

# **DOUGLAS EDUCATION SERVICE DISTRICT**

## **Annual Financial Report**

**June 30, 2021**

Douglas Education Service District

June 30, 2021

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BOARD OF DIRECTORS

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HARRY MCDERMOTT ..... Vice Chair  
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HANK PERRY ..... Director  
GINA STEWART ..... Director  
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ADMINISTRATION

MICHAEL LASHER.....Superintendent  
RACHEL AMOS ..... Financial Director

Board Members and administration personnel receive mail at:  
Douglas Education Service District  
1409 NE Diamond Lake Blvd #110  
Roseburg, OR 97470

Douglas Education Service District

June 30, 2021

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Douglas Education Service District

June 30, 2021

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Douglas Education Service District  
1409 NE Diamond Lake Blvd #110  
Roseburg, OR 97470

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of Douglas Education Service District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Douglas Education Service District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the 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 Douglas Education Service District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost principles, and audit requirements for Federal Rewards, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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.

The introductory section 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the Douglas Education Service District's internal control over financial reporting and on our tests of its 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 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 Douglas Education Service District's internal control over financial reporting and compliance.

**Other Reporting Required by Oregon Revised Statutes**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 15, 2021, on our consideration of the District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0320. 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.

Neuner Davidson & Co  
Certified Public Accountants

By:   
Jeffrey R. Cooley, CPA  
Roseburg, Oregon  
December 15, 2021

**Management's Discussion and Analysis**



**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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As management of Douglas Education Service District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets of the District were less than its liabilities at June 30, 2021 by (\$8,528,958) as a result of the change in the Net Pension liability for this year. Of this amount, \$4,298,725 represents the District's investment in capital assets, \$4,922,981 is restricted for debt service. Please refer to the Table of Contents to locate further details on the GASB 68 and GASB 75 impacts. The District implemented GASB 68 in fiscal year ending June 30, 2015.
- The District's total Net position decreased by (\$1,003,174).
- The District's governmental funds report combined ending fund balance of \$12,472,284 at June 30, 2021, an increase of \$5,632,700 in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2021, unassigned fund balance for the Governmental Funds were \$2,887,763, an increase of \$1,116,011.
- General Fund revenues amounted to \$9,976,542 or 24% of total resources. Program specific resources in the form of charges for services and operating grants accounted for \$30,173,170 or 73%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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 financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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

**Statement of Net Position – ESD-wide and Proprietary Funds**

The Statement of Net Position is used to assess the District's financial status. When compared to the previous year, you can determine if the District's financial position improved or deteriorated. The net position can also be averaged to compare with other districts. The financial position of the District reflects on its ability to meet its obligations as they come due and to finance the services of its constituency.

**Statement of Activities – ESD-wide**

The Statement of Activities is used to examine cost of services, net costs of services to taxpayers, types of expenses and revenues, balance between revenues and expenses, change in financial position and its causes and unusual transactions. The change in determines if 'there is more or less left over' and if the District will be able to finance services in the future.

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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**Governmental Fund Financial Statements**

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances track the financial activity of the District's basic services, such as instruction and support services.

**Proprietary Fund Financial Statements**

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position track the financial activity of the District's internal services, which are similar to businesses.

**Balance Sheet – Governmental Funds**

The Balance Sheet is used to examine the District's short-term assets and liabilities and to determine the District's short-term need for cash. The Balance Sheet is essential to determine the District's liquidity with its focus on current assets and liabilities.

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

The Statement of Revenues, Expenditures, and Changes in Fund Balance is used to examine the flows of short-term resources in the District, it determines if revenues and expenditures balance, and to find out if resources are available for future services.

**Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds**

The Statement of Revenues, Expenses, and Changes in Net Position is used to examine proportions of changes in a proprietary fund's revenues and expenses and to assess the ability of proprietary activities to finance their costs in both the short and long-term.

**Budgetary Comparison Schedule**

The Budgetary Comparison Schedule is used to determine if the District followed its legally adopted budget. Also demonstrates the District's ability to budget accurately and its ability to enforce and control finances. Variances may indicate faulty estimates, policy changes, or unforeseen economic shifts.

**Statement of Cash Flows – Proprietary Funds**

The Statement of Cash Flows is used to identify where cash comes from and how it is used. Tracking revenue and expenditures shows that the District has sufficient resources to cover expenses, but cash flows determine if the District has enough cash on hand to actually pay its bills. With this information you can see if the operations of business type activities generated enough cash on their own to support its needs. You can also get a sense of future cash needs and the ability of the District's business type activities to pay bills as they come due.

**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. These statements include:

The *Statement of Net Position*. The *statement of net position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied.

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities*. The *statement of activities* presents information showing how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. 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).

In the government-wide financial statements, the District's activities are shown as governmental activities. All basic District functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

The government-wide financial statements can be located in the table of contents of this report.

### **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 Douglas Education Service District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds (general and special revenue)** The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (government-wide statements).

The District maintains eight individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Grants Fund, Early Intervention Fund, Early Learning Fund, Reimbursement Fund, Debt Service Fund and the Capital Improvement Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements elsewhere in this report.

The basic governmental fund financial statement can be located in the table of contents of this report.

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

**Proprietary funds (enterprise and internal service)** The District maintains two proprietary fund types. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for risk management insurance and employee benefit activities. Internal service funds use the full accrual method of accounting. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Enterprise funds are an accounting device used to account for funds that operate similar to for profit entities, and use the full accrual method of accounting. The District uses Enterprise funds to account for printing/copying services provided to outside entities. Enterprise funds are presented separately on the Government Wide Financial Statements.

The proprietary fund financial statements can be located in the table of contents of this report.

**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. The notes to the financial statements can be located in the table of contents of this report.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* related to Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund and Major Special Revenue Funds. Required supplementary information can be located in the table of contents of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information. Combining and individual fund statements and schedules can be located in the table of contents of this report.

**Modified Accrual Accounting vs. Full Accrual Accounting**

The following table shows the difference in modified accrual accounting, as done on past financial statements and full accrual accounting, as required by GASB34.

	<u><i>Modified Accrual</i></u>	<u><i>Full Accrual</i></u>
<b>Revenue</b>	<p>Available and measurable.</p> <p>Record revenue if payment is received during year or soon after (within 60 days) and is available to pay current year's liabilities.</p>	<p>Earned and measurable.</p> <p>Earned and is "reasonably certain to be collected."</p>
<b>Expense</b>	<p>Recognize in the accounting period in which the fund liability is incurred, and measurable.</p> <p>Records expenditures. Outflow cash, or promise to pay for goods and services that have been received.</p>	<p>Recognize in the accounting period in which the liability is incurred and measurable.</p> <p>Records expenses. Decreases in net assets resulting from the using up or Outflows of assets in the course of operating and providing goods and services.</p>

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE ESD'S FUNDS**

Below are graphs showing the composition of the sources of funds (revenue) and expenditures in our fund groups:

General Fund – resolution programs and overhead

Special Revenue Funds – regional programs, early intervention program, grants and contracts

<b>Revenues as of June 30</b>		
<b>Revenue Source</b>	<b>2021</b>	<b>2020</b>
<b>Local Sources</b>	\$ 14,180,561	\$ 13,001,101
<b>Intermediate Sources</b>	1,246,841	1,146,939
<b>State Sources</b>	22,620,523	17,396,007
<b>Federal Sources</b>	3,194,584	2,857,664
<b>Total</b>	<b>\$ 41,680,676</b>	<b>\$ 34,401,912</b>

Revenue increased overall as Local, Intermediate and State sources realized increased funding commitments for the 2021-22 biennium, and COVID-19 pandemic sources were allocated to Districts.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (THE ESD AS A WHOLE)**

**Statement of Net Position** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$8,528,958 as of June 30, 2021. Net position is divided into amounts representing (1) capital assets, net of related debt, (2) restricted by external restriction, and (3) unrestricted.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment represent about 13 percent of total assets. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. The remaining assets consist mainly of investments, cash, pension assets, grants and property taxes receivable.

The District's total long-term liabilities are \$35,397,018. Net Pension Liability for GASB 68 is \$25,839,838 of the long-term liabilities. In addition, implementation of GASB 68 has added Deferred Inflow of Resources for future PERS Obligations of \$1,023,042. Please locate Note 6 in the table of contents in this report for further information. Current liabilities, representing about 12% of the District's total liabilities and deferred inflow of resources, consist almost entirely of payables on accounts, salaries and benefits, and the current portion of long-term debt principal. Current Liabilities total \$4,865,963.

During the current fiscal year, the District's net position decreased by (\$1,003,174).

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

NET POSITION AT JUNE 30		
	2021	2020
CURRENT ASSETS	\$ 18,843,323	\$ 12,181,769
NON CURRENT ASSETS	4,738,916	2,590,885
DEFERRED OUTFLOW OF RESOURCES	9,174,828	7,625,158
<b>TOTAL ASSETS</b>	<b>\$ 32,757,067</b>	<b>\$ 22,397,812</b>
CURRENT LIABILITIES	\$ 4,865,963	\$ 3,474,394
LONG TERM DEBT OUTSTANDING	35,397,018	25,224,901
DEFERRED INFLOW OF RESOURCES	1,023,042	1,224,299
<b>TOTAL LIABILITIES</b>	<b>\$ 41,286,023</b>	<b>\$ 29,923,594</b>
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 4,298,725	\$ 2,199,629
RESTRICTED	9,065,878	4,928,452
UNRESTRICTED	(21,893,560)	(14,653,865)
<b>NET POSITION</b>	<b>\$ (8,528,957)</b>	<b>\$ (7,525,784)</b>

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

**Statement of Activities**

<b>Changes in Net Position</b>		
<b>Total Government Activities</b>		
<b>For Year Ended June 30</b>		
<b>Revenues:</b>	<b>2021</b>	<b>2020</b>
<b>Program Revenues:</b>		
Charges for Service	1,663,905	1,092,994
Operating grants and contributions	30,889,380	24,982,717
<b>Total Program Revenues</b>	<b>32,553,285</b>	<b>26,075,711</b>
<b>General Revenues</b>		
Property Taxes	4,953,689	4,670,581
State School Fund-General Support	1,830,609	1,999,228
Services provided other funds	361,414	343,721
Unrestricted state and local sources	1,598,794	1,445,579
Other intermediate Sources	-	-
Earnings on investments	44,235	119,341
Miscellaneous	247,277	19,674
<b>Total General Revenues</b>	<b>9,036,018</b>	<b>8,598,124</b>
<b>Expenses:</b>		
Instruction	14,557,052	11,632,556
Support Services	13,870,672	13,100,575
Community Services	2,272,255	2,679,377
Facilities and Acquisition	2,079,364	236,993
Interest expense on long-term debt	483,630	429,375
Depreciation	228,602	163,038
Amortization		
Apportionment of ESD Funds	6,164,224	5,346,654
<b>Total Expenses</b>	<b>39,655,799</b>	<b>33,588,568</b>
<b>Increase (decrease) in Net Position-</b>		
<b>Prior to GASB &amp; Disposal of Fixed</b>	<b>1,933,504</b>	<b>1,085,267</b>
Loss on Disposal of Fixed Assets	-	(48,098)
GASB 68 Pension Income	(2,995,491)	(2,669,499)
GASB 75 PERS OPEB RHIA	58,811	73,650
<b>Increase (decrease) in Net Position</b>	<b>(1,003,176)</b>	<b>(1,558,680)</b>
<b>Net Position-June 30</b>	<b>(2,561,856)</b>	<b>(1,558,680)</b>



**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

- Property tax revenues increased by about \$283,108 or 5%, during the year.
- Operating grants and contributions increased by 19%, showing an increase in grant/contract amounts awarded to the district.
- Investment earnings decreased by \$75,106, reflecting a 63% decrease during the year.

**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.

**Governmental 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 financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of net resources available for spending at the end of a fiscal year.

At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$12,472,284 an increase of \$5,632,700 in comparison with prior year. The bulk of this is in the Capital Projects Fund.

*General Fund.* The General Fund is the primary operating fund of the District. As of June 30, 2021, unassigned fund balance was \$2,243,278. The fund balance increased by \$852,724 during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance at June 30, 2021 represented 24% of total expenditures for the year ended June 30, 2021.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$819,295, all of which is restricted for the payment of debt service.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2021, the District has invested \$4,298,725 in capital assets, net of depreciation, as shown in the following table:

<b>Capital Assets (net of depreciation) June 30, 2021</b>		
	<b>2021</b>	<b>2020</b>
<b>Land</b>	\$ 51,996	\$ 51,996
<b>Buildings &amp; improvements</b>	3,879,663	1,756,134
<b>Vehicles &amp; equipment</b>	367,066	391,499
<b>Total</b>	<b>\$ 4,298,725</b>	<b>\$ 2,199,629</b>

Additional information of the District's capital assets can be found in the notes to the basic financial statements.

**DOUGLAS EDUCATION SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

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**Long-term debt.** At the end of the current fiscal year, the District had total bonded debt outstanding of \$2,704,724 consisting of PERS bond debt net of unamortized premium/discount. This is a limited tax pension obligation and not subject to the state statutes limit on the amount of general obligation debt a governmental entity may issue as a percent of its total assessed valuation. Since the District has no general obligation debt, the statutory debt limitation is not an issue. With the implementation of GASB 68, additional long term liabilities as deferred inflow of resources in the amount of \$1,023,042 is reflected on the Statement of Net Position.

PERS is the Oregon public pension system. Under such a plan the actuarial liability is the present value of the plan's current and expected benefit payments, less the plan's assets. If the liability exceeds the assets of the plan, the plan has a shortfall known as an unfunded actuarial liability (UAL). The District issued the bonds to reduce its future pension obligation estimated at \$ 8.7 million at an interest rate below the rate charged by PERS on the UAL.

Additional information on the District's long-term debt and GASB 68 can be found in the notes to the basic financial statements of this report.

In April 2018, the District incurred debt to remodel new administrative offices located in the new City of Roseburg Library. Original Issue amount was \$1,700,000 with maturity in 2033. The note was paid off in full in December 2020. In December 2020, the District incurred new debt to pay the note for the Roseburg Library model in full, as well as to purchase a building in Jackson County to support the EI/ECSE Regional Program, and to remodel the Stephens Street office building to pave the way for the future Early Learning and Parent Resource Center for Douglas County. The original issue amount was \$7,706,000 at 1.75% interest, reaching maturity in 2035. Please see the table of contents for Note 5 for additional detail.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2021, the State School Fund – General Support provided over 18% of the District's General Fund program revenues.

The COVID-19 pandemic has had significant positive financial impact on the District in the fiscal year just ended. The District received multiple funding sources, along with local Districts, as part of the recovery efforts related to learning and services provided during the pandemic impacts. The District continued to provide services as required and fulfilled its contractual obligations with the State of Oregon, and worked with local school districts to increase services such as nursing and behavioral health. Recovery funds known as ESSER, GEER, and ARP are funded for use during the 2021-2023 biennium.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Douglas ESD – Business Services, ATTN: Chief Financial Officer, 1409 NE Diamond Lake Blvd, Suite 110, Roseburg, Oregon 97470.

