

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



12700 SW 72nd Ave.
Tigard, OR 97223

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2022

<u>NAME</u>	<u>TERM EXPIRES</u>
Carson Benner, Chair	June 30, 2023
Dr. Paul Haddeland, Vice-Chair	June 30, 2022
Jason Bizon	June 30, 2023
Janis Braich	June 30, 2022
Gerardo Partida	June 30, 2022
Larry Vollmer	June 30, 2022
Abbie Warmbier	June 30, 2023

All board members receive mail at the address below

ADMINISTRATIVE

800 NE Lafayette Ave
McMinnville, Oregon 97128

Debbie Brocket	Superintendent
Cherice Bowden	Assistant Superintendent
Samantha Nelson	Finance Director

The School Board of McMinnville School District No. 40 is comprised of seven members. The School Board meets the second Monday of each month. The meetings are held in the Board Room of the McMinnville School District located at 800 NE Lafayette Avenue, McMinnville, Oregon, or as otherwise scheduled.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

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YAMHILL COUNTY, OREGON

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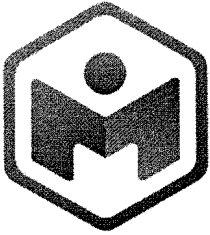
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McMinnville

School District No. 40

800 NE Lafayette Avenue

McMinnville, OR 97128

Phone: 503.565.4000

Fax: 503.565.4030

December 31, 2022

To the Board of Directors and Citizens of the
McMinnville School District No. 40
McMinnville, Oregon

Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report of McMinnville School District #40 (the District), for the fiscal year ended June 30, 2022, is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient and reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP). Because the cost of internal controls should not exceed the anticipated benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pauly, Rogers and Co., P.C., have issued an unmodified ("clean") opinion on the District's financial statements for the year ending June 30, 2022. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit," designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Grant Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on x.

DISTRICT PROFILE

McMinnville School District was formed around 1876, the year that the District levied a tax to build a public school house. Today, the District is responsible for educating approximately 6,500 children in six elementary schools, two middle schools, and one high school.

The District is responsible for providing an education to children living within its boundaries. The District is responsible for building, operating, and maintaining school facilities; developing and maintaining approved education programs and courses of study, including academic and vocational programs, English as a second language programs, and programs for children with special needs; and, providing transportation and nutrition services to students in accordance with district, state, and federal requirements.

McMinnville School District #40 is Yamhill County's largest school district. It serves residents in the City of McMinnville, the City of Lafayette, and surrounding unincorporated areas of Yamhill County. The district boundary encompasses over 140 square miles of land.

The District is a financially independent, special-purpose municipal corporation exercising financial accountability for all K-12 public education within its boundaries. The District is governed by a seven-member Board of Directors elected to four-year terms by a majority of District voters. Terms are staggered, with elections held in odd-numbered years. Duties of the School Board include setting policy, adopting budgets, appointing the Superintendent, and hiring, terminating, and approving resignations of all certified and administrative staff members. The Board constitutes one-half of the Budget Committee and appoints the seven citizen members.

ENROLLMENT

Student enrollment in the fall of 2021 was 6,479. Enrollment counts are compiled annually on October 1st as required by the State of Oregon. The District's enrollment increased by 113 students when compared to the fall of 2020. Many districts in the state continue to experience declining enrollment. The long-term implications of the pandemic on enrollment are yet to be fully understood. Regardless of the pandemic, enrollment was projected to decrease slightly over the next few years due to lower birth rates resulting in smaller kindergarten cohorts.

Grade Level	2010	2015	2021
Elementary (Grades K-5)	2,947	3,088	2,665
Middle School (Grades 6-8)	1,506	1,540	1,563
High School (Grades 9-12)	2,007	2,110	2,205
Total Enrollment	6,460	6,738	6,433

ECONOMIC CONDITION

McMinnville School District #40 is located in northwestern Oregon in the northern end of the Willamette Valley, approximately 40 miles southwest of Portland and approximately 25 miles northwest of Salem. The two cities within the District are McMinnville, population 34,251 and Lafayette, population 4,446. McMinnville is home to the county seat and Linfield College, a private university. Four of the top five employers provide services related to education, government, and healthcare, providing a stable base for the District's economy. There are nearly 90 manufacturers, producing a variety of goods. Major industries within the area include steel production, medical and social services, retail, plastics and rubber products fabrication, fabricated metal products, leisure and hospitality, health food products, and agriculture. Yamhill County's primary economic base is agriculture. The County is the heart of Oregon's wine industry, with the largest area planted in vineyards of any county of the state.