**Basic Financial Statements**

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Statement of Net Position - Governmental Activities

June 30, 2021

	Governmental Activities	Business Type Activites	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 11,685,965	\$ -	\$ 11,685,965
Cash - Early Retirement Asset	-	-	-
Accounts Receivable	6,720,304	2,834	6,723,138
Interfund Receivable from Business Type Activies	24,766	-	24,766
Property Taxes Receivable	397,877	-	397,877
Inventory	-	11,577	11,577
<b>Total Current Assets</b>	<b>18,828,912</b>	<b>14,411</b>	<b>18,843,323</b>
Noncurrent Assets:			
Net OPEB Asset as Related to PERS	242,215	-	242,215
Net OPEB Asset	197,976	-	197,976
<b>Total Pension Assets</b>	<b>440,191</b>	<b>-</b>	<b>440,191</b>
Land - Not being Depreciated	51,996	-	51,996
Buildings & Improvements	5,123,610	-	5,123,610
Vehicles	202,860	-	202,860
Equipment	968,833	-	968,833
Less: Accumulated Depreciation	(2,048,574)	-	(2,048,574)
<b>Total Capital Assets</b>	<b>4,298,725</b>	<b>-</b>	<b>4,298,725</b>
<b>Total Noncurrent Assets</b>	<b>4,738,916</b>	<b>-</b>	<b>4,738,916</b>
Deferred Outflow of Resources:			
Current Year PERS Contributions	9,174,828	-	9,174,828
<b>Total Deferred Outflow of Resources</b>	<b>9,174,828</b>	<b>-</b>	<b>9,174,828</b>
<b>Total Assets</b>	<b>32,742,655</b>	<b>14,411</b>	<b>32,757,067</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 2,958,497	\$ 1,111	\$ 2,959,608
Interfund Payable	-	24,766	24,766
Accrued Salaries & Benefits	1,265,045	-	1,265,045
Current Portion of Library Debt	494,000	-	494,000
Current Portion of Pension Bonds Payable	122,544	-	122,544
<b>Total Current Liabilities</b>	<b>4,840,086</b>	<b>25,877</b>	<b>4,865,963</b>
Long-Term Liabilities:			
Long-term portion of Library Note Payable	7,469,000	-	7,469,000
Less Current portion of Library Note Payable	(494,000)	-	(494,000)
Net Pension Liability	25,839,838	-	25,839,838
Long-term portion of Pension Bonds Payable	2,704,724	-	2,704,724
Less Current portion of Pension Bonds Payable	(122,544)	-	(122,544)
<b>Total Long-Term Liabilities</b>	<b>35,397,018</b>	<b>-</b>	<b>35,397,018</b>
Deferred Inflow of Resources:			
Net Difference PERS Investments	1,023,042	-	1,023,042
<b>Total Deferred Inflow of Resources</b>	<b>1,023,042</b>	<b>-</b>	<b>1,023,042</b>
<b>Total Liabilities &amp; Deferred Inflow of Resources</b>	<b>41,260,146</b>	<b>25,877</b>	<b>41,286,023</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	4,298,725	-	4,298,725
Restricted for:			
Debt Service	4,922,981	-	4,922,981
Special Grants and Projects	4,131,320	-	4,131,320
Business Type Activities	-	11,577	11,577
Unrestricted	(21,870,517)	(23,043)	(21,893,560)
<b>Total Net Position</b>	<b>\$ (8,517,491)</b>	<b>\$ (11,466)</b>	<b>\$ (8,528,958)</b>

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Statement of Activities - Governmental Activities

For the Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Change in Net Assets		Total
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	
<b>Governmental Activities:</b>						
<b>Instruction</b>						
Special Programs	\$ (14,557,052)	\$ -	\$ 17,071,870	\$ 2,514,818	\$ -	\$ 2,514,818
<b>Total Instruction</b>	<u>(14,557,052)</u>	<u>-</u>	<u>17,071,870</u>	<u>2,514,818</u>	<u>-</u>	<u>2,514,818</u>
<b>Supporting Services</b>						
Students	(8,533,837)	1,445,224	9,870,759	2,782,145	-	2,782,145
Instructional Staff	(2,699,208)	-	288,106	(2,411,102)	-	(2,411,102)
General Administration	(397,911)	-	-	(397,911)	-	(397,911)
Business Services	(1,284,306)	-	80,367	(1,203,939)	-	(1,203,939)
Internal Service	(14,216)	-	-	(14,216)	-	(14,216)
Central Activities	(703,604)	-	-	(703,604)	-	(703,604)
Supplemental Retirement Program	(28,832)	-	-	(28,832)	-	(28,832)
<b>Total Support Services</b>	<u>(13,661,914)</u>	<u>1,445,224</u>	<u>10,239,232</u>	<u>(1,977,459)</u>	<u>-</u>	<u>(1,977,459)</u>
<b>Community Services</b>	<u>(2,272,255)</u>	<u>-</u>	<u>3,578,279</u>	<u>1,306,024</u>	<u>-</u>	<u>1,306,024</u>
<b>Facilities and Acquisition</b>	<u>(2,090,685)</u>	<u>-</u>	<u>-</u>	<u>(2,090,685)</u>	<u>-</u>	<u>(2,090,685)</u>
<b>Interest on Long-Term Debt</b>	<u>(483,630)</u>	<u>-</u>	<u>-</u>	<u>(483,630)</u>	<u>-</u>	<u>(483,630)</u>
<b>Depreciation</b>	<u>(228,602)</u>	<u>-</u>	<u>-</u>	<u>(228,602)</u>	<u>-</u>	<u>(228,602)</u>
<b>Amortization</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Apportionment of Funds ESD</b>	<u>(6,164,224)</u>	<u>-</u>	<u>-</u>	<u>(6,164,224)</u>	<u>-</u>	<u>(6,164,224)</u>
<b>Total Governmental Activities:</b>	<u>(39,458,362)</u>	<u>1,445,224</u>	<u>30,889,380</u>	<u>(7,123,758)</u>	<u>-</u>	<u>(7,123,758)</u>
<b>Business Type Activities</b>						
Production Services	(197,437)	218,681	-	-	21,244	21,244
Information Technology	-	-	-	-	-	-
<b>Total Business Type Activities</b>	<u>(197,437)</u>	<u>218,681</u>	<u>-</u>	<u>-</u>	<u>21,244</u>	<u>21,244</u>
<b>Total Government</b>	<u>\$ (39,655,799)</u>	<u>\$ 1,663,905</u>	<u>\$ 30,889,380</u>	<u>\$ (7,123,758)</u>	<u>\$ 21,244</u>	<u>\$ (7,102,513)</u>
<b>General Revenues:</b>						
<b>Local Sources</b>						
Property Taxes, levied for general purposes				4,953,689	-	4,953,689
Interest and Investment Earnings				44,235	-	44,235
Services Provided other Funds				361,414	-	361,414
GASB 68 Pension Income (Expense)				(2,995,491)	-	(2,995,491)
GASB 75 PERS OPEB RHIA Income (Expense)				58,811	-	58,811
Miscellaneous				247,277	-	247,277
<b>Unrestricted State and Local Sources</b>				1,598,794	-	1,598,794
<b>State School Fund - General Support</b>				1,830,609	-	1,830,609
<b>Sale or Disposal of Fixed Assets</b>				-	-	-
<b>Subtotal - General Revenues</b>				<u>6,099,339</u>	<u>-</u>	<u>6,099,339</u>
<b>Change in Net Position</b>				(1,024,419)	21,244	(1,003,174)
<b>Net Position, July 1, 2020</b>				<u>(7,493,072)</u>	<u>(32,711)</u>	<u>(7,525,783)</u>
<b>Net Position, June 30, 2021</b>				<u>\$ (8,517,491)</u>	<u>\$ (11,466)</u>	<u>\$ (8,528,958)</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**Balance Sheet  
Governmental Funds

June 30, 2021

	Major Funds									Total Governmental Funds
	General	Grants	Early	Early	Reimbursement	Facility	Debt	FF & C	Capital	
	Fund	Fund	Intervention	Learning	Fund	Maintenance	Service	Series	Improvement	
100	205	207	208	230	296	Fund	Fund	Fund		
<b>ASSETS</b>										
Cash in Bank	\$ 429,635	\$ 3,192,352	\$ -	\$ -	\$ 634,060	\$ 533,084	\$ 814,818	\$ -	\$ 2,227,382	\$ 7,831,331
Cash in State Pool	\$ 59,887	-	-	-	-	-	4,477	-	1,900,000	1,964,364
Receivables:										
Accounts	3,234	1,958,208	3,683,022	1,059,245	15,930	-	-	-	-	6,719,639
Property Taxes	397,877	-	-	-	-	-	-	-	-	397,877
Due From Other Funds	2,937,186	-	-	-	-	-	-	-	-	2,937,186
<b>Total Assets</b>	<b>\$ 3,827,820</b>	<b>\$ 5,150,560</b>	<b>\$ 3,683,022</b>	<b>\$ 1,059,245</b>	<b>\$ 649,990</b>	<b>\$ 533,084</b>	<b>\$ 819,295</b>	<b>\$ -</b>	<b>\$ 4,127,382</b>	<b>\$ 19,850,397</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts Payable	49,452	\$ 1,398,630	1,164,407	\$ 287,227	\$ 5,504	\$ 2,865	\$ -	\$ -	23,695	\$ 2,931,780
Accrued Payroll	1,265,045	-	-	-	-	-	-	-	-	1,265,045
Due to Other Funds	1,176	-	2,518,615	392,629	-	-	-	-	-	2,912,419
<b>Total Liabilities</b>	<b>1,315,673</b>	<b>1,398,630</b>	<b>3,683,022</b>	<b>679,856</b>	<b>5,504</b>	<b>2,865</b>	<b>-</b>	<b>-</b>	<b>23,695</b>	<b>7,109,244</b>
<b>Deferred Inflows of Resources:</b>										
Deferred Property Taxes	268,869	-	-	-	-	-	-	-	-	268,869
<b>Total Deferred Inflows</b>	<b>268,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268,869</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>1,584,542</b>	<b>1,398,630</b>	<b>3,683,022</b>	<b>679,856</b>	<b>5,504</b>	<b>2,865</b>	<b>-</b>	<b>-</b>	<b>23,695</b>	<b>7,378,113</b>
<b>Fund Balance</b>										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	3,751,931	-	379,389	-	-	819,295	-	4,103,687	9,054,301
Assigned	-	-	-	-	-	530,219	-	-	-	530,219
Unassigned	2,243,278	-	-	-	644,486	-	-	-	-	2,887,763
<b>Total Fund Balance</b>	<b>2,243,278</b>	<b>3,751,931</b>	<b>-</b>	<b>379,389</b>	<b>644,486</b>	<b>530,219</b>	<b>819,295</b>	<b>-</b>	<b>4,103,687</b>	<b>12,472,284</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 3,827,820</b>	<b>\$ 5,150,560</b>	<b>\$ 3,683,022</b>	<b>\$ 1,059,245</b>	<b>\$ 649,990</b>	<b>\$ 533,084</b>	<b>\$ 819,295</b>	<b>\$ -</b>	<b>\$ 4,127,382</b>	<b>\$ 19,850,397</b>

**DOUGLAS EDUCATION SERVICE DISTRICT**Reconciliation of the Balance Sheet - Governmental Funds  
To the Statement of Net Position

For the Year Ended June 30, 2021

Total governmental fund balances		\$ 12,472,284
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental Capital Assets	\$ 6,347,299	
Less: Accumulated Depreciation	<u>(2,048,574)</u>	
Total Governmental Capital Assets net of Depreciation		<u>4,298,725</u>
Property taxes will not be available to pay for current-period expenditures and, therefore, are not reported in the funds.		268,869
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		1,864,216
The asset for other postemployment benefits obligation at June 30, 2021 is not recorded in the governmental funds, but is recorded as a prepaid asset and reduces expenses in the government-wide statements.		197,976
Differences between expected and actual experience		
Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period:		9,147,892
Current year PERS OPEB contributions are deferred outflows of resources that will be recognized expense in the subsequent period:		26,936
District's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next five years:		(962,641)
District's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next five years as related to PERS OPEB :		(60,401)
Net PERS OPEB asset is not available to pay for current period expenditures and therefore is not reported in the government funds:		242,215
Net Pension liability is not a financial obligation and therefore is not reported in the government funds:		(25,839,838)
Chase Loan Payable	(7,469,000)	
Loan payable for library	-	
Vacation Accual	-	
Pension Bonds Payable	<u>(2,704,724)</u>	
Total Long-term liabilities		<u>(10,173,724)</u>
Net Position of Governmental Activities		<u>\$ (8,517,491)</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds

June 30, 2021

	Major Funds									Total Governmental Funds
	General Fund	Grants Project Fund	Early Intervention Fund	Early Learning Fund	Reimbursement Fund	Facility Maintenance Fund	Debt Service Fund	FF & C Series Fund	Capital Improvement Fund	
	100	205	207	208	230	296	301	302	401	
<b>REVENUES:</b>										
Local Sources	\$ 8,143,626	\$ 1,343,022	\$ -	\$ 139,423	\$ 3,459,386	\$ 953,174	\$ 141,930	\$ -	\$ -	\$ 14,180,561
Intermediate Sources	-	1,246,841	-	-	-	-	-	-	-	1,246,841
State Sources	1,830,609	2,910,576	16,352,653	1,526,685	-	-	-	-	-	22,620,523
Federal Sources	-	1,410,353	1,641,483	142,748	-	-	-	-	-	3,194,584
<b>Total Revenues</b>	<b>9,974,236</b>	<b>6,910,792</b>	<b>17,994,136</b>	<b>1,808,856</b>	<b>3,459,386</b>	<b>953,174</b>	<b>141,930</b>	<b>-</b>	<b>-</b>	<b>41,242,510</b>
<b>EXPENDITURES:</b>										
Instruction										
Special Programs	546,325	14,010,727	-	-	-	-	-	-	-	14,557,052
Supporting Services										
Students	3,502,327	1,896,354	-	-	3,130,266	-	-	-	-	8,528,947
Instructional Staff	168,779	2,176,492	288,106	-	65,832	-	-	-	-	2,699,208
General Administration	397,911	-	-	-	-	-	-	-	-	397,911
School Administration	-	-	-	-	-	-	-	-	-	-
Business Services	837,442	80,367	-	-	-	280,474	-	-	-	1,188,284
Internal Service	-	-	-	-	-	-	-	-	-	-
Central Activities	2,454,017	577,285	-	-	-	-	-	-	-	3,031,302
Community Services	-	363,410	-	1,908,845	-	-	-	-	-	2,272,255
Facilities and Acquisition	-	-	-	-	-	-	-	-	2,079,364	2,079,364
Debt Service	-	-	-	-	-	1,541,788	514,411	301,056	-	2,357,264
Apportionment of Funds ESD	1,169,710	-	4,994,514	-	-	-	-	-	-	6,164,224
<b>Total Expenditures</b>	<b>9,076,512</b>	<b>19,104,834</b>	<b>5,282,619</b>	<b>1,908,845</b>	<b>3,196,098</b>	<b>1,822,272</b>	<b>514,411</b>	<b>301,056</b>	<b>2,079,364</b>	<b>43,285,811</b>
Excess (Deficiency) of Revenues Over Expenditures	897,724	(12,193,842)	12,711,517	(99,989)	263,288	(869,097)	(372,481)	(301,056)	(2,079,364)	(2,043,301)
<b>OTHER FINANCING SOURCES and (USES):</b>										
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Long Term Debt Financing	-	-	-	-	-	1,522,949	-	-	6,183,051	7,706,000
Long Term Debt Financing	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	12,727,957	-	-	-	15,000	-	301,056	-	13,044,013
Operating Transfers Out	(45,000)	-	(12,727,957)	-	-	(301,056)	-	-	-	(13,074,013)
Sources (Uses)	<b>(45,000)</b>	<b>12,727,957</b>	<b>(12,727,957)</b>	<b>-</b>	<b>-</b>	<b>1,236,893</b>	<b>-</b>	<b>301,056</b>	<b>6,183,051</b>	<b>7,676,000</b>
Excess of Revenues Over (Under) Expenditures & Other Financing Sources	852,724	534,115	(16,440)	(99,989)	263,288	367,796	(372,481)	0	4,103,687	5,632,699
<b>BEGINNING FUND BALANCE</b>	<b>1,390,554</b>	<b>3,217,816</b>	<b>16,440</b>	<b>479,378</b>	<b>381,198</b>	<b>162,424</b>	<b>1,181,775</b>	<b>-</b>	<b>-</b>	<b>6,839,585</b>
<b>ENDING FUND BALANCE</b>										
Restricted	-	3,751,931	-	379,389	-	-	819,295	-	4,103,687	9,054,301
Assigned	-	-	-	-	-	530,219	-	-	-	530,219
Unassigned	2,243,278	-	-	-	644,488	-	-	-	-	2,887,763
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ 2,243,278</b>	<b>\$ 3,751,931</b>	<b>\$ -</b>	<b>\$ 379,389</b>	<b>\$ 644,488</b>	<b>\$ 530,219</b>	<b>\$ 819,295</b>	<b>\$ -</b>	<b>\$ 4,103,687</b>	<b>\$ 12,472,284</b>



**DOUGLAS EDUCATION SERVICE DISTRICT**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2021

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Net changes in fund balances - total governmental funds	\$ 5,632,699
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.</p>	
Current Year Additions	\$ 2,327,698
Current Year Depreciation	<u>(228,602)</u>
	<u>2,099,096</u>
<p>Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the statement of activities.</p>	(91,372)
<p>In statement of Activities, contributions for other postemployment benefits greater than the actuarially determined contribution amount increases the other post-employment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is amount by which net asset obligation increased:</p>	(4,890)
<p>The net income of the internal service funds is reported with governmental activities</p>	109,094
<p>Changes in net pension liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:</p>	(2,995,491)
<p>Changes in net RHIA PERS liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:</p>	58,811
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases fund liabilities. Similarly, repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Issuance of Long-term Debt	(7,706,000)
Debt principal repaid	1,873,634
Change in Net Position - Governmental Activities	<u>\$ (1,024,419)</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Statement of Net Position - Proprietary Funds

June 30, 2021

	Business Type Activities Enterprise Funds Production Services Fund	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ -	\$ 1,890,269
Accounts Receivable	2,834	666
Inventory	11,577	-
Total Assets	<u>14,411</u>	<u>1,890,935</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	1,111	26,718
Due to Other Funds	24,766	-
Total Liabilities	<u>25,877</u>	<u>26,718</u>
<b>NET POSITION</b>		
Restricted	11,577	-
Unrestricted	<u>(23,043)</u>	<u>1,864,216</u>
Total Net Position	<u>\$ (11,466)</u>	<u>\$ 1,864,216</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds

June 30, 2021

	Business Type Activities Enterprise Funds Production Services Fund	Governmental Activities Internal Service Funds
<b>REVENUES:</b>		
Rental Income	\$ 28,542	\$ 219,485
Services Provided Other Funds	190,139	-
	<u>218,681</u>	<u>219,485</u>
<b>EXPENSES:</b>		
Operating:		
Fiscal Service	-	500
Internal Service	-	14,216
Printing, Publishing and	-	85,522
Capital Outlay	-	11,321
Duplicating Services	197,437	28,832
Total Operating Expenses	<u>197,437</u>	<u>140,391</u>
Net Income (Loss) Before Contributions and Transfers	21,244	79,094
Operating Transfers In (Out)	-	30,000
Change in Net Position	21,244	109,094
<b>NET POSITION</b>		
June 30, 2020	<u>(32,711)</u>	<u>1,755,123</u>
<b>NET POSITION</b>		
June 30, 2021	<u>\$ (11,466)</u>	<u>\$ 1,864,216</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**Statement of Cash Flows  
Proprietary Funds

For the Year Ended June 30, 2021

	Business Type Activities Enterprise Funds <u>Production Services Fund</u>	Governmental Activities Internal Service Funds <u>Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for Services and Other Revenues	\$ 238,191	\$ 251,710
Cash received from other funds	-	-
Cash paid to Employees	(72,455)	-
Cash paid for Employee Benefits	(38,529)	(114,354)
Cash paid for Purchased Services	(47,228)	(4,927)
Cash paid for Supplies and Materials	(43,492)	(25,537)
Cash paid for Other Expenses	(328)	-
Net Cash Provided (Used) by Operating Activities	<u>36,159</u>	<u>106,892</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers Out	(36,161)	-
Net Cash flows provided by (used in) Noncapital Financing Activities	<u>(36,161)</u>	<u>-</u>
<b>CASH AND INVESTMENTS, June 30, 2020</b>	<u>-</u>	<u>1,783,378</u>
<b>CASH AND INVESTMENTS, June 30, 2021</b>	<u>\$ -</u>	<u>\$ 1,890,269</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Net operating income	\$ 21,244	\$ 109,094
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in Assets and Liabilities:		
Receivables, net	8,043	2,225
Prepaid Assets		
Inventories	11,466	-
Accounts Payable	(4,593)	(4,427)
Due to Other Funds	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 36,159</u>	<u>\$ 106,892</u>

**Notes to Financial Statements**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Douglas Education Service District (the District) is a municipal corporation governed by a separately elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent. As required by accounting principles generally accepted in the United States of America, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District has no component units.

A. Basis of Presentation

Government-Wide Financial Statements

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

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

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

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Separate fund financial statements are provided for governmental funds and internal service funds.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each governmental fund category are presented. The emphasis of fund financial statements is

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

**General Fund** - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are an apportionment from the State of Oregon and property taxes.

**Grants Fund** - This fund is used to account for the expenditures and receipts of various state and federal grants along with other projects and special revenue.

**Early Intervention Grant Fund** - This fund is used to account for the Early Intervention Grant Funds received through State and Federal Sources.

**Early Learning Hub Fund** - Fund accounts for private sourced contributions and related expenditures.

**Reimbursement Fund** – This fund is to account for the revenues received from other districts for reimbursement of substitute's wages, business services contracted out to other districts, special education services and superintendent services to outside districts.

**FF&C Services Fund** – The ESD Board of Directors authorized a Full Faith and Credit Financing Agreement to secure a loan for capital improvements on an existing building, as well as the purchase of an additional building for program use. An assessment on wages paid by each fund provides the revenue to repay the debt, which is transferred to this debt service fund.

**Debt Service Fund (PERS)** - The ESD Board authorized the bonding of a portion of the ESD's unfunded actuarial liability with the Oregon Public Employees Retirement System. An assessment on wages paid by each fund provides the revenue to repay the debt.

**Capital Improvement Fund** – This fund is to account for capital improvements for the district. Originally created to account for the remodel (leasehold improvements) of the library building owned by the City of Roseburg for ESD offices.

**Facility Maintenance Fund** – This fund is used for the eventual maintenance for parts of the facility that would require substantial resources. Departments may allocate transfers from their general fund budgets to this fund for future use.

The District reports the following Enterprise funds:

**Production Services Fund** - Provides a full-service print shop, operated on a cost recovery basis.

The District reports the following internal service funds:

**Unemployment Reserve Fund** - This fund accounts for revenues and expenditures for unemployment insurance claims paid to the State of Oregon. The revenues are provided by assessments to wage accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Early Retirement Fund - An early retirement plan was adopted by the ESD Board in the 1984 calendar year. On April 18, 2002, the plan was discontinued for new hires. In the collective

bargaining agreement with DESD, the plan phased out with specific benefits outlined for existing employees. This fund is established to fund the liability for these benefits. The revenues are provided by assessments to wage accounts.

Computer Replacement Fund - This fund accounts for revenue and expenditures related to replacement of technology equipment. The revenues are provided by assessments to other funds.

Facility Reserve Fund – This fund account for revenues and expenditures related to the facility. The revenues are provided by assessments to other funds.

PERS Reserve Fund – This fund is used to offset higher anticipated PERS rates in the future. Monies are transferred to this fund after the required minimum reserve has been met in the PERS Bond Fund.

Government-Wide Financial Statements - The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting*, as is the proprietary financial statements. 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 grantor or provider have been met. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

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

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Under this method of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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. The District considers all revenue available if collected within 60 days after year end.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Expenditures are recorded when the related fund liability is incurred, except for expenditures for principal and interest on long-term debt which is recognized when due, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Delinquent property taxes and property taxes for which there is an enforceable legal claim which are not collected within 60 days of the fiscal year end, have been recorded as deferred revenue.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Standards Board.

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

C. Cash and Investments

The District's cash and investments include amounts in demand deposits, certificates of deposit, savings accounts, secured market deposit accounts and the State Pool. The District's cash management policies are governed by state statutes which authorize the District to invest in bankers' acceptances, time certificates of deposit, re-purchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. The Local Government Investment Pool is included in the Oregon Short Term Fund which was established by the State Treasurer. The Oregon Short Term Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805-294.895). Cash is stated at cost while investments are stated at fair market value.

D. Property Taxes Receivable

Property taxes receivable which has been collected within sixty days subsequent to the year-end are considered measurable and available and are therefore recognized as revenue in the fund statements. All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue in the fund statements. Both real and personal property taxes attach as an enforceable lien on property as of July 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15, or February 15. Taxes unpaid and outstanding after May 15 are considered delinquent.

Uncollected property taxes are deemed to be substantially collectible or recoverable through liens, therefore, no provision for uncollectibles has been made in the government-wide financial statements.

E. Receivables

Accounts receivable represent federal and state grants and entitlements, as well as various miscellaneous fees and refunds. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectibles has been made.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues.

G. Inventory

Inventories of supplies and materials in the governmental funds are stated at cost. Inventory items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method).

H. Capital Assets

Capital assets which include land and improvements, buildings and improvements, vehicles, furniture, and equipment, are reported in the government-wide financial statements.

Print Shop Equipment	25 years
Buildings and Improvements	50 years
Office Equipment	5 years
Vehicle	5 years

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Proceeds from sales of capital assets are recorded as revenue in the fund originally financing the purchase if identifiable; if not, then the revenue is recorded in the General Fund.

I. Retirement Plan

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures as funded. GASB Statements 68 and 71 have been implemented as of July 1, 2015.

J. Post-Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to participate in the District's group medical insurance plan. Eligible employees in the early retirement plan have a portion of such costs paid by the District.

K. Compensated Absences

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The current and long-term liabilities for vested or accumulated vacation leave, compensatory time, and retirement benefits are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave or resignation.

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

L. Fund Balance & Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Long-Term Debt

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

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

N. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures for the reporting period. Actual results may differ from those estimates.

2. BUDGETS

Operating budgets are adopted each year for the General and Special Revenue Funds on a modified accrual basis of accounting, consistent with Oregon Budget Laws.

The District begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations for a proposed budget are developed through early spring with the budget committee approving the budget in late spring. Public notices of the budget committee meetings and budget hearing are published generally in late spring with a public hearing being held within 25 days. The budget is adopted, appropriations are made and the tax levy declared no later than June 30 of each year.

2. BUDGETS (Cont'd)

The resolution making appropriations for each fund is enacted in the major program areas of instruction, support services, community and enterprise services, interagency fund transactions, debt service and contingency. Under State law, the appropriation levels become the legal spending control levels for District operations, and, therefore, no greater expenditure of public money may be made for any purpose other than that for which it was appropriated except where specifically provided by statute. Management may, however, make line item changes at any time within appropriation categories without formal action. If, during the year, the District receives unanticipated revenues that cannot be spent without budget authorization, a supplemental budget is prepared to authorize the spending of the additional revenues. Original and supplemental budgets may be modified by the use of appropriation transfers made within a given fund or from the General Fund to another fund when authorized by Board resolution. The budget data reflected in the combined financial statements and the individual fund financial statements reflect the effects of such approved transfers. All annual appropriations lapse at fiscal year-end.

3. CASH & INVESTMENTS

Cash Deposits

Cash Deposits

Deposits with Financial Institutes	\$7,831,331
Cash in State Pool	<u>1,964,364</u>
	<u>\$9,795,695</u>

The District's cash management policies are governed by state statutes. Statutes authorize the District to invest in bankers' 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. Deposits in excess of \$250,000 are covered by Oregon Revised Statute Chapter 295 which require the depository institution to maintain on deposit securities having a value sufficient to cover all public funds in their institution and must apply and be approved by the State of Oregon. Wells Fargo Bank, NA is an approved financial institution and as such, at June 30, 2021 the District was in compliance.

Investments

The Local Government Investment Pool (LGIP) is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation and does not receive credit quality ratings from nationally recognized statistical rating organizations. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short Term Fund Board. The Governor appoints the members of the Oregon Investment Council and the Oregon Short Term Fund Board. The OSTF financial statements are available at <http://www.ost.state.or.us/>. The fair value of the District's deposit with the LGIP approximates the cost.

The Local Government Investment Pool is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. The Oregon Short Term Fund Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805 to 294.895).

Douglas Education Service District

Notes to  
Financial Statements

at

June 30, 2021

3. CASH & INVESTMENTS (Cont'd)

The District has no formal investment policy to deal with the interest rate risk and credit risk. In practice, the District has limited the investments in the LGIP and Certificates of Deposits that mature within one year. The District may redeem any money invested in the LGIP at any time.

*Credit Risk.* The LGIP's portfolio concentration of credit risk at June 30, 2021 included:

**LGIP credit risk data:**

U.S. Government & Agency securities	24.01%
Municipal Government securities	6.04%
Commingled Investment Pool	0.00%
Non-U.S. Government debt	7.14%
Corporate Commercial Paper	7.47%
Corporate obligations	38.56%
Asset-backed securities	15.07%
Certificates of Deposits	1.56%
Cash in Banks	0.15%

*Interest Rate Risk.* While the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP.

LGIP investments as of June 30, 2021:

mature within 93 days	58.11%
mature within 94 days to one year	17.17%
mature one year and beyond	24.72%

4. CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2021 follows:

	July 01, 2020	Additions	Deletions	June 30, 2021
<u>Governmental Activities</u>				
Assets Not Being Depreciated:				
Land	\$ 51,996	\$ -	\$ -	\$ 51,996
Assets Being Depreciated:				
Vehicles	154,864	47,996	-	202,860
Buildings & Improvements	2,905,034	2,218,576	-	5,123,610
Equipment	975,500	62,003	(68,670)	968,833
<b>Total Depreciable Assets</b>	<b>4,035,398</b>	<b>2,328,575</b>	<b>(68,670)</b>	<b>6,295,303</b>
Depreciation				
Vehicles	(151,613)	(2,074)	-	(153,687)
Building Improvements	(1,148,900)	(95,047)	-	(1,243,947)
Equipment	(587,252)	(131,481)	67,793	(650,940)
<b>Total Depreciation</b>	<b>(1,887,765)</b>	<b>(228,602)</b>	<b>67,793</b>	<b>(2,048,574)</b>
Net Value of Capital Assets				-
Being Depreciated	2,147,633	2,099,973	(877)	4,246,729
<b>Total Governmental Activities</b>				
Net Value of Capital Assets	<u>\$ 2,199,629</u>	<u>\$2,099,973</u>	<u>\$ (877)</u>	<u>\$ 4,298,725</u>

Douglas Education Service District

Notes to  
Financial Statements

at

June 30, 2021

5. LONG-TERM DEBT

Pension bonds - issued April 2003, due in installments of \$166,131 to \$682,824, including interest paid at 1.5% to 6.27% through 2028	<u>Issue</u>	<u>June 30, 2021</u>
	\$4,597,617	\$ 2,704,724

The district paid \$514,410 in the fiscal year ending June 30, 2021. The payment included interest of \$391,354 and principal of \$123,056.