As of June 2022, the Yamhill County unemployment rate was 3.4%, as compared to 3.5% for the state of Oregon and 3.6% at the national level. The unemployment rate improved from 5.9% the prior year. Employment numbers recovered steadily over the past fiscal year after the decline in the prior year resulting from economic impacts of the COVID-19 Pandemic.

The real market value of property located in the boundaries of the District increased by 11% from 2020-21 to 2021-22, while the assessed property values increased by 5%. Assessed value as a percentage of real market value was 53.5% compared to 57% in the prior year. Per Oregon law, enacted in 1997, property tax is based on the lower of real market value or maximum assessed value, which increases by 3% each year. For 2021-22, the total real market value of property within the District boundaries is \$7.5 billion and the assessed value is \$4.0 billion.

STATE SCHOOL FUNDING

The Legislature appropriates money to schools from two main sources: income taxes through the State General Fund and lottery receipts. This money makes up the State School Fund (SSF). The Legislature sets the amount of state dollars schools are to receive for a two-year funding cycle. Federal funds are also available through grants distributed through the Oregon Department of Education or directly from the Federal Department of Education. These dollars are tied to specific programs and are restricted in use. Local revenues consist primarily of property taxes, the County School Fund, the Common School Fund, and other minor resources.

The Oregon Department of Education (ODE) is responsible for distributing the funds to districts using a statutory distribution formula. To achieve equal per-student funding, the formula is adjusted for local revenues. The formula uses five different components to adjust for cost differences among districts: teacher experience, weighted student count, transportation grant, facility grant, and a high cost disability grant. The average daily membership of students enrolled is weighted for students enrolled in special programs for special education, English as a second language, pregnant and parenting students, and additional weighting is added for students in poverty and foster care. The state's school funding formula determines over 95% of the District's General Fund revenues.

The State's budget appropriation to K-12 education was increased from \$9 billion to \$9.3 billion for the 2021-23 biennium, a 3.4% increase. In addition, the state legislature passed the Student Success Act (SSA) in 2019 which when fully implemented will invest \$1 billion annually in early learning and K-12 education. A new corporate activity tax was imposed to provide this additional funding for new educational investment activities which first became effective during the 2020-21 fiscal year.

Economic recovery from the pandemic continued to be robust for the State of Oregon throughout 2021-22. As of December 2022, state revenues are currently forecasted to be significantly higher than budgeted for the 2021-23 biennium. However, future projections are for a modest decline in anticipation of a pending recession for the 2023-25 biennium. The State maintains two budgetary reserve funds which currently have unprecedented amounts to offset future economic or revenue shortfalls.

LONG-TERM FINANCIAL PLANNING

The District's unassigned general fund balance at year-end was 12.8% of the total General Fund revenues. The board policy set the minimum ending fund balance at 8% of adopted revenues and encourages a higher fund balance, when possible, to offset unforeseen state revenue shortfalls. The reserves are maintained to absorb economic downturns, state funding formula reductions, fund large asset expenses, and offset other revenue shortfalls.

District facilities consist of eleven school buildings and four support services buildings. The average age of these buildings is 50 years, ranging from 2 years old to 107 years old. District taxpayers approved the sale of \$89.4 million of bonds to finance prioritized capital projects in May 2016. Bond proceeds including bond premium and interest income totaled \$105 million. In addition, the District received \$7 million from a state matching grant and \$2 million from a state seismic upgrade grant.

Renovation and repair work was completed at each of the District's building, with the major project sited at the high school to include the addition of a career technical center and the demolition/rebuild of the central portion of the high school to add and update classrooms and athletic facilities. As of June 30, 2022, there remains \$2.2 million dedicated to completing seismic upgrades at Patton Middle School. These funds will be fully utilized by the end of Fiscal Year 2022-23.

The District completed a detailed professional assessment of each facility in 2019. An updated long-range facilities plan will be developed to guide the future needs for the District.

FINANCIAL INFORMATION

Budgetary Controls

The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law, as outlined in the Oregon Revised Statutes 294.305 through 294.520, inclusive. A Board-appointed Budget Committee of 14 citizens (including Board members) annually develops and approves the District budget. The budget for each individual fund is a plan for the financial operation to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the School Board. After adoption, the budget may be revised through procedures specified in State statute and District Policy. The budget is prepared by fund, major function (e.g., instruction, supporting services), and type of expenditure (e.g., salaries, employee benefits). Management may transfer resources within major function category.

A summary of the approved budget, together with a notice of public hearing, is published in a newspaper having general circulation in the district. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State law and Board policy.