The pension bonds will be paid from revenues in the debt service fund generated by charges to other funds.

Future maturities for the pension bonds are as follows:

Governmental Activities			
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	122,544	416,867	539,411
2023	122,180	442,231	564,411
2024	455,000	139,411	594,411
2025	510,000	113,884	623,884
2026	565,000	84,916	649,916
2027-2028	930,000	69,864	999,864
Total	<u>\$2,704,724</u>	<u>\$1,267,173</u>	<u>\$3,971,897</u>

5a. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS - GASB 88

The District borrowed funds in April of 2018 to remodel a building owned by the City of Roseburg that was previously used as a library.

Long Term Note Payable for Remodel of Library - issued April 2018, due in installments of \$12,625.11, including interest paid at 4% through 2033	<u>Original Issue</u>	<u>Outstanding June 30, 2021</u>
	\$ 1,700,000	\$ -

The building remodel loan was paid off in full in the 2020-2021 year.

The district borrowed funds in December 2020 for capital improvements through J.P. Morgan Chase Bank.

Long Term Note Payable for Capital Improvements of \$7,706,000 to \$8,570,882, including interest paid at 1.75% through 2035.	<u>Original Issue</u>	<u>Outstanding June 30, 2021</u>
	\$ 7,706,000	\$ 7,469,000

Douglas Education Service District

Notes to  
Financial Statements

at

June 30, 2021

5a. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS - GASB 88 – Cont'd

Future maturities for the loan are as follows:

Governmental Activities Year Ended June 30,	Principal	Interest	Total
2022	494,000	130,708	624,708
2023	503,000	122,062	625,062
2024	512,000	113,260	625,260
2025	520,000	113,884	633,884
2026	529,000	104,300	633,300
2027-2035	4,911,000	517,668	5,428,668
Total	<u>\$7,469,000</u>	<u>\$1,101,882</u>	<u>\$8,570,882</u>

6. PENSION PLAN

General Information about the Pension Plan

**Plan Description**

Employees of the district are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/section/financialreports/fmancials.aspx>.

**Benefits Provided**

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

**Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 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 benefit results.

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

**Death Benefits**

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

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

**Disability Benefits**

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



6. PENSION PLAN (Cont'd)

the length of PERS- covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

**Benefit Changes**

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. **OPSRP Pension Program (OPSRP DB)**

**Pension Benefits**

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

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

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

**Death Benefits**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

**Disability Benefits**

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

**Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. **OPSRP Individual Account Program (OPSRP IAP)**

6. PENSION PLAN (Cont'd)**Pension Benefits**

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

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

**Death Benefits**

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

**Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation as subsequently modified by 2020 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$3,273,874, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 27.16 percent for Tier One/Tier Two General Service Member, 21.71 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2021, the district reported a liability of \$25,839,838 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2020. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the district's proportion was 0.11840 percent, which was decreased from its proportion of 0.12197 measured as of June 30, 2019.

For the year ended June 30, 2021, the district's recognized pension expense of \$2,995,491.

6. PENSION PLAN (Cont'd)

At June 30, 2021, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>OPSRP Individual Account Program (OPSRP IAP)</b>		
	Deferred Outflows of Resources	Deferred inflows of Resources
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	\$ 1,137,265	\$ -
Changes of assumptions	1,386,742	-
Net difference between projected and actual earnings on investments	3,038,429	48,589
Changes in proportion	268,618	631,666
Difference between employer contributions and proportionate share of contributions	42,964	282,386
Total( prior to post-MD contributions)	<u>5,874,018</u>	<u>962,641</u>
Contributions subsequent to the MD	<u>3,273,874</u>	
Total	<u>\$ 9,147,892</u>	<u>\$ 962,641</u>

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

<u>Deferred Outflows</u>		<u>Deferred Inflows</u>	
Amortization Period		Amortization Period	
FY2022	\$ 1,067,042	FY2022	\$ -
FY2023	1,562,496	FY2023	-
FY2024	1,375,146	FY2024	-
FY2025	924,360	FY2025	-
FY2026	-	FY2026	17,667
Thereafter	-	Thereafter	-
	<u>\$ 4,929,044</u>		<u>\$ 17,667</u>

**Actuarial Assumptions**

The employer contribution rates effective July 1, 2020, through June 30, 2021 and effective July 1, 2019, through June 30, 2020, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

6. **PENSION PLAN (Cont'd)**  
period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**Actuarial Assumptions (Cont'd)**

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018 rolled forward to June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	
Asset Valuation Method	2.50%
Inflation Rate	7.20%
Long-term expected rate of return	7.20%
Discount Rate	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with MORO decision, blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b> 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.</p> <p><b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> 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.</p>

(Source: June 30, 2020 PERS CAFR)

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

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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.

6. PENSION PLAN (Cont'd)

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.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.0%
Debt Securities	20.0%
Public Equity	32.5%
Private Equity	17.5%
Real Estate	12.5%
Alternatives Portfolio	15.0%
Risk Parity	2.5%
<b>Total</b>	<b><u>100.0%</u></b>

(Source: June 30, 2020 PERS CAFR; p.42)

**Long-term Expected Rate of Return (Con't)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large Cap/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non- US Small Cap Entities	1.93%	8.81%	7.25%	19.10%
Private Equities	17.50%	11.95%	8.33%	30.00%
Real Estate (property)	10.00%	6.19%	5.55%	12.00%
Real Estate (REITS)	2.50%	8.29%	6.69%	21.00%
Hedge fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund- Event-driven	38.00%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13.00%
Farmland	1.13%	6.87%	6.12%	13.00%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
<b>Total</b>	<b><u>100%</u></b>			
Assumed Inflation - Mean			2.50%	1.65%

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

**Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that

the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex

6. PENSION PLAN (Cont'd)

projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

**Depletion Date Projection**

- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
District's proportionate share of the net pension liability ( asset)	\$ 38,370,026	\$ 25,839,838	\$ 15,332,695

**Pension Plan Fiduciary Net Position**

6. PENSION PLAN (Cont'd)

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**Changes in Plan Provisions During the Measurement Period**

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

**Changes in Plan Provisions During the Measurement Period Con't)**

OPERS members who have accrued benefits before and after the effective periods of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms were reflected in the current valuation.

**Changes in Plan Provisions Subsequent to Measurement Date (GASB 68)**

Subsequent to the June 30, 2018 measurement date, Oregon Senate Bill 1049 was passed. The bill re-amortized Tier 1 and Tier 2 Unfunded Accrued Liabilities, on a one-time basis, from 22-years after which point the amortization schedule for these two benefit plans revert to 20-years on January 2, 2020.

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75)

**Plan Description:**

As a member of Oregon Public 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 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

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

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 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

At June 30, 2021, the District reported a net OPEB asset of \$242,215 for its proportionate share of the net OPEB liability. The OPEB asset was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), 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, 2020, the District's proportion was 0.1187 percent, up from 0.9749 percent at June 30, 2019. OPEB expense for the year ended June 30, 2021 was \$58,811.

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

Employer's proportionate share of collective system OPEB Expense/(Income)      \$(38,958)

Net amortization of employer-specific deferred amounts from:

- Changes in proportionate share (per paragraph 64 of GASB 75)      (12,294)

-Differences between employer contributions and employer's proportionate share of system contributions      -

Employer's Total OPEB Expense/(Income)      \$ (51,252)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 24,761
Changes of assumptions	-	12,875
Net difference between projected and actual earnings on investments	26,936	-
Changes in proportionate share	-	22,765
Difference between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	<u>26,936</u>	<u>60,401</u>
Contributions subsequent to the MD	<u>-</u>	<u>-</u>
Total	<u><u>\$ 26,936</u></u>	<u><u>\$ 60,401</u></u>



6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

The amount of contributions subsequent to the measurement date will be included as a reduction/increase of the net OPEB liability/(asset) in the fiscal year ended June 30, 2020.

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

<u>Year ending June 30</u>	<u>Amount</u>
FY2022	\$ (36,503)
FY2023	(15,416)
FY2024	9,957
FY2025	8,497
FY2026	-
Thereafter	-
Total	<u>\$ (33,465)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 21, 2021 and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

**Actuarial Methods and Assumptions**

Valuation Date, Measurement Date	December 31, 2018 rolled forward to June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with MORO decision, blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b> 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.</p> <p><b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> 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.</p>

(Source: June 30, 2020 PERS CAFR)

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

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

**Discount Rate:**

The discount rate used to measure the total OPEB liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumption 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large Cap/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non- US Small Cap Entities	1.93%	8.81%	7.25%	19.10%
Private Equities	17.50%	11.95%	8.33%	30.00%
Real Estate (property)	10.00%	6.19%	5.55%	12.00%
Real Estate (REITS)	2.50%	8.29%	6.69%	21.00%
Hedge fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund- Event-driven	38.00%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13.00%
Farmland	1.13%	6.87%	6.12%	13.00%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.50%	1.65%

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

6a. OTHER POST EMPLOYMENT BENEFITS RHIA (GASB 75) (Cont'd)

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 7.2 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% increase (8.2%)
District's proportionate share of the net RHIA liability ( asset)	\$(195,548)	\$(242,215)	\$(282,117)

**Changes Subsequent to the Measurement Date**

The current assumed rate is 7.2 percent and has been in effect since January 1, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (OPEBs)

Early Retirement

*Funding Policy* - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The Early Retirement Fund also accounts for resources and payment of post-employment health care benefits for early retirees.

Post-Employment Health Care Benefits

*Plan Description* - The District, as a result of collective bargaining agreements, offers post-employment health care benefits for all employees who have completed 10 years of continuous service and are between age 58 and 65, are eligible for full PERS benefits, and elected to retire prior to December 31, 2005.

For these retirees, benefits are fully paid by the District and are available until the retiree is eligible for Medicare.

Effective January 1, 2006, the District's retiree insurance became \$300 per month for major medical coverage. The amount contributed by the District increased by the same percentage as the District's contribution toward regular bargaining unit employees' insurance premiums, up to a maximum of 5% on each insurance anniversary date.

*Contributions* - Contributions are financed by a transfer from the General Fund. Transfers from the General Fund in fiscal years 2021 and 2020 were \$0 and \$0, respectively. Expenditures are recorded on the pay-as-you-go basis. The cost of these benefits in fiscal years 2021 and 2020 amounted to approximately \$28,832 and \$28,643, respectively.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEBs) (Cont'd)

Post-Employment Health Insurance Subsidy

The District implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (OPEB) for the fiscal year ended June 30, 2010. This implementation allows the District to report its liability for other post-Employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

*Plan Description* - The District operates a single-employer retiree benefit plan that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses.

There are 15 total active members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate 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 costs, 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.

*Funding Policy* - The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

*Annual OPEB Cost and Net OPEB Asset* - The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actual Contribution	\$ -	\$ -	\$ -	\$ -
Actual Expense	(28,832)	(28,643)	(22,362)	(11,562)
Excess Contribution	(28,832)	(28,643)	(22,362)	(11,562)
Annual Required Contribution	4,890	2,194	2,257	1,369
Actual Expense	(28,832)	(28,643)	(22,362)	(11,562)
Net Annual OPEB (ARC-Actual Expense)	23,942	26,449	20,105	10,193
Net Increase in OPEB Asset	(4,890)	(2,194)	(2,257)	(1,369)
Net Assets at Beginning of Year	202,866	205,060	207,317	208,686
	<u>\$ 197,976</u>	<u>\$ 202,866</u>	<u>\$ 205,060</u>	<u>\$ 207,317</u>

7. OTHER POST-EMPLOYMENT BENEFITS (OPEBs) (Cont'd)

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2021 and 2020, were as follows:

<u>Fiscal Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Prior Year and Current Year Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2015	\$ 97,239	\$ 118,711	122%
2016	\$ 97,239	\$ 5,225	5%
2017	\$ 4,353	\$ -	0%
2018	\$ 1,369	\$ -	0%
2019	\$ 2,257	\$ -	0%
2020	\$ 2,194	\$ -	0%

*Actuarial Methods and Assumptions.* The actuarial cost method used to determine the cost and liabilities for this plan was the aggregate cost method. Under this method, the unfunded value of all benefits expected to be paid from the plan is spread over the expected working career of all participants in such a way that annual costs are expected to remain level.

In the June 30, 2010 actuarial valuation, (the last actuarial valuation performed) the entry age actuarial cost method was used. It is not deemed necessary to continue to have the actuarial valuation completed each year due to the cost to benefit valuation of the information it would provide compared to the current method of having the District's CFO perform the calculation. The original actuarial assumptions included a discount rate of 1% and a 100% assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 5%

inflation for the current year, and future years. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for School Districts.

8. CLAIMS AND LITIGATION

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

Management has represented that here are no contingent liabilities that require disclosure or recognition in accordance with FASB Statement No. 5. Such contingent liabilities would include, but would not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

9. RISK

To reduce the risk of loss from liability, fire, theft, accident, medical costs, errors and omissions, the District maintains various commercial insurance. No settlements exceeded insurance coverage in each of the three preceding years.

Douglas Education Service District

Notes to  
Financial Statements

at

June 30, 2021

10. INTERFUND TRANSFERS

The transfers between funds were operational in nature. The following is a summary of interfund transfers reported in the fund financial statements:

	INTERFUND	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 45,000
Grants Project Fund	12,727,957	-
Early Intervention Fund	-	12,727,957
Facility Maintenance Fund	15,000	301,056
FF&C Series Fund	301,056	-
Facility Reserve Fund	30,000	-
	<u>\$ 13,074,013</u>	<u>\$ 13,074,013</u>

11. GASB STATEMENT NO. 54

GASB Statement 54 requires analysis and presentation of fund balance in five categories. The fund balance categories are:

- Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.
- Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- Committed – Includes items committed by the District’s Board of Education, by formal board action.
- Assigned – Includes items assigned for specific uses, authorized by the District’s Superintendent and/or Director of Finance Operations.
- Unassigned – This is the residual classification used for those balances not assigned to another company.

Below is a schedule of ending fund balance, based on GASB Statement No. 54

	General Fund	Grant Fund	Early Intervention Fund	Early Learning Fund	Reimbursement Fund	Debt Service Fund	FF & C Series Fund	Capital Improvement Fund	Other Governmental Funds
<b>Fund Balances:</b>									
<u>Restricted:</u>									
Grant Fund	\$ -	\$ 3,751,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Early Learning	-	-	-	379,389	-	-	-	-	-
Reimbursement	-	-	-	-	-	-	-	-	-
Capital Improvement Fund	-	-	-	-	-	-	-	4,103,687	-
Debt Service Fund	-	-	-	-	-	819,295	-	-	-
	-	3,751,931	-	379,389	-	819,295	-	4,103,687	-
<u>Assigned to:</u>									
Facility Maintenance Fund	-	-	-	-	-	-	-	-	530,219
	-	-	-	-	-	-	-	-	530,219
<u>Unassigned:</u>	2,243,278	-	-	-	644,486	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ 2,243,278</u>	<u>\$ 3,751,931</u>	<u>\$ -</u>	<u>\$ 379,389</u>	<u>\$ 644,486</u>	<u>\$ 819,295</u>	<u>\$ -</u>	<u>\$ 4,103,687</u>	<u>\$ 530,219</u>

11. GASB STATEMENT NO. 54(Cont'd)

GASB 54 implementation required Board approved action to authorize commitments of fund balance. There were no commitments made for the last fiscal year.

The Board of Education also authorized the Superintendent and the Business Manager to make assignments of ending fund balance. Assignments of fund balance can be done at any time, including after the fiscal year-end date.