Accounting Policies

Policies adopted by the Board include guidance on resource planning and allocation, accounting and financial practices, revenue, capital improvements, and debt and investment management. The financial policies also provide financial planning guidance regarding reserves. The accrual and modified accrual basis of accounting used by the District are in accordance with U.S. generally accepted accounting principles.

MAJOR INITIATIVES

The District has implemented the following major, grant-funded initiatives:

- ***Student Success Act*** (SSA) – Oregon legislature passed HB 3427 during the 2019 legislative session which is expected to increase or not change revenue for K-12 education by \$1 billion each year beginning in 2020-21. The SSA provides funding in three accounts, the Student Investment Account (SIA), Statewide Education Initiatives Account, and the Early Learning Account. Beginning in 2019 the District held community engagement activities to determine the best use of the SIA funding. These funds will be used towards investment initiatives to address the four key areas of increased instructional time, student health and safety, class size reduction and well-rounded learning opportunities. Community Engagement for the 2022-25 biennium is currently underway.

- **High School Success Act** (Measure 98) – The District has received funding from the High School Success fund for four years. These funds are used to establish and expand programs for dropout prevention, career and technical education, and college level opportunities. Passage of the Student Success Act has provided full funding for this program.
- **21st Century Community Learning Centers** – In September 2018, the District received a 5-year grant of \$2.5 million to provide afterschool and summer school programming for students in K-12th grade. The focus of the project is to provide academic interventions and enrichment, with a particular emphasis on STEAM (Science, Technology, Engineering, Art, and Mathematics) makerspaces. Makerspaces are project-based learning activities in which students develop and make things, either collaboratively or individually. Fiscal Year 2022-23 is the final year of this five year grant.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McMinnville School District for its *Annual Comprehensive Financial Report* (ACFR) for the year ended June 30, 2021. This was the thirteenth year the District has received the prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized ACFR and must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to McMinnville School District for its ACFR for the year ended June 30, 2021. This was the thirteenth year that the District received the award. Receiving the award is recognition that the District has met the highest standards of excellence in school financial reporting adopted by ASBO.

These certificates are valid for a period of one year only. We believe our current ACFR continues to meet these standards and will be submitted for review for another certificate. These awards are representative of the District's continuing efforts to achieve excellence in the performance of public service and financial reporting.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire fiscal services department staff. We appreciate and thank all staff who assisted and contributed to the preparation of this report. Credit must also be given to the School Board and Budget Committee for their continued interest and support in maintaining the highest standards of professionalism in the management of McMinnville School District's finances.

Respectfully submitted,

Debbie Brockett
Superintendent

Samantha Nelson
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**McMinnville School District #40
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

McMinnville School District 40

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'Will Sutter'.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



Organizational Chart 2022-2023

McMinnville School District #40

MSD Board of Directors

Carson Benner, Chair
 Jason Bizon Gerardo Partida
 Janis Braich Larry Vollmer
 Paul Haddeland Abbie Warmbier

Executive Assistant to Superintendent and Board
 Cherice Bowden

Superintendent Debbie Brockett

Director of Student Services
Kevin Carroll

- Special Education Programs
- Speech/Language Pathologists
- Psychologists
- Social Worker Services
- Health Services
- COVID Protocols

Coordinators
 Julie Gluff
 Shelly Simony
 Linda Jones

TOSA
 Christine Asuncion-Gibson

Director of Curriculum, Instruction & Assessment
Kourtney Ferreira

- K-12 Curriculum and Assessments
- SIA
- Professional Development
- Improvement Plan
- Teaching/Learning
- Title I ; Title II
- Mentorship
- Pre-Kindergarten
- Grants

Coordinators
 Davey Atree - Elementary
 Lauren Berg - Secondary
 Margie Johnson- Grants

TOSAs
 Erin Combs - ES
 Cassandra Kimura - ES
 Cameron Gallop - DOES
 Kat McNeal - ES
 Miranda Medrano - ES
 Melissa Parker - ES
 Pamela Canady - SEC
 Shane Fox - SEC
 Jess Gordon - SEC
 Jessica Marshall - SEC

Director of Finance
Samantha Nelson

- District Budget
- Grant Funding
- Business Services
- Financial Reporting
- Bonds Services
- Nutrition Services

Managers/Supervisors
 Tracy Martin - Analyst/ Payroll Supervisor
 Bill Leet - Fiscal Supervisor
 Shiloh Fieck- Nutrition

Director of Human Resources
Stefanie Frost

- Personnel Processes
- Legal Compliance
- Labor-Management Relations
- Employee Evaluations
- Title IX