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

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

12. TAX ABATEMENT (GASB 77)

Douglas County, Oregon has entered into tax abatement programs with businesses that operate and/or own property within the country. These programs reduce the amount of property taxes assessed and it results in Douglas Education Service District not receiving \$19,097 in property tax revenue for 2020-2021. However, the District's tax decrease from property tax abatement is offset with an increase from state school support effectively making a zero-net effect in funding.

13. NEGATIVE FUND BALANCE

The Production Service Fund had a negative fund balance of \$11,466. This is mostly due to overestimated budgeted revenues for this fund.

14. FAIR MARKET VALUE OF PERSONAL PROTECTIVE EQUIPMENT(UNAUDITED)

The fair market value of donated personal protective equipment received during the year ended June 30, 2021 is \$43.

15. SUBSEQUENT EVENTS

Management of the District has evaluated events and transactions occurring after June 30, 2020 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements. In March of 2020 the World Health Organization declared a world-wide pandemic due to the COVID-19 virus. The pandemic has caused widespread disruption to the economies of the United States and Oregon. The financial impact of COVID-19 is expected to continue, but the duration and severity is unknown. The District is unable to estimate the financial impact COVID-19 will have at this time.



**Required Supplementary Information**

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the General Fund

For the Year Ended June 30, 2021

	Actual	Original Budget	Final Budget	Over (Under) Budget
<b>REVENUES:</b>				
<b>Local Sources:</b>				
Tax Levy-Current Year & Offsets	4,710,165	4,460,041	\$ 4,460,041	\$ 250,124
Tax Levy-Prior Years	283,413	200,000	200,000	83,413
Tax Levy-Property Sales/TaxLein	-	-	-	-
Payments in Lieu of Property Taxes	51,483	12,000	12,000	39,483
Revenue From Loc Gov Units Other Than Distr	-	-	-	-
Tuition From Other Districts Within State	-	-	-	-
Tuition From Individuals	-	-	-	-
Earnings on Investments	44,235	80,000	80,000	(35,765)
Other Revenue from Local Sources	-	-	-	-
Rentals	-	-	-	-
Contributions	-	-	-	-
Svcs Prov Other Local Ed Agencies	-	-	-	-
Services Provided Other Districts	1,384,896	1,219,923	1,219,923	164,973
Recovery of Prior Year Expenditures	8,334	25,000	25,000	(16,666)
Services Provided to Other Funds	205,565	182,900	182,900	22,665
Fees Charged to Grants	1,445,224	850,000	850,000	595,224
Miscellaneous	10,312	64,000	64,000	(53,688)
<b>Total Local Sources</b>	<b>8,143,626</b>	<b>7,093,864</b>	<b>7,093,864</b>	<b>1,049,762</b>
<b>State Sources:</b>				
State School Fund-General Support	1,830,609	2,204,680	2,204,680	(374,071)
<b>Total State Sources</b>	<b>1,830,609</b>	<b>2,204,680</b>	<b>2,204,680</b>	<b>(374,071)</b>
<b>Total Revenues</b>	<b>9,974,236</b>	<b>9,298,544</b>	<b>9,298,544</b>	<b>675,691</b>
<b>EXPENDITURES: Schedule C-2</b>	<b>9,121,512</b>	<b>10,928,544</b>	<b>10,928,544</b>	<b>(1,807,032)</b>
Excess of Revenues Over (Under) Expenditures	852,724	(1,630,000)	(1,630,000)	2,482,723
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer In	-	400,000	400,000	(400,000)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>	<b>(400,000)</b>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	852,724	(1,230,000)	(1,230,000)	2,082,723
<b>FUND BALANCE, June 30 2020</b>	<b>1,390,554</b>	<b>1,230,000</b>	<b>1,230,000</b>	<b>160,554</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ 2,243,278</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,243,278</b>

**DOUGLAS EDUCATION SERVICE DISTRICT**

Budgetary Comparison of General Fund Expenditures  
For the Year Ended June 30, 2021

	Salaries	Employees Benefits	Purchased Services	Supplies and Materials
<b>INSTRUCTION:</b>				
Regular Programs:				
Learning Centers - Complex Needs	\$ 157,496	\$ 108,200	\$ 4,449	\$ 1,489
Less Restrictive Programs for Students with Disabilities				
Remediation				
Treatment and Habilitation	124,639	135,249	4,779	10,026
<b>Total Instruction</b>	<b>282,135</b>	<b>243,448</b>	<b>9,227</b>	<b>11,515</b>
<b>SUPPORT SERVICES:</b>				
Students:				
Nursing Services	95,488	96,845	31,099	248
Other Health Services	-	-	23,161	3,787
Psychological Testing Services	50,754	23,237	162	-
Service Area Direction	-	-	-	-
Speech Pathology Services	1,195,945	699,829	599,979	43,671
Other Speech Pathology and Audiology Services	19,653	16,281	482	-
Other Student Treatment Services	288,536	134,983	7,842	467
Service Direction, Student Support Services	106,684	43,219	12,223	2,533
POI Coordinator	-	-	322	-
<b>Total Students</b>	<b>1,757,059</b>	<b>1,014,394</b>	<b>675,271</b>	<b>50,706</b>
Instructional Staff:				
Improvement of Instruction Services	39,763	39,936	15,690	1,273
Service Area Direction	(17,006)	35,911	5,700	21,615
Complex Needs Service	-	-	0	-
Educational Services - Other	-	-	1,002	-
Educational Media Services	-	-	20,002	-
Media Library	-	-	-	4,668
Instructional Staff Development	-	-	-	-
<b>Total Instructional Staff</b>	<b>22,758</b>	<b>75,847</b>	<b>42,394</b>	<b>27,556</b>
General Administration:				
Board of Education Services	-	-	27,723	5,908
Office of the Superintendent	160,536	148,154	14,639	6,364
<b>Total General Administration</b>	<b>160,536</b>	<b>148,154</b>	<b>42,362</b>	<b>12,271</b>
School Administration:				
Other support Services-School Administration				
Business:				
Direction of Business Support Services	-	-	-	-
Fiscal Services	511,131	243,102	46,404	4,968
Warehousing and Distributing Services	15,791	5,878	4,253	-
Printing, Publishing, and Duplication Services	-	-	-	-
<b>Total Business</b>	<b>526,923</b>	<b>248,980</b>	<b>50,657</b>	<b>4,968</b>
Central Activities:				
Information Technology	137,891	71,006	5,158	524
Office of the Superintendent	-	-	-	-
Staff Services	395,097	239,515	89,666	36,487
Technology Services	544,785	372,058	243,700	309,825
Records Management Services	-	-	-	-
Other Support Services-Central	-	-	-	-
<b>Total Central Activities</b>	<b>1,077,774</b>	<b>682,579</b>	<b>338,524</b>	<b>346,836</b>
<b>Total Supporting Services</b>	<b>3,545,048</b>	<b>2,169,955</b>	<b>1,149,207</b>	<b>442,337</b>
Operating Transfer Out	-	-	-	-
Apportionment of Funds by ESD	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CONTINGENCIES:</b>				
Operating Contingency	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,827,183</b>	<b>\$ 2,413,403</b>	<b>\$ 1,158,435</b>	<b>\$ 453,851</b>

(1) Level of Budget Appropriation

Capital Outlay	Other	Transfers	Total Actual	Original Budget	Final Budget	Over (Under) Budget
\$ -	\$ -	-	\$ 271,633			
			-			
			274,693			
			<u>546,325</u>	<u>712,336</u>	<u>\$ 812,336</u>	<u>(1) \$ (266,011)</u>
			223,680			
			26,948			
			74,153			
			-			
648	3,445	-	2,543,517			
			36,416			
			431,828			
	805	-	165,462			
			322			
<u>648</u>	<u>4,249</u>	<u>-</u>	<u>3,502,327</u>			
	70	-	96,732			
	155	-	46,375			
			-			
			1,002			
			20,002			
			-			
			4,668			
	225	-	168,779			
	11,116	-	44,747			
	23,472	-	353,165			
	34,588	-	397,911			
			-			
			-			
479	5,435	-	811,520			
			25,923			
			-			
<u>479</u>	<u>5,435</u>	<u>-</u>	<u>837,442</u>			
	350	-	214,928			
			-			
	478	-	761,243			
	7,477	-	1,477,845			
			-			
			-			
	8,305	-	2,454,017			
<u>1,127</u>	<u>52,802</u>	<u>-</u>	<u>7,360,477</u>	<u>8,011,874</u>	<u>7,911,874</u>	<u>(551,397)</u>
		45,000	45,000	45,000	45,000	-
		1,169,710	1,169,710	1,169,710	1,169,710	-
		1,214,710	1,214,710	1,214,710	1,214,710	-
				989,624	989,624	(989,624)
<u>\$ 1,127</u>	<u>\$ 52,802</u>	<u>\$ 1,214,710</u>	<u>\$ 9,121,512</u>	<u>\$ 10,928,544</u>	<u>\$ 10,928,544</u>	<u>\$ (1,807,032)</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the Grants Fund

For the Year Ended June 30, 2021

	Actual	Original Budget	Final Budget	Over (Under) Budget
<b>REVENUES:</b>				
<b>Local Sources:</b>				
Tuition from Individuals	\$ 31,971			
Contributions from Donations & Private Sources	445,111			
Services Provided Other Funds	87,670			
Services Provided Other Local Education Agencies	586,913			
Miscellaneous Income	191,357			
<b>Total Local Sources</b>	<u>1,343,022</u>	<u>1,835,345</u>	<u>1,835,345</u>	<u>(492,323)</u>
<b>Intermediate Sources:</b>				
Other Intermediate Sources	308,350			
Restricted Revenue	1,609			
Assessment & Testing Other Governmental	936,883			
<b>Total Intermediate Sources</b>	<u>1,246,841</u>	<u>1,581,706</u>	<u>1,581,706</u>	<u>(334,865)</u>
<b>State Sources:</b>				
Other Restricted Grants In-aid	2,910,576			
<b>Total State Sources</b>	<u>2,910,576</u>	<u>2,474,027</u>	<u>2,620,630 (1)</u>	<u>289,946</u>
<b>Federal Sources:</b>				
Restricted Revenue From the Federal Government Through the State	1,410,353			
<b>Total Federal Sources</b>	<u>1,410,353</u>	<u>845,695</u>	<u>1,122,442</u>	<u>287,911</u>
<b>Total Revenues</b>	<u>6,910,792</u>	<u>6,736,773</u>	<u>6,736,773</u>	<u>(249,331)</u>
<b>EXPENDITURES: Schedule C-4</b>	<u>19,104,634</u>	<u>21,968,773</u>	<u>22,392,124</u>	<u>(3,287,490)</u>
Excess of Revenues Over (Under) Expenditures	(12,193,842)	(15,232,000)	(15,655,351)	3,038,159
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer In	12,727,957	12,644,565	12,644,565	83,392
Operating Transfer (Out)	-	-	-	-
<b>Total Other Financing Sources</b>	<u>12,727,957</u>	<u>12,644,565</u>	<u>12,644,565</u>	<u>83,392</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	534,115	(2,587,435)	(3,010,786)	3,121,551
<b>FUND BALANCE, June 30 2020</b>	<u>3,217,816</u>	<u>2,587,435</u>	<u>2,587,435</u>	<u>630,381</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 3,751,931</u>	<u>\$ -</u>	<u>\$ (423,351)</u>	<u>\$ 3,751,932</u>
(1) Level of Budget Appropriation				

**DOUGLAS EDUCATION SERVICE DISTRICT**

**Budgetary Comparison of Grants & Projects Fund Expenditures**

For the Year Ended June 30, 2021

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
<b>INSTRUCTION:</b>				
Special Programs:				
Early Intervention	\$ 5,331,390	\$ 3,122,170	\$ 1,769,366	\$ 712,947
Alternative Education	738,120	483,359	40,407	38,120
Designated Programs	98,003	56,788	1,061	10,315
Total Instruction	<u>6,167,513</u>	<u>3,662,316</u>	<u>1,810,834</u>	<u>761,382</u>
<b>SUPPORT SERVICES:</b>				
Students:				
Attendance & Social Work Services	86,844	44,397	48,130	1,853
Guidance Services	208,644	137,002	93,462	10,097
Health Services	197,486	65,844	7,214	-
Other Student Treatment Service	433,966	270,931	9,521	14,352
Service Direction	84,565	50,446	1,346	-
Total Students	<u>1,011,506</u>	<u>568,619</u>	<u>159,673</u>	<u>26,302</u>
Instructional Staff:				
Improvement of Instruction Services	321,000	146,165	539,683	164,606
Assessment and Testing	-	-	1,254	-
Instructional Staff Development	420,331	150,896	262,005	30,495
Total Instructional Staff	<u>741,331</u>	<u>297,061</u>	<u>802,942</u>	<u>195,101</u>
Business & Operations:				
Operations & Maintenance	44,382	34,914	1,071	-
Total Business	<u>44,382</u>	<u>34,914</u>	<u>1,071</u>	<u>-</u>
Central Activities:				
Planning, Grant Writing Services	74,389	42,549	6,348	173
Administrators	96,526	54,318	2,494	15,000
Technology Services	71,560	32,746	1,959	33,640
Total Central Activities	<u>242,476</u>	<u>129,613</u>	<u>10,801</u>	<u>48,814</u>
Total Support Services	<u>2,039,695</u>	<u>1,030,207</u>	<u>974,487</u>	<u>270,216</u>
<b>ENTERPRISE &amp; COMMUNITY SERVICES:</b>				
Community Services	<u>154,711</u>	<u>93,031</u>	<u>43,829</u>	<u>36,450</u>
<b>TRANSFERS:</b>				
Transfers of Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING CONTINGENCY</b>				
Planned Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 8,361,919</u>	<u>\$ 4,785,555</u>	<u>\$ 2,829,150</u>	<u>\$ 1,068,049</u>

(1) Level of Budget Appropriation

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Transfers</u>	<u>Total Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ 454,283	\$ 1,055,900		\$12,446,056			
2,422	82,052		1,384,481			
-	14,024		180,190			
<u>456,705</u>	<u>1,151,976</u>	<u>-</u>	<u>14,010,727</u>	<u>\$ 14,873,606</u>	<u>\$ 15,223,370</u>	<u>(1) \$ (1,212,643)</u>
	11,550		192,774			
-	115,031		564,236			
-	3,673	-	274,217			
-	-		728,770			
-	-		136,357			
<u>-</u>	<u>130,254</u>	<u>-</u>	<u>1,896,354</u>			
-	78,510		1,249,965			
-	-		1,254			
-	61,546		925,273			
<u>-</u>	<u>140,056</u>	<u>-</u>	<u>2,176,492</u>			
-	-		80,367			
<u>-</u>	<u>-</u>	<u>-</u>	<u>80,367</u>			
-	10,852		134,312			
	-		168,338			
134,729	-		274,635			
<u>134,729</u>	<u>10,852</u>	<u>-</u>	<u>577,285</u>			
<u>134,729</u>	<u>281,163</u>	<u>-</u>	<u>4,730,498</u>	<u>5,552,530</u>	<u>5,971,879</u>	<u>(1) (1,241,381)</u>
-	7,953	27,435	363,410	421,755	421,755	(1) (58,345)
-	-	-	-	400,000	54,238	(54,238)
-	-	-	-	720,882	720,882	(1) (720,882)
<u>\$ 591,435</u>	<u>\$ 1,441,091</u>	<u>\$ 27,435</u>	<u>\$ 19,104,634</u>	<u>\$ 21,968,773</u>	<u>\$ 22,392,124</u>	<u>\$ (3,287,490)</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