Manager
 Laurie Fry - Communications

Building Principals
 Mac High School
 Amy Fast
 Dunway
 Hilary Brittan Lack
 Patton MS
 Allison Eitzen
 Buel ES
 Veronica Chase
 Columbus ES
 Kathi Fowler
 Grandhaven ES
 Stephanie Legard
 Memorial ES
 Kim Price
 Newby ES
 Erika Nesvig
 Mascher ES
 Scott Murphy

Director of Operations & Facilities
Brian Crain

- Facilities
- Transportation
- District Athletics
- Student Discipline
- Policies
- District Safety

Managers/Supervisors
 Steve Helzer - Custodial
 Jody Fisher- Maintenance/Grounds
 TBD, Safety Supervisor

Assistant Principals
 Mac High School
 Jared Larson
 Mark Hinbora
 Teresa Dewey
 Robin Van Buren
 Dunway MS
 Cindy Werst
 Patton MS
 Victoria Brown
 Buel ES
 Ciclo Robinson

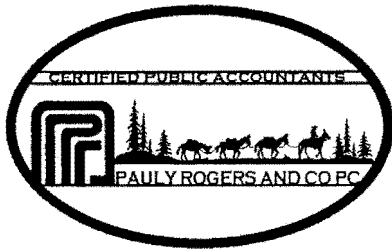
Director of Equity, Diversity & Inclusion
Karina Smith

- Equitable Practices
- EL Program
- Title III
- Family Resource Center
- Community Outreach
- Translation Support
- Migrant
- Homeless
- Student Engagement Program

Coordinator/Manager
 Kristian Frack - EL
 David Cano - Family Outreach

Director of Information Technology
Luke Neff

- Student Information Systems
- Cybersecurity
- Student Data Systems
- Technology Inventory



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December 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
McMinnville School District No. 40
McMinnville, Oregon

Opinions

We have audited the accompanying basic financial statements of the governmental activities, fiduciary fund, each major fund, and the aggregate remaining fund information of McMinnville School District No. 40 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The financial statements as of the year ended June 30, 2021, were audited by other auditors whose report dated December 10, 2021, issued an unmodified opinion on those statements.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

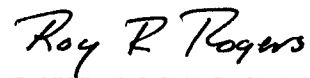
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the introductory, and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 31, 2022 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 31, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

As management of McMinnville School District #40 (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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of by \$562,150 (net position). The total net position increased by \$11.6 million from the prior year. The negative net position is primarily due to the District's share of actuarially determined unfunded retirement benefit liabilities. Further analysis can be found in the discussion of the Statement of Net Position.
- The total cost of all District programs was \$95.1 million, a decrease of \$7.2 million (7%) from the prior year.
- At June 30, 2022, the District's governmental funds report a combined fund balance of \$18.99 million, a decrease of \$41,402 in comparison to the prior fiscal year. Of this amount \$9.59 million is available for spending at the government's discretion (unassigned fund balance). The General Fund's unassigned fund balance increased by \$55,293 from the prior year.

OTHER HIGHLIGHTS

- In May 2016, District voters passed an \$89.4 million capital bond measure. The bond authorization included major renovations to the McMinnville High School, a new career technical center, as well as various renovations to each school and support services building to include seismic upgrades, roof replacements, energy upgrades and safety and security investments. Of the \$89.4 million authorized, \$1 million remained unissued as of June 30, 2020. The remaining \$1 million in capital bonds were issued on June 15, 2021. These funds will be utilized to fund seismic upgrades at Patton Middle School.
- On June 15, 2021, the District also issued \$25.85 million refunding bonds to refinance the 2013 series general obligation bonds. This refunding will save District taxpayers by reducing the total debt service requirement by \$1.6 million.

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 supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

Statement of Net Position. The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Statement of Activities. The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here including instruction, support services, enterprise and community services, facilities acquisition and construction and debt service. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues. The government-wide financial statements are found on pages 1 and 2 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 McMinnville School District #40, 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 fiduciary funds.

Governmental funds. 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 fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide statements of Net Position and Activities.

The District maintains eight individual governmental funds in accordance with Oregon local government budget law. 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, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information.

The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District, such as the Trust Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 7 - 8 of this report.

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Notes to the Basic 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 found on pages 9 through 45 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 Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund and Grants Fund. Required supplementary information can be found on pages 46 through 50 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 51 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. As noted earlier, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$562,150 at June 30, 2022.