Budgetary Comparison for the Regional EI/ECSE Fund

For the Year Ended June 30, 2021

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Other Objects</u>
<b>REVENUES:</b>					
Local Sources:					
Contributions from Donations & Private Sources					
Total Local Sources					
State Sources:					
Restricted Grants In-aid:					
EI/ECSE State					
Total State Sources					
Federal Sources:					
Restricted Through the State					
from Federal Government					
EI/ECSE Federal					
Total Federal Sources					
<b>TOTAL REVENUES</b>					
<b>EXPENDITURES:</b>					
Support Services:					
Instructional Staff:					
Improvement of Instructional Staff	<u>\$ 169,890</u>	<u>\$ 89,767</u>	<u>\$ 6,026</u>	<u>\$ -</u>	<u>\$ 22,423</u>
Excess of Revenues Over (Under) Expenditures					
<b>OTHER FINANCING SOURCES:</b>					
Operating Transfers (In)/Out					
Apportionment of Funds by ESD					
Total Other Financing Sources					
Excess of Revenues Over (Under) Expenditures and Other Financing Sources					
FUND BALANCE, June 30 2020					
FUND BALANCE, June 30, 2021					
(1) Level of Budget Appropriation					



<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
16,352,653	16,316,314	16,662,076	(309,423)
<u>16,352,653</u>	<u>16,316,314</u>	<u>16,662,076</u>	<u>(309,423)</u>
1,641,483	2,144,691	2,144,691	(503,208)
<u>1,641,483</u>	<u>2,144,691</u>	<u>2,144,691</u>	<u>(503,208)</u>
<u>17,994,136</u>	<u>18,461,005</u>	<u>18,806,767</u>	<u>(812,631)</u>
288,106	270,003	270,003	18,103
17,706,031	18,191,002	18,536,764	(830,734)
12,727,957	-	-	
4,994,514	-	-	
<u>17,722,471</u>	<u>18,191,002</u>	<u>18,536,764</u>	(1) <u>(814,293)</u>
(16,440)	-	-	(1,645,027)
<u>16,440</u>	<u>-</u>	<u>-</u>	<u>16,440</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,628,587)</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

Budgetary Comparison for the Early Learning Hub Fund

For the Year Ended June 30, 2021

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
<b>REVENUES:</b>				
Local Sources:				
Tuition from Individuals				
Contributions from Donations & Private Sources				
Total Local Sources				
State Sources:				
Restricted Grants In-aid:				
ELH/Pre-K State				
Total State Sources				
Federal Sources:				
Restricted Through the State				
from Federal Government				
EI/ECSE Federal				
Total Federal Sources				
<b>TOTAL REVENUES</b>				
<b>EXPENDITURES:</b>				
Enterprise and Community Services:				
Community Services	<u>\$ 589,384</u>	<u>\$ 397,966</u>	<u>\$ 445,209</u>	<u>\$ 341,001</u>
Excess of Revenues Over (Under) Expenditures				
Excess of Revenues Over (Under) Expenditures and Other Financing Sources				
FUND BALANCE, June 30 2020				
FUND BALANCE, June 30, 2021				
(1) Level of Budget Appropriation				

<u>Other Objects</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
	\$ 19,423			\$ 19,423
	120,000	\$ 95,000	\$ 95,000	25,000
	<u>139,423</u>	<u>95,000</u>	<u>95,000</u>	<u>25,000</u>
	1,526,685	2,484,380	3,235,076	(1,708,390)
	<u>1,526,685</u>	<u>2,484,380</u>	<u>3,235,076</u>	<u>(1,708,390)</u>
	142,748	-	-	142,748
	<u>142,748</u>	<u>-</u>	<u>-</u>	<u>142,748</u>
	<u>1,808,856</u>	<u>2,579,380</u>	<u>3,330,076</u>	<u>(1,521,219)</u>
<u>\$ 135,285</u>	<u>1,908,845</u>	<u>2,771,950</u>	<u>3,522,645</u>	<u>(1,613,800)</u>
	(99,989)	(192,570)	(192,569)	92,581
	(99,989)	(303,401)	(303,400)	92,581
	<u>479,378</u>	<u>303,401</u>	<u>303,401</u>	<u>175,977</u>
<u>\$ 379,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,557</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

**Budgetary Comparison for the Reimbursement Fund**

**For the Year Ended June 30, 2021**

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
<b>REVENUES:</b>				
Local Sources:				
Contributions from Donations & Private Sources				
Services Other Districts Within State				
Services Provided Other Funds				
Total Local Sources				
<b>EXPENDITURES:</b>				
Support Services:				
Instructional Staff:				
Attendance and Social Work	54,730	45,758	11,335	483
Guidance Services	51,657	9,101	2,341	252
Nurse Services	183,950	64,423	7,064	17,064
Psychological Services	204,310	106,316	3,385	10,851
Other Student Treatment Services	47,986	52,364	9,332	99
Service Direction	1,697,389	549,187	890	-
Improvement of Instruction Services	8,355	5,731	172	-
Assessment and Testing	15,512	33,854	2,064	144
Total Support Services Expenditures	<u>2,263,888</u>	<u>866,736</u>	<u>36,583</u>	<u>28,892</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,263,888</u>	<u>\$ 866,736</u>	<u>\$ 36,583</u>	<u>\$ 28,892</u>

Excess of Revenues Over  
(Under) Expenditures

**OPERATING CONTINGENCY**  
Planned Reserve

Excess of Revenues Over (Under) Expenditures  
and Other Financing Sources

FUND BALANCE, June 30 2020

FUND BALANCE, June 30, 2021

(1) Level of Budget Appropriation

<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ 100,000	\$ 145,000	\$ 145,000	\$ (45,000)
3,334,386	3,671,110	4,028,610	(694,224)
25,000			
<u>3,459,386</u>	<u>3,816,110</u>	<u>4,173,610</u>	<u>(694,224)</u>
112,306			
63,351			
272,500			
324,862			
109,781			
2,247,466			
14,258			
51,574			
<u>3,196,098</u>	<u>3,834,211</u>	<u>4,191,711 (1)</u>	<u>(995,613)</u>
<u>3,196,098</u>	<u>3,834,211</u>	<u>4,191,711 (1)</u>	<u>(995,613)</u>
263,288	(18,101)	(18,101)	281,389
<u>-</u>	<u>204,899</u>	<u>204,899</u>	<u>(204,899)</u>
263,288	(223,000)	(223,000)	281,389
<u>381,198</u>	<u>223,000</u>	<u>223,000</u>	<u>158,198</u>
<u>\$ 644,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,587</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Facility Maintenance Fund

For the Year Ended June 30, 2021

	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Other Objects	Actual	Original & Final Budget	& Final Budget	Over (Under) Budget
<b>REVENUES:</b>									
Local Sources:									
Rentals						\$ 236,965	\$ 34,000		\$ 202,965
Services Provided Other Funds						716,210	562,365		153,845
Total Local Sources						<u>953,174</u>	<u>596,365</u>	<u>596,365</u>	<u>356,809</u>
<b>EXPENDITURES:</b>									
Support Services:									
Building Acquisition, Construction, and Improvement	\$ 63,821	\$ 56,576	\$ 60,723	\$ 25,983	\$ 73,372	\$ 280,474			
Total Support Services	<u>63,821</u>	<u>56,576</u>	<u>60,723</u>	<u>25,983</u>	<u>73,372</u>	<u>280,474</u>	<u>345,202</u>	<u>426,798</u>	(1) <u>(64,728)</u>
Debt Service									
Debt Service - Principal	-	-	-	-	1,513,547	1,513,547			
Debt Service - Interest	-	-	-	-	28,251	28,251			
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,541,798</u>	<u>1,541,798</u>	<u>151,501</u>	<u>1,573,242</u>	(1) <u>(31,444)</u>
Total Expenditures	<u>\$ 63,821</u>	<u>\$ 56,576</u>	<u>\$ 60,723</u>	<u>\$ 25,983</u>	<u>\$ 1,615,169</u>	<u>1,822,272</u>	<u>496,703</u>	<u>2,000,040</u>	<u>(64,728)</u>
Excess of Revenues Over (Under) Expenditures						(869,097)	99,662	(1,403,675)	421,537
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfer Out						(301,056)		(301,056)	-
Operating Transfer In						15,000	15,000	15,000	-
Bond Proceeds						1,522,949		1,554,393	(31,444)
Total Other Financing Sources (Uses)						<u>1,236,893</u>	<u>15,000</u>	<u>1,268,337</u>	<u>-</u>
<b>OPERATING CONTINGENCY</b>									
Planned Reserve						-	164,662	24,662	164,662
Excess of Revenues Over (Under) Expenditures and Other Financing Sources						367,796	(50,000)	(160,000)	417,796
FUND BALANCE, June 30 2020						<u>162,424</u>	<u>50,000</u>	<u>160,000</u>	<u>-</u>
FUND BALANCE, June 30, 2021						<u>\$ 530,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,796</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICE DISTRICT**

Schedules of Required Supplementary Information  
 Relating to the Oregon Public Employees Retirement System Net Pension Liability  
 For the Fiscal Year Ended June 30, 2021

**Schedule of Proportionate Share of Net Pension Liability**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPERS net pension liability (asset) - calculated	\$ 21,823,439,162	\$ 17,297,604,986	\$ 15,148,682,951	\$ 13,480,038,072	\$ 15,012,321,763	\$ 5,741,461,073	\$ (2,266,714,469)
District's proportion of the net pension liability (asset)	0.11840406%	0.12197299%	0.12231093%	0.11610577%	0.12406504%	0.13063936%	0.13516762%
District's proportionate share of the net pension liability (asset)	\$ 25,839,838	\$ 21,098,406	\$ 18,528,495	\$ 15,651,102	\$ 18,625,043	\$ 7,500,608	\$ (3,063,864)
District's PERS covered payroll	\$ 13,997,392	\$ 13,997,392	\$ 13,330,797	\$ 12,514,688	\$ 11,743,865	\$ 11,010,780	\$ 9,902,184
District's proportionate share of the net pension liability (asset) as a percentage of it's PERS covered payroll	184.60%	150.73%	138.99%	125.06%	158.59%	68.12%	-30.94%

**Schedule of Contributions**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,273,874	\$ 3,135,839	\$ 2,485,065	\$ 2,214,942	\$ 1,356,199	\$ 1,197,777	\$ 1,316,707
Contributions in relation to the contractually required contribution	\$ (3,273,874)	\$ (3,135,839)	\$ (2,485,065)	\$ (2,214,942)	\$ (1,356,199)	\$ (1,197,777)	\$ (1,316,707)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's PERS covered payroll	\$ 13,997,392	\$ 13,997,392	\$ 13,330,797	\$ 12,514,688	\$ 8,350,527	\$ 11,010,780	\$ 9,902,184
Contributions as a percentage of PERS covered payroll	23.39%	22.40%	18.64%	17.70%	16.24%	\$0	NA

Note: The amounts presented for each fiscal year were determined as of June 30. Additional years will be added to the schedule as information becomes available until a 10 year trend has been compiled.

**Oregon Public Employees Retirement System**  
Schedule of Pension Amounts under GASB 68  
Employer #4237: Douglas Education Service District

<b>Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL(A)]</b>	<b>June 30, 2020</b>
Actuarial Valuation Date (liability rolled forward to MD)	December 31, 2018
Discount rate	7.20%
Employer's proportionate share at prior MD	0.12197299%
Employer's proportionate share at MD	0.11840406%
Employer's proportionate share of system NPL(A) at prior MD	21,098,406
Employer's proportionate share of system NPL(A) at MD	25,839,838
• Sensitivity: NPU(A) using discount rate 1.00% lower	38,370,026
• Sensitivity: NPU(A) using discount rate 1.00% higher	15,332,695
<b>Employer Pension Expense for Measurement Period</b>	<b>5,894,383</b>
• Employer's proportionate share of system Pension Expense/(Income)	5,894,383
• Net amortization of deferred amounts from:	
o Changes in proportionate share (per paragraph 54 of GASB 68)	(197,855)
o Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 55 of GASB 68)	(57,607)
<b>Employer's Total Pension Expense/(Income)</b>	<b>\$ 5,638,921</b>

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,137,265	\$ -
Changes of assumptions	1,386,742	-
Net difference between projected and actual earnings on investments	3,038,429	48,589
Changes in proportion share	268,618	631,666
Differences between employer contributions and proportionate share of system contributions	42,964	282,386
Total (prior to post-MD contributions)	5,874,018	962,641
Contributions subsequent to the MD	3,273,874	-
Total Deferred Outflow/(Inflow) of Resources	\$ 9,147,892	\$ 962,641
<b>Net Deferred Outflow/(Inflow) of Resources</b>		<b>\$ 8,185,251</b>

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 1,067,042
2nd Fiscal Year	1,562,496
3rd Fiscal Year	1,375,146
4th Fiscal Year	924,360
5th Fiscal Year	(17,667)
Thereafter	0
<b>Total</b>	<b>\$ 4,911,378</b>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021.



**Oregon Public Employees Retirement System**  
 Schedule of Pension Amounts under GASB 75  
 Employer #4237: Douglas Education Service District

<b>Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL(A)]</b>	<b>June 30, 2020</b>
Actuarial Valuation Date (liability rolled forward to MD)	December 31, 2018
Discount rate	7.20%
Employer's proportionate share at prior MD	0.09749194%
Employer's proportionate share at MD	0.11887240%
Employer's proportionate share of system NPL(A) at prior MD	\$ (188,390)
Employer's proportionate share of system NPL(A) at MD	(242,215)
• Sensitivity: NPU(A) using discount rate 1.00% lower	(195,548)
• Sensitivity: NPU(A) using discount rate 1.00% higher	(282,117)
<b>Employer Pension Expense for Measurement Period</b>	
• Employer's proportionate share of system Pension Expense/(Income)	(38,958)
• Net amortization of deferred amounts from:	
o Changes in proportionate share (per paragraph 64 of GASB 75)	(12,294)
o Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
<b>Employer's Total Pension Expense/(Income)</b>	<b>\$ (51,252)</b>

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 24,761
Changes of assumptions	-	12,875
Net difference between projected and actual earnings on investments	26,936	-
Changes in proportion share	-	22,765
Differences between employer contributions and proportionate share of system contributions	-	-
Total (prior to post-MD contributions)	26,936	60,401
Contributions subsequent to the MD	-	-
Total Deferred Outflow/(Inflow) of Resources	\$ 26,936	\$ 60,401
<b>Net Deferred Outflow/(Inflow) of Resources</b>		<b>\$ (33,465)</b>

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (36,503)
2nd Fiscal Year	(15,416)
3rd Fiscal Year	9,957
4th Fiscal Year	8,497
5th Fiscal Year	0
Thereafter	0
<b>Total</b>	<b>\$ (33,465)</b>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated March 12, 2021.