Statement of Net Position

	Governmental Activities		Increase (Decrease)
	June 30, 2022	June 30, 2021	
Current and other assets	\$ 33,822,830	\$ 29,545,803	\$ 4,277,027
Capital assets	173,596,216	177,513,034	(3,916,818)
Total Assets	207,419,046	207,058,837	360,209
Deferred Outflows of Resources	28,188,694	29,626,102	(1,437,408)
Long-term obligations	182,671,271	232,889,940	(50,218,669)
Other liabilities	13,054,527	8,463,227	4,591,300
Total Liabilities	195,725,798	241,353,167	(45,627,369)
Deferred Inflows of Resources	40,444,092	7,501,466	32,942,626
Net Position			
Net investment in capital assets	57,765,843	54,686,599	3,079,244
Restricted	7,138,233	6,618,447	519,786
Unrestricted	(65,466,226)	(73,474,770)	8,008,544
Total Net Position	\$ (562,150)	\$ (12,169,724)	\$ 11,607,574

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Net position. The largest portion of the District's net position reflects an investment of \$57.7 million in capital assets (land, buildings, equipment and construction in progress), net of any related outstanding debt used to acquire those 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. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

The second component of the District's net position is restricted which totals \$7.1 million and represents resources that are subject to external restrictions on how they may be used.

The remaining balance is a negative unrestricted net position totaling \$65.5 million. The increase of \$8.0 million from the fiscal year 2020-21 is primarily due to the change in the PERS net pension liability.

Cash and other assets. Cash and other assets totaled \$33.8 million at year end. Cash and investments (\$26.2 million) made up 77.6% of this total. Total cash and other assets increased by \$4.2 million from the prior year. This is primarily due to general fund revenues exceeding expenses and the issuance of \$1 million in general obligation bonds for capital projects in June 2021.

Capital assets. At year end, the District's investment in capital assets amounted to \$173.3 million (net of accumulated depreciation). This includes land, buildings and improvements, equipment, and construction in progress as shown in the following table:

	Capital Assets (Net of Depreciation)		
	Governmental Activities		Increase (Decrease)
	June 30, 2022	June 30, 2021	
Land	\$ 4,879,642	\$ 4,879,642	\$ -
Construction in Progress	1,588,633	207,752	1,380,881
Buildings and Improvements	165,047,820	170,161,020	(5,113,200)
Equipment	1,858,135	2,264,620	(406,485)
Total capital assets, net of accumulated depreciation	\$ 173,374,230	\$ 177,513,034	\$ (4,138,804)

During the fiscal year, net capital assets decreased by \$4.1 million. This decrease is primarily due to depreciation expense in excess of capital asset additions. Major capital assets events during the current fiscal year included the following:

- ADA Parking Improvements of \$315,614.
- Podcast Classroom Renovation and Equipment of \$104,271.
- Improvements to softball and baseball fields of \$44,542.
- Technology Switch Upgrade Replacements of \$113,994.
- General building maintenance and grounds equipment of \$136,203.

Depreciation expense was \$6.2 million for the year. Additional information on the District's capital assets can be found in Note 9 of this report.

Deferred inflows and outflows of resources. Deferred outflows of resources decreased by \$1.4 million and deferred inflows of resources increased by \$32.9 million due to changes in assumptions and investment earning differences related to the valuation of the net pension liability and OPEB liabilities

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Liabilities. Accrued liabilities, representing 6.7% of the District's total liabilities, consists of payables on accounts, salaries and benefits, interest charges, and unearned revenues.

Outstanding long-term obligations represent 93.3% of the District's total liabilities. At the end of the current fiscal year, the District's long-term obligations totaled \$182.6 million. The following table shows the types of obligations for the current and prior year.

Outstanding Long-term Obligations

	Governmental Activities		Increase (Decrease)
	June 30, 2022	June 30, 2021	
General obligation bonds	\$ 108,355,000	\$ 114,415,000	\$ (6,060,000)
Pension obligation bonds	17,485,001	19,685,001	(2,200,000)
Unamortized premium	10,142,544	11,129,966	(987,422)
Net Pension Liability	40,488,340	81,777,506	(41,289,166)
OPEB obligation	6,077,034	5,872,467	204,567
 Total long-term debt	 \$ 182,547,919	 \$ 232,879,940	 \$ (50,332,021)

The District's total long-term debt decreased by \$50.3 million during the current fiscal year. This reflects a decrease of \$41.2 million in the net pension liability and a decrease in bonds payable of \$9.2 million in bonds payable and unamortized bond premium due to principal payments and the issuance of refunding bonds.

The District maintains an underlying rating of "Aa3" from Moody's and "A+" from S&P for general obligation debt. State statutes limit the amount of general obligation debt the District may issue to 7.95 percent of total real market property values. The current debt limitation for the District is \$596 million, which significantly exceeds the District's outstanding general obligation debt of \$108 million. Additional information on the District's long-term debt can be found in Note 3 and 5 of this report.