**Supplementary Information**

**DOUGLAS EDUCATION SERVICES DISTRICT**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
FF & C Service Fund

For the Year Ended June 30, 2021

	Other Objects	Actual	Original & Final Budget	Over (Under) Budget
<b>REVENUES:</b>				
Total Revenues		-		-
<b>EXPENDITURES:</b>				
Debt Service				
Debt Service - Principal	237,000	237,000	237,000	-
Debt Service - Interest	64,056	64,056	64,056	-
Total Debt Service	<u>301,056</u>	<u>301,056</u>	<u>301,056</u>	(1) -
<b>OTHER FINANCING SOURCES:</b>				
Long Term Debt Financing				
Operating Transfers (In) Out		301,056	301,056	-
Apportionment of Funds by ESD		-		-
Total Other Financing Sources		<u>301,056</u>		
Excess of Revenues Over (Under) Expenditures		-	-	-
FUND BALANCE, June 30 2020		-		-
FUND BALANCE, June 30, 2021		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICES DISTRICT**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Debt Service Fund

For the Year Ended June 30, 2021

	<u>Other Objects</u>	<u>Actual</u>	<u>Original &amp; Final Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>				
Local Sources				
Earnings on Investments		\$ 25	\$ -	\$ 25
Services Provided Other Funds		141,905	165,233	(23,328)
Total Revenues		<u>141,930</u>	<u>165,233</u>	<u>(23,303)</u>
<b>EXPENDITURES:</b>				
Debt Service				
Debt Service - Principal	\$ 123,056	123,056		
Debt Service - Interest	391,354	391,354		
Total Debt Service	<u>514,411</u>	<u>514,411</u>	<u>514,411</u> (1)	<u>-</u>
Excess of Revenues Over (Under) Expenditures		(372,481)	(349,178)	(23,303)
FUND BALANCE, June 30 2020		<u>1,191,775</u>	<u>1,162,572</u>	<u>29,203</u>
FUND BALANCE, June 30, 2021		<u>\$ 819,295</u>	<u>\$ 813,395</u>	<u>\$ 5,900</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICE DISTRICT**

**Budgetary Comparison for the Capital Improvements Fund**

**For the Year Ended June 30, 2021**

	<u>Salaries</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Other Objects</u>
<b>REVENUES:</b>					
Local Sources:					
Contributions from Donations & Private Sources					
Services Other Districts Within State					
Total Local Sources					
<b>TOTAL REVENUES</b>					
<b>EXPENDITURES:</b>					
Facilities Acquisition and Construction					
Building Acquisitions & Construction	<u>\$ 44,423</u>	<u>\$ 249,277</u>	<u>\$ 19,226</u>	<u>\$ 1,680,608</u>	<u>\$ 85,831</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 44,423</u>	<u>\$ 249,277</u>	<u>\$ 19,226</u>	<u>\$ 1,680,608</u>	<u>\$ 85,831</u>

Excess of Revenues Over  
(Under) Expenditures

**OTHER FINANCING SOURCES:**  
Long Term Debt Financing  
Operating Transfers (In) Out  
Apportionment of Funds by ESD  
Total Other Financing Sources

**OPERATING CONTINGENCY**  
Planned Reserve

Excess of Revenues Over (Under) Expenditures  
and Other Financing Sources

FUND BALANCE, June 30 2020

FUND BALANCE, June 30, 2021

(1) Level of Budget Appropriation

<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2,079,364	-	6,183,051	(4,103,687)
2,079,364	-	6,183,051 (1)	(4,103,687)
(2,079,364)	-	(6,183,051)	4,103,687
\$ 6,183,051	\$ -	\$ 6,183,051 (1)	\$ -
-	-	- (1)	-
-	-	- (1)	-
<u>6,183,051</u>	<u>-</u>	<u>6,183,051</u>	<u>-</u>
4,103,687	-	-	4,103,687
-	-	-	-
<u>\$ 4,103,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,103,687</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Production Services Fund

For the Year Ended June 30, 2021

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
REVENUES:				
Rental Income				
Services Provided Other Funds				
Total Revenues				
EXPENDITURES:				
Printing, Publishing and Duplicating Services	<u>\$ 72,454</u>	<u>38,529</u>	<u>\$ 47,228</u>	<u>\$ 38,899</u>
Total Expenditures	<u>\$ 72,454</u>	<u>\$ 38,529</u>	<u>\$ 47,228</u>	<u>\$ 38,899</u>

Excess of Revenues Over  
(Under) Expenditures

FUND BALANCE, June 30 2020

FUND BALANCE, June 30, 2021

(1) Level of Budget Appropriation

Adjustment from budgetary basis to generally  
accepted accounting basis:

Net Change in fund balances per above

21,244

Add: Capital Outlay

-

Contributed Capital

-

Less: Depreciation and Amortization

-

Net income as reported in Proprietary Statement of  
Revenues, Expenses and Changes in Fund Net Position

21,244

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Other Objects	Actual	Original & Final Budget	Over (Under) Budget
	\$ 28,542	\$ 16,000	\$ 12,542
	190,139	259,500	(69,361)
	<u>218,681</u>	<u>275,500</u>	<u>(56,819)</u>
\$ 328	197,437	283,024 (1)	(85,587)
<u>\$ 328</u>	<u>197,437</u>	<u>283,024</u>	<u>(85,587)</u>
	21,244	(7,524)	28,768
	<u>(32,711)</u>	<u>7,524</u>	<u>(40,235)</u>
	<u>\$ (11,466)</u>	<u>\$ -</u>	<u>\$ (11,466)</u>



**DOUGLAS EDUCATION SERVICE DISTRICT**Combining Statement of Net Position  
Internal Service Funds-By Fund Type

June 30, 2021

	Unemployment Fund	Early Retirement Fund	Computer Replacement Fund	Facility Reserve Fund	PERS Reserve Fund	Total Internal Service Funds
<b>ASSETS</b>						
Cash in General Checking	\$ 60,071	\$ 357,847	\$ 258,080	\$ 980,936	\$ 103,805	\$ 1,760,739
Cash in State Pool	47,160	-	-	-	82,370	129,530
Account Receivable	-	666	-	-	-	666
<b>Total Assets</b>	<b>\$ 107,231</b>	<b>\$ 358,512</b>	<b>\$ 258,080</b>	<b>\$ 980,936</b>	<b>\$ 186,176</b>	<b>\$ 1,890,935</b>
<b>LIABILITIES &amp; NET POSITION</b>						
<b>LIABILITIES:</b>						
Accounts Payable	\$ 26,718	\$ -	\$ -	\$ -	\$ -	\$ 26,718
Due to Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>26,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,718</b>
<b>NET POSITION:</b>						
<b>Total Net Position</b>	<b>80,512</b>	<b>358,512</b>	<b>258,080</b>	<b>980,936</b>	<b>186,176</b>	<b>1,864,216</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 107,231</b>	<b>\$ 358,512</b>	<b>\$ 258,080</b>	<b>\$ 980,936</b>	<b>\$ 186,176</b>	<b>\$ 1,890,935</b>

**DOUGLAS EDUCATION SERVICE DISTRICT**Combining Schedule of Revenues, Expenditures and Changes in Net Position  
Internal Service Funds-By Fund Type

For the Year Ended June 30, 2021

	Unemployment Fund	Early Retirement Fund	Computer Replacement Fund	Facility Reserve Fund	PERS Reserve Fund	Total Internal Service Funds
<b>REVENUES:</b>						
Local Sources	\$ 144,721	\$ -	\$ 74,764	\$ -	\$ -	\$ 219,485
Total Revenues	<u>144,721</u>	<u>-</u>	<u>74,764</u>	<u>-</u>	<u>-</u>	<u>219,485</u>
<b>EXPENDITURES:</b>						
Fiscal Service	500	-	-	-	-	500
Internal Service	-	-	14,216	-	-	14,216
Other Fiscal Services	85,522	-	-	-	-	85,522
Capital Outlay	-	-	-	11,321	-	11,321
Supplemental Retirement Program	-	28,832	-	-	-	28,832
Total Expenditures	<u>86,022</u>	<u>28,832</u>	<u>14,216</u>	<u>11,321</u>	<u>-</u>	<u>140,391</u>
Excess of Receipts Over (Under) Expenditures	58,699	(28,832)	60,548	(11,321)	-	79,094
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers In	-	-	-	30,000	-	30,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	58,699	(28,832)	60,548	18,679	-	109,094
<b>NET POSITION,</b>						
June 30, 2020	<u>21,814</u>	<u>387,345</u>	<u>197,531</u>	<u>962,258</u>	<u>186,176</u>	<u>1,755,123</u>
<b>NET POSITION,</b>						
June 30, 2021	<u>\$ 80,512</u>	<u>\$ 358,512</u>	<u>\$ 258,080</u>	<u>\$ 980,936</u>	<u>\$ 186,176</u>	<u>\$ 1,864,216</u>

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the Unemployment Fund

For the Year Ended June 30, 2021

	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Actual</u>	<u>Original &amp; Final Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>					
Local Sources					
Services Provided Other Funds			\$ 144,721	\$ 166,285	\$ (21,564)
Total Revenues			<u>144,721</u>	<u>166,285</u>	<u>(21,564)</u>
<b>EXPENDITURES:</b>					
Internal Service					
Fiscal Services	\$ -	\$ 500	\$ 500		
Other Fiscal Services	85,522	-	85,522		
Total Expenditures	<u>\$ 85,522</u>	<u>\$ 500</u>	<u>86,022</u>	<u>100,400</u> (1)	<u>(14,378)</u>
<b>OPERATING CONTINGENCY</b>					
Planned Reserve			<u>-</u>	<u>95,745</u>	<u>(95,745)</u>
Excess of Revenues Over (Under) Expenditures			58,699	(29,860)	88,559
NET POSITION, June 30 2020			<u>21,814</u>	<u>29,860</u>	<u>(8,046)</u>
NET POSITION, June 30, 2021			<u>\$ 80,512</u>	<u>\$ -</u>	<u>\$ 80,512</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the Early Retirement Fund

For the Year Ended June 30, 2021

	<u>Employee Benefits</u>	<u>Actual</u>	<u>Original &amp; Final Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>				
Total Revenues		\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Support Services				
Supplemental Retirement Program	28,832	\$ 28,832	35,404	\$ (6,572)
Total Expenditures	<u>\$ 28,832</u>	<u>28,832</u>	<u>35,404</u>	<u>(6,572)</u>
<b>OPERATING CONTINGENCY</b>				
Planned Reserve		-	356,456	(356,456)
Excess of Revenues Over (Under) Expenditures		(28,832)	(391,860)	363,028
NET POSITION, June 30 2020		<u>387,345</u>	<u>391,860</u>	<u>(4,515)</u>
NET POSITION, June 30, 2021		<u>\$ 358,512</u>	<u>\$ -</u>	<u>\$ 358,512</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the Computer Replacement Fund

For the Year Ended June 30, 2021

	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Original &amp; Final Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>				
Local Sources				
Services Provided Other Funds		\$ 74,764	\$ 72,976	\$ 1,788
Total Revenues		<u>74,764</u>	<u>72,976</u>	<u>1,788</u>
<b>EXPENDITURES:</b>				
Support Services				
Internal Service	\$ 14,216	14,216	100,000	(85,784)
Total Expenditures	<u>\$ 14,216</u>	<u>14,216</u>	<u>100,000</u>	<u>(85,784)</u> (1)
<b>OPERATING CONTINGENCY</b>				
Planned Reserve		-	169,957	(169,957)
Excess of Revenues Over (Under) Expenditures		60,548	(196,981)	257,529
NET POSITION, June 30 2020		<u>197,531</u>	<u>196,981</u>	<u>550</u>
NET POSITION, June 30, 2021		<u>\$ 258,080</u>	<u>\$ -</u>	<u>\$ 258,080</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the Facility Reserve Fund

For the Year Ended June 30, 2021

	<u>Purchased Services</u>	<u>Supplies &amp; Materials</u>	<u>Capital Outlay</u>	<u>Actual</u>	<u>Original &amp; Final Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>						
Total Revenues				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>						
Building, Acquisition, and Construction Capital Outlay	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 11,321</u>	<u>600,000</u>	<u>\$ (588,679)</u>
	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>11,321</u>	<u>600,000</u> (1)	<u>(588,679)</u>
Excess of Revenues Over (Under) Expenditures				(11,321)	(600,000)	588,679
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers In				<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Other Financing Sources				<u>30,000</u>	<u>30,000</u> (1)	<u>-</u>
<b>OPERATING CONTINGENCY</b>						
Planned Reserve				<u>-</u>	<u>396,120</u>	<u>(396,120)</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources				18,679	(966,120)	984,799
NET POSITION, June 30 2020				<u>962,258</u>	<u>966,120</u>	<u>(3,863)</u>
NET POSITION, June 30, 2021				<u>\$ 980,936</u>	<u>\$ -</u>	<u>\$ 980,936</u>

(1) Level of Budget Appropriation

**DOUGLAS EDUCATION SERVICE DISTRICT**

## Budgetary Comparison Schedule for the PERS Reserve Fund

For the Year Ended June 30, 2021

	<u>Actual</u>	<u>Original &amp; Final Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES:</b>			
Local Sources			
Services Provided Other Funds	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Support Services			
Staff Services - Other	-	-	-
	<u>-</u>	<u>-</u>	<u>(1) -</u>
Excess of Revenues Over (Under) Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	-	-	-
NET POSITION, June 30 2020	<u>186,176</u>	<u>161,000</u>	<u>25,176</u>
NET POSITION, June 30, 2021	<u>\$ 186,176</u>	<u>\$ 161,000</u>	<u>\$ 25,176</u>

(1) Level of Budget Appropriation

2020-21 DOUGLAS ESD AUDIT REVENUE SUMMARY

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	\$5,045,061						
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0					
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition		\$51,394					
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees			\$25				
1500 Earnings on Investments	\$44,235						
1600 Food Service							
1700 Extracurricular Activities							
1800 Community Services Activities							
1910 Rentals		\$236,965			\$28,542		
1920 Contributions and Donations From Private Sources	\$0	\$665,111					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies	\$1,384,896	\$3,921,299			\$190,139		
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$8,334						
1970 Services Provided Other Funds	\$205,565	\$828,880	\$141,905			\$219,485	
1980 Fees Charged to Grants	\$1,445,224						
1990 Miscellaneous	\$10,312	\$191,357					
<b>Total Revenue from Local Sources</b>	<b>\$8,143,626</b>	<b>\$5,895,005</b>	<b>\$141,930</b>	<b>\$0</b>	<b>\$218,681</b>	<b>\$219,485</b>	<b>\$0</b>
<b>Revenue from Intermediate Sources</b>							
2101 County School Funds							
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources	\$0	\$308,350					
2200 Restricted Revenue		\$1,609					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District		\$936,883					
<b>Total Revenue from Intermediate Sources</b>	<b>\$0</b>	<b>\$1,246,841</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from State Sources</b>							
3101 State School Fund - General Support	\$1,830,609						
3102 State School Fund - School Lunch Match							
3103 Common School Fund							
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$0	\$0					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid		\$8,990,263					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District		\$11,799,651					
<b>Total Revenue from State Sources</b>	<b>\$1,830,609</b>	<b>\$20,789,914</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Federal Sources</b>							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$3,004,968					
4700 Intermediate Agencies		\$189,616					
4801 Federal Forest Fees							
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District							
<b>Total Revenue from Federal Sources</b>	<b>\$0</b>	<b>\$3,194,584</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources				\$6,183,051			
5200 Interfund Transfers		#REF!	\$301,056			\$30,000	
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$1,390,554	\$4,257,255	\$1,191,775	\$0	-\$32,711	\$1,755,123	\$0
<b>Total Revenue from Other Sources</b>	<b>\$1,390,554</b>	<b>#REF!</b>	<b>\$1,492,831</b>	<b>\$6,183,051</b>	<b>-\$32,711</b>	<b>\$1,785,123</b>	<b>\$0</b>
<b>Grand Totals</b>	<b>\$11,364,790</b>	<b>#REF!</b>	<b>\$1,634,761</b>	<b>\$6,183,051</b>	<b>\$185,971</b>	<b>\$2,004,607</b>	<b>\$0</b>