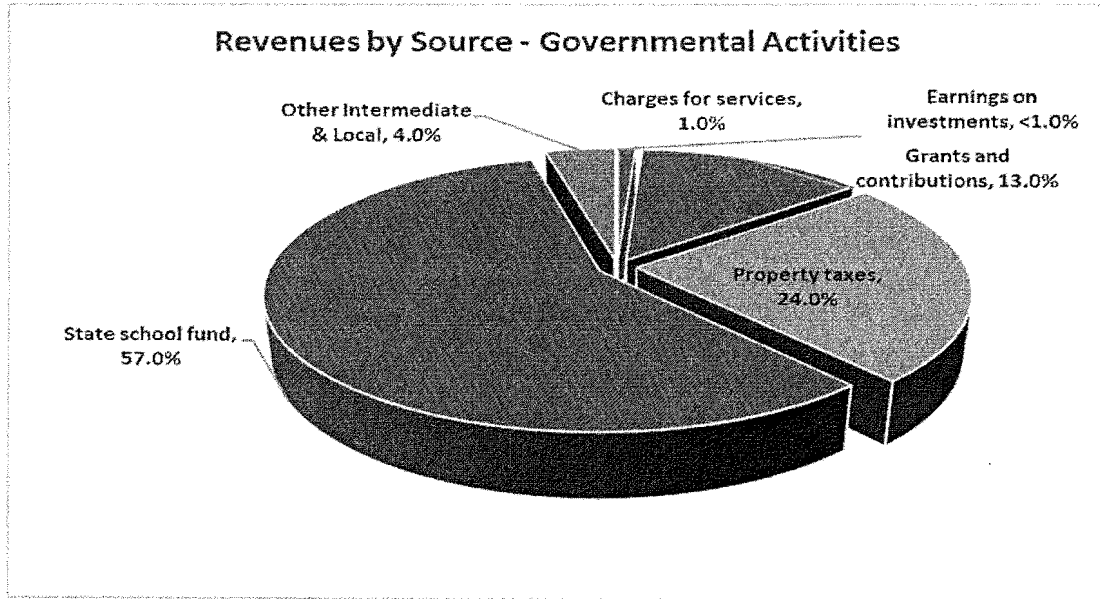
McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Governmental Activities. During the fiscal year, the District's net position increased by \$11.6 million. The key elements of the change in the District's net position for the year ended June 30, 2022 are as follows:

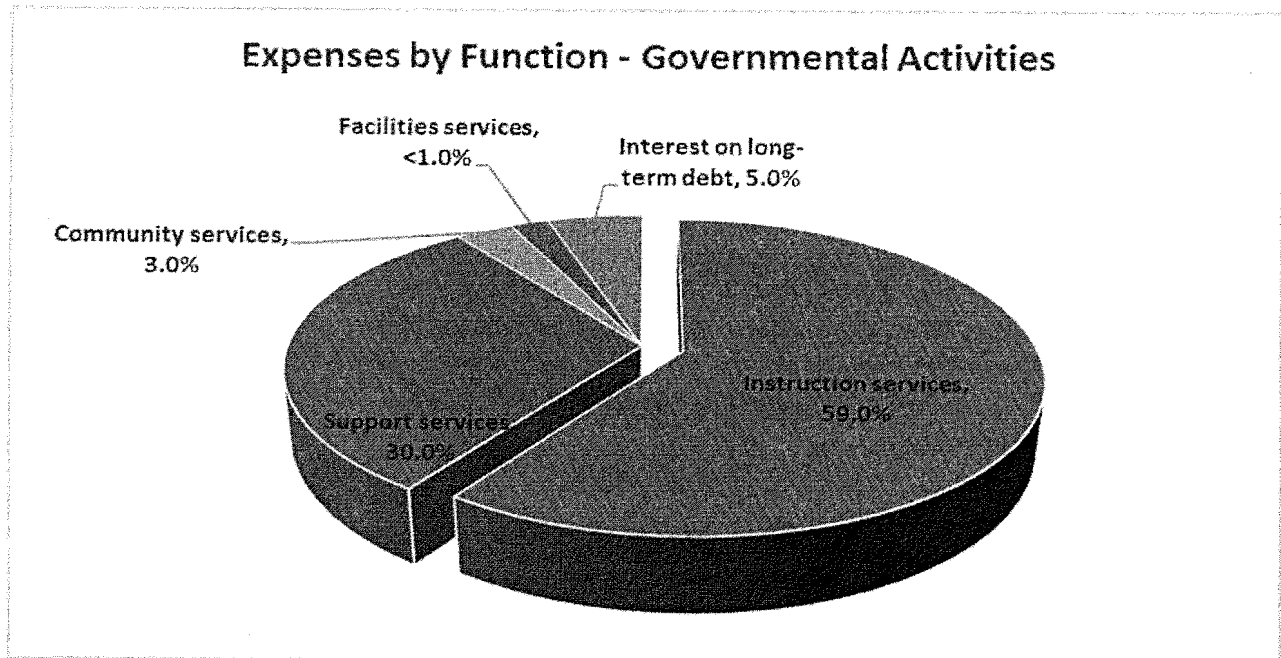
	Changes in Net Position		
	For the Year Ended		
	Governmental Activities		Increase (Decrease)
	June 30, 2022	June 30, 2021	
Revenues:			
Program Revenues:			
Charges for services	\$ 1,367,349	\$ 679,721	\$ 687,628
Operating grants and contributions	13,733,249	13,071,973	661,276
Capital grants and contributions	-	-	-
General Revenues:			
Property taxes	26,095,237	25,039,587	1,055,650
State Sources	61,288,119	54,226,770	7,061,349
Intermediate and other local sources	3,978,187	2,577,909	1,400,278
Earnings on investments	217,269	294,281	(77,012)
Total revenues	106,679,410	95,890,241	10,789,169
Expenses:			
Instruction	56,380,424	63,400,809	(7,020,385)
Support services	28,391,828	29,544,121	(1,152,293)
Community services	3,314,191	3,142,629	171,562
Facilities and Acquisition	1,913,565	236,370	1,677,195
Interest on long-term debt	5,071,828	6,036,708	(964,880)
Total expenses	95,071,836	102,360,637	(7,288,801)
Change in net position	11,607,574	(6,470,396)	18,077,970
Net position - July 1	(12,169,724)	(5,699,328)	(6,470,396)
Net position - June 30	\$ (562,150)	\$ (12,169,724)	\$ 11,607,574

McMINNVILLE SCHOOL DISTRICT NO. 40
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2022

Revenues. Total revenues increased by \$10.7 million (11.25%). Program revenues increased by \$1.3 million and General Revenues increased by \$9.4 million. These increases are due to increased state school funding, increased local property tax collection, federal emergency relief funds available through the Cares Act (ESSER), High School Success Act grant (HSS/M98) and the student success grant (SIA) funded through the state corporate activity tax signed into law May 2019.



Expenses. Total expenses decreased by \$7.28 million (7.1%). This decrease is primarily due to a decrease in the use of one-time funds to support the implementation of remote learning as a result of the pandemic as well as a decrease in the cost of interest on long term debt.



McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

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 near-term inflows – cash flow and funding for current services – and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the District's near-term financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by an external party or committed by the District itself.

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$18.99 million, a decrease of \$41,402. Approximately 50% of this fund balance amount (\$9.59 million) is *unassigned fund balance*, which is available for spending at the government's discretion. Approximately, 32.26% of this amount is *restricted* for particular purposes (\$6.12 million) and 17.2% is *committed* by the District for specific purposes (\$3.27 million). The decrease in fund balance is primarily in *restricted* fund balance. Information regarding the major governmental funds is contained in the following sections.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2022, the total general fund balance was \$12.3 million. The fund balance increased by \$446,729 is primarily due to decreased expenditures resulting from transitioning back to full time in-person instruction. The *unassigned* fund balance is \$9.5 million which represents 12.7% of total General Fund revenues. *Committed* fund balance of \$2.77 million represent budgetary reserve funds held for asset replacement and insurance reserves.

Grants Fund. The Grants Fund accounts for the revenues and expenditures of specific educational programs funded from federal, state and local sources. The *restricted* fund balance at year end is \$365,987 which is not significantly different from the prior year. Grant revenue is normally recognized as grant expenditures are expended.

Debt Service Fund. The Debt Service Fund has a total *restricted* fund balance of \$416,309. All of which is reserved for the payment of debt service.

Capital Projects Fund. The Capital Projects Fund has a total *restricted* fund balance of \$2.21 million. This fund decreased by \$1.54 million as a result of work in progress expenses related to seismic upgrades at Patton Middle School.

General Fund Budgetary Highlights

Original budget compared to final budget. There were no changes to the adopted budget in fiscal year 2021-22. The General Fund budgetary schedule can be found on page 49 of this report.

Final budget compared to actual results. Actual revenues were \$269,525 lower in the area of local sources (investment earnings, property tax and fees for services), \$71,974 lower in intermediate sources and \$372,555 lower in state school funding. Expenditures were lower than appropriations by \$2.28 million. Expenses were primarily decreased due to no longer using one time funds to implement long distance learning. Also, an operating contingency of \$500,000 was not utilized.

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District's General Fund is the State School Fund. The total state school fund formula includes both state appropriations for K-12 education and local property taxes. The amount distributed to school districts is based on the District's average daily membership (ADM) of students with additional weights for students with special needs, English language learners and poverty. The ADM of the current year or the prior year is used, whichever is higher. Student enrollment declined by 4% state-wide in the fall of 2020 compared to a 5% decrease for the District. The decline in enrollment was primarily focused in the elementary grades and especially kindergarten. The transition from in person education to comprehensive distance learning due to the pandemic resulted in some students choosing private or home school options.

For the 2021-22 budget, enrollment was projected to recover with the transition back to the brick and mortar education model with an anticipated enrollment of 6,632 students. Enrollment as of October 1, 2021 was 6,479 (153 students less than projected). Statewide enrollment has continued to decline. The full impact on enrollment due to the pandemic is unknown at this time.

The 2022-23 budget was adopted by the Board on June 13, 2022. The adopted budget for the General Fund for the year ending June 30, 2023 includes appropriations of \$88.32 million, 4.5% higher than the 2021-22 adopted budget. Board policy mandates that the District budget with the goal to maintain a minimum target of eight percent ending fund balance. The budget for 2022-23 includes planned reserves of \$6.5 million or 7.3% of revenues.

The budget for 2022-23 focuses on continuing the increased academic supports and interventions for our most vulnerable and historically underserved students with the maintaining of instructional specialists, investments in special education programs and preschool classrooms. The budget also focuses on social emotional mental and behavior supports across the District that include instructional assistants focused on skill building, social emotional curriculum, and counselors. These additional supports and interventions are funded through increased federal and state restricted grant revenue: the Elementary and Secondary School Emergency Relief Fund (federal grant-one time funding) and the School Investment Account (state grant). The adopted budget for the Grants Fund for 2022-23 reflects an increase in appropriations of \$669,000 primarily due to these resources.

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 Samantha Nelson, Director of Finance, and McMinnville School District #40, 800 N.E. Lafayette St. McMinnville, OR 97128.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2022

	GOVERNMENTAL
ASSETS:	
Cash and Cash Equivalents	\$ 26,245,025
Receivables:	
Property Taxes	1,129,515
Accounts and Grants Receivable	5,427,495
Restricted Cash and Investments	8,828
Net OPEB Asset - RHIA	1,011,967
Capital Assets, Not Being Depreciated	6,468,275
Capital Assets, Net of Depreciation	166,905,955
Right- to-use asset, net of amortization	221,986
	207,419,046
Total Assets	207,419,046
DEFERRED OUTFLOWS OF RESOURCES:	
OPEB Related Deferrals (Health Insurance)	453,227
OPEB Related Deferrals (RHIA)	443,473
Pension Related Deferrals (PERS)	25,245,475
Deferred Charge on Refunding	2,046,519
	28,188,694
Total Deferred Outflows of Resources	28,188,694
Total Assets and Deferred Outflows	235,607,740
LIABILITIES:	
Current Liabilities:	
Accounts Payable	4,117,674
Accrued Payroll, Taxes, and Employee Withholdings	7,138,890
Interest Payable	152,731
Lease Liability, Current	99,493
Due to Fiduciary Funds	5,750
Unearned Revenue	1,539,989
Long-Term Obligations Due Within One Year	9,125,000
Non-Current Liabilities:	
Net Pension Liability - PERS	40,488,340
Long-Term Obligations Due in More than One Year	116,715,001
Lease Liability, Long Term	123,352
Bond Premium	10,142,544
OPEB Liability	6,077,034
	195,725,798
Total Liabilities	195,725,798
DEFERRED INFLOWS OF RESOURCES:	
OPEB Related Deferrals (Health Insurance)	1,614,521
OPEB Related Deferrals (RHIA)	420,260
Pension Related Deferrals (PERS)	38,409,311
	40,444,092
Total Deferred Inflows of Resources	40,444,092
Total Liabilities and Deferred Inflows	236,169,890
NET POSITION:	
Net Investment in Capital Assets	57,765,843
Restricted for:	
Grant Activities	365,987
Debt Service	416,309
Capital Improvements	3,636,734
Associated Student Body	574,673
Nutrition Services	1,132,563
OPEB RHIA Asset