2020-21 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

**Fund: 100 General Fund**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$271,633	\$157,496	\$108,200	\$4,449	\$1,489		\$0	
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0						
1260 Treatment and Habilitation	\$274,693	\$124,639	\$135,249	\$4,779	\$10,026			
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$548,325</b>	<b>\$282,135</b>	<b>\$243,448</b>	<b>\$9,227</b>	<b>\$11,515</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$250,628	\$95,488	\$96,845	\$54,260	\$4,035			
2140 Psychological Services	\$74,153	\$50,754	\$23,237	\$162				
2150 Speech Pathology and Audiology Services	\$2,579,933	\$1,215,598	\$716,110	\$600,461	\$43,671	\$648	\$3,445	
2160 Other Student Treatment Services	\$431,828	\$288,536	\$134,983	\$7,842	\$467			
2190 Service Direction, Student Support Services	\$165,784	\$106,684	\$43,219	\$12,545	\$2,533		\$805	
2210 Improvement of Instruction Services	\$144,109	\$22,758	\$75,847	\$22,392	\$22,887		\$225	
2220 Educational Media Services	\$20,002	\$0	\$0	\$20,002	\$0		\$0	
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$4,668				\$4,668			
2310 Board of Education Services	\$44,747			\$27,723	\$5,908		\$11,116	
2320 Executive Administration Services	\$353,165	\$160,536	\$148,154	\$14,639	\$6,364		\$23,472	
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0				
2520 Fiscal Services	\$811,520	\$511,131	\$243,102	\$46,404	\$4,968	\$479	\$5,435	
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0		\$0	
2550 Student Transportation Services	\$0							
2570 Internal Services	\$25,823	\$15,791	\$5,878	\$4,253	\$0			
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$214,928	\$137,891	\$71,006	\$5,158	\$524		\$350	
2640 Staff Services	\$761,243	\$395,097	\$239,515	\$89,666	\$36,487		\$478	
2660 Technology Services	\$1,477,845	\$544,785	\$372,058	\$243,700	\$309,825	\$0	\$7,477	
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0		\$0	
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0		\$0	
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$7,360,477</b>	<b>\$3,545,048</b>	<b>\$2,169,955</b>	<b>\$1,149,207</b>	<b>\$442,337</b>	<b>\$1,127</b>	<b>\$52,802</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							\$45,000
5200 Transfers of Funds	\$45,000							\$45,000
5300 Apportionment of Funds by ESD	\$1,169,710							\$1,169,710
5400 PERS UAL Bond Lump Sum	\$0							\$0
<b>Total Other Uses Expenditures</b>	<b>\$1,214,710</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,214,710</b>
<b>Grand Total</b>	<b>\$9,121,512</b>	<b>\$3,827,183</b>	<b>\$2,413,403</b>	<b>\$1,158,435</b>	<b>\$453,851</b>	<b>\$1,127</b>	<b>\$52,802</b>	<b>\$1,214,710</b>

2020-21 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Fund: 200 Special Revenue Funds								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0	\$0	\$0					
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$12,446,056	\$5,331,390	\$3,122,170	\$1,769,366	\$712,947	\$454,283	\$1,055,900	
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$1,384,481	\$738,120	\$483,359	\$40,407	\$38,120	\$2,422	\$82,052	
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$180,190	\$98,003	\$58,788	\$1,061	\$10,315		\$14,024	
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$14,010,727</b>	<b>\$6,167,513</b>	<b>\$3,662,316</b>	<b>\$1,810,834</b>	<b>\$761,382</b>	<b>\$456,705</b>	<b>\$1,151,976</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$305,080	\$141,575	\$90,155	\$59,465	\$2,335		\$11,550	
2120 Guidance Services	\$627,587	\$260,301	\$148,103	\$95,803	\$10,349		\$115,031	
2130 Health Services	\$546,717	\$381,436	\$130,287	\$14,278	\$17,064		\$3,873	
2140 Psychological Services	\$324,882	\$204,310	\$106,316	\$3,385	\$10,851			
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$838,552	\$481,952	\$323,295	\$18,853	\$14,451		\$0	
2190 Service Direction, Student Support Services	\$2,383,823	\$1,781,954	\$599,633	\$2,236	\$0	\$0	\$0	
2210 Improvement of Instruction Services	\$1,552,329	\$499,245	\$241,683	\$645,881	\$164,606	\$0	\$100,933	
2220 Educational Media Services	\$0			\$0			\$0	
2230 Assessment & Testing	\$52,828	\$15,512	\$33,854	\$3,318	\$144			
2240 Instructional Staff Development	\$925,273	\$420,331	\$150,896	\$262,005	\$30,495		\$61,546	
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0	\$0	\$0	\$0				
2540 Operation and Maintenance of Plant Services	\$360,841	\$108,203	\$81,490	\$61,794	\$25,983	\$0	\$73,372	
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							\$0
2620 Planning, Research, Development, Evaluation Services, Grant	\$134,312	\$74,389	\$42,549	\$6,348	\$173		\$10,852	
2630 Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0			
2630 Information Services	\$188,338	\$96,528	\$54,318	\$2,494	\$15,000			
2640 Staff Services	\$274,835	\$71,560	\$32,746	\$1,959	\$33,640	\$134,729	\$0	
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$8,495,176</b>	<b>\$4,537,293</b>	<b>\$2,043,286</b>	<b>\$1,077,819</b>	<b>\$325,091</b>	<b>\$134,729</b>	<b>\$376,958</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$2,272,255	\$744,095	\$490,997	\$489,039	\$377,451		\$143,237	\$27,435
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$2,272,255</b>	<b>\$744,095</b>	<b>\$490,997</b>	<b>\$489,039</b>	<b>\$377,451</b>	<b>\$0</b>	<b>\$143,237</b>	<b>\$27,435</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$1,541,798						\$1,541,798	
5200 Transfers of Funds	\$13,029,013							\$13,029,013
5300 Apportionment of Funds by ESD	\$4,994,514							\$4,994,514
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$19,565,324</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,541,798</b>	<b>\$18,023,527</b>
<b>Grand Total</b>	<b>\$44,343,482</b>	<b>\$11,448,901</b>	<b>\$6,198,599</b>	<b>\$3,377,692</b>	<b>\$1,483,924</b>	<b>\$591,435</b>	<b>\$3,213,968</b>	<b>\$18,050,962</b>

2020-21 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Fund: 300 Debt Service Funds								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2180 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2560 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$815,467						\$815,467	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	\$815,467	\$0	\$0	\$0	\$0	\$0	\$815,467	\$0
<b>Grand Total</b>	\$815,467	\$0	\$0	\$0	\$0	\$0	\$815,467	\$0

2020-21 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Fund: 400 Capital Improvement Fund								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$2,079,364	\$44,423	\$249,277	\$19,226	\$1,680,608	\$85,831	\$0	
4160 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$2,079,364	\$44,423	\$249,277	\$19,226	\$1,680,608	\$85,831	\$0	\$0
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							\$0
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>	<b>\$2,079,364</b>	<b>\$44,423</b>	<b>\$249,277</b>	<b>\$19,226</b>	<b>\$1,680,608</b>	<b>\$85,831</b>	<b>\$0</b>	<b>\$0</b>

2020-21 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Fund: 500 Enterprise Funds								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$197,437	\$72,454	\$38,529	\$47,228	\$38,899		\$328	
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0	\$0	\$0	\$0	\$0			
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	\$197,437	\$72,454	\$38,529	\$47,228	\$38,899	\$0	\$328	\$0
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>	\$197,437	\$72,454	\$38,529	\$47,228	\$38,899	\$0	\$328	\$0

2020-21 DOUGLAS ESD AUDIT EXPENDITURE SUMMARY

Fund: 600 Internal Service Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$86,022		\$85,522	\$500				
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$14,216				\$14,216			
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$28,832		\$28,832					
<b>Total Support Services Expenditures</b>	\$129,070	\$0	\$114,354	\$500	\$14,216	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$11,321			\$1,321	\$0	\$10,000		
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$11,321	\$0	\$0	\$1,321	\$0	\$10,000	\$0	\$0
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>	<b>\$140,391</b>	<b>\$0</b>	<b>\$114,354</b>	<b>\$1,821</b>	<b>\$14,216</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>

INDEPENDENT AUDITOR'S REPORT

REQUIRED BY OREGON STATE REGULATIONS



## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors  
Douglas Education Service District  
Roseburg, OR 97470

We have audited the basic financial statements of Douglas Education Service District, as of and for the year ended June 30, 2021, and have issued our report thereon dated December 15, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States,

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the 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 162-010-000 through 162-010-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.



**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. Deficiencies in internal control, if any, were communicated separately.

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

**Restriction on Use**

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

Neuner Davidson & Co



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Jeffrey Cooley, CPA  
Roseburg, Oregon  
December 15, 2021



INDEPENDENT AUDITOR'S 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

Board of Directors  
Douglas Education Service District  
1409 NE Diamond Lake Blvd #110  
Roseburg, OR 97470

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, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas Education Service District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas Education Service District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Douglas Education Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Douglas Education Service District's 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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Douglas Education Service District  
GAS Report of Internal Control and Compliance**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Douglas Education Service District's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance on 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 of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Neuner Davidson & Co



Jeffrey Cooley, CPA  
Roseburg, Oregon  
December 15, 2021



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

Board of Directors  
Douglas Education Service District  
1409 NE Diamond Lake Blvd #110  
Roseburg, OR 97470

**Report on Compliance for Each Major Federal Program**

We have audited the Douglas Education Service District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Douglas Education Service District's major federal programs for the year ended June 30, 2021. Douglas Education Service District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Douglas Education Service District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Douglas Education Service District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Douglas Education Service District compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Douglas Education Service 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, 2021.



## Independent Auditor's Report

### Report on Internal Control over Compliance

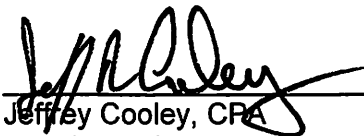
Management of the Douglas Education Service District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Douglas Education Service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

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

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

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

Neuner Davidson & Co



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Jeffrey Cooley, CPA  
Roseburg, Oregon  
December 15, 2021

**DOUGLAS EDUCATION SERVICE DISTRICT**

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Organization	Federal CFDA Number	Grant Period Beginning	Grant Period Ending	ODE Grant #	Grant Amount	2020-21 Revenues	2020-21 Expenditures
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>								
<u><b>U.S. Department of Education</b></u>								
Services for Orthopedic Imp	Oregon Dept of Education	84.027	7/1/19	6/30/21	11054	400,000	87,495	87,495
Oregon Technology Access program	Oregon Dept of Education	84.027	7/1/19	6/30/21	11053	418,000	206,441	206,441
IDEA- Juvenile Detention Education Program	Oregon Dept of Education	84.025	7/1/19	6/30/21	12377	4,400	4,400	4,400
IDEA - LTCT	Oregon Dept of Education	84.027	7/1/19	6/30/21	12290	18,900	18,900	18,900
CPS Local Sites 2019-20	Oregon Dept of Education	84.173	8/1/19	9/30/20	54137	15,000		
Passed through Douglas ESD as contracts to other agencies:								
Special Education	Oregon Dept of Education	84.027	7/1/20	6/30/21		1,034,251	1,034,251	1,034,251
Special Education-Preschool Grants	Oregon Dept of Education	84.173	7/1/20	6/30/21		142,684	142,684	142,684
<b>Total Special Education Cluster (IDEA)</b>							<u>1,494,171</u>	<u>1,494,171</u>
<b>OTHER PROGRAMS</b>								
<u><b>U.S. Department of Education</b></u>								
Youth Transition Program Revenue	Oregon Dept of Education	84.126	7/1/19	6/30/21	160711	462,724	249,690	249,690
Title 1 N&D - LTCT	Oregon Dept of Education	84.013	7/1/19	6/30/21	12290	33,700	33,700	33,700
Perkins Reserve Fund 20-21	Oregon Dept of Education	84.048	7/1/20	9/30/21	57615	58,143	27,108	27,108
Perkins Basic Fund 20-21	Oregon Dept of Education	84.048	7/1/20	9/30/21	57585	99,860	82,590	82,590
Perkins Reserve Fund 19-20	Oregon Dept of Education	84.048	7/1/19	9/30/20	52472	45,104	234	234
Perkins Basic Fund 19-20	Oregon Dept of Education	84.048	7/1/19	9/30/20	52490	97,623	7,073	7,073
ESSER	Oregon Dept of Education	84.425	3/13/20	9/30/22	58421	276,747	276,747	276,747
ESSER	Oregon Dept of Education	84.425	3/13/20	9/30/22	65021	47,192	47,192	47,192
Passed through Southeast Regional Resource Center (SERRC)								
Comprehensive Regional Assistance Centers Program		84.283	7/1/19	9/30/21		187,616	187,616	187,616
Passed through Douglas ESD as contracts to other agencies:								
Federal IDEA, Spec Purpose Funds, Part C	Oregon Dept of Education	84.181	7/1/20	6/30/21		464,548	464,548	464,548
<b>Total U.S. Department of Education</b>							<u>1,376,498</u>	<u>1,376,498</u>
<u><b>U.S. Department of Federal Highway Administration</b></u>								
Passed Through ODOT Transportation Safety Division								
Safe Routes to School		20.205	10/1/19	9/1/22	101-6825	244,995	50,392	49,816
<u><b>U.S. Department of Health and Human Services</b></u>								
Passed Through State Department of Education:								
Title IV-B2 Family Pres & Support Hubs	Oregon Dept of Education	93.434 93.556	7/1/17	6/30/19	44932	141,731	21,933 120,815	21,933 120,815
<b>Total U.S. Department of Health and Human Services</b>							<u>142,748</u>	<u>142,748</u>
<b>Total Other Programs</b>							<u>1,569,638</u>	<u>1,569,062</u>
<b>TOTAL FEDERAL ASSISTANCE</b>							<u>\$ 3,063,809</u>	<u>\$ 3,063,233</u>

Note: Total does not reflect \$130,774 Medicaid K-12 school based health service reimbursements coded as federal source in budgetary funds for state reporting requirements.

Douglas Education Service District

Notes to Schedule of Expenditures of Federal Awards  
June 30, 2021

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Note 1. **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Douglas Education Service District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. **Sub-recipients**

Of the federal expenditures presented in the schedule, Douglas Education Service District provided no federal awards to sub-recipients.

Douglas Education Service District  
Auditors Comments  
For the Fiscal Year ended June 30, 2021

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**Summary of the Auditor's Results**

The audit report issued December 15, 2021, on the general purpose financial statements of Douglas Education Service District as of and for the year ended June 30, 2021, was an unqualified opinion. The audit did not disclose any reportable conditions in internal control for either major or nonmajor programs, nor did the audit disclose any noncompliance which may be material to the financial statements. The audit report on compliance for major programs was an unqualified opinion. There were no audit findings required to be reported in accordance with 2 CFR section 200.216(a).

The major programs identified by Douglas Education Service District were:

Special Education – Cluster – Idea 84.025, 84.027, 84.173

The threshold used to distinguish between Type A and Type B programs was \$750,000. The District did qualify as a low-risk auditee under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Findings required to be reported in accordance with generally accepted government auditing standards (GAGAS):**

No Findings.

**Findings and questioned costs for Federal awards:**

Current Year:

No Findings or Questioned Costs.

**Summary Schedule of Prior Audit Findings:**

No Findings or Questioned Costs



**Form 581-3211-C**

SUPPLEMENTAL INFORMATION, 2020-2021

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

Parts A is needed for computing Oregon's full allocation for ESEA, Title I & other Federal Funds for Education.

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

	Objects 325 & 326
Function 2540	\$ 21,909
Function 2550	\$ 0

B. Replacement of Equipment – General Fund:  
 Include all General Fund expenditures in object 542, except for the following exclusions:  
 Exclude these functions:

1113, 1122 & 1132	Co-curricular Activities	4150	Construction
1140	Pre-Kindergarten	2550	Pupil Transportation
1300	Continuing Education	3100	Food Service
1400	Summer School	3300	Community Services

\$ 0
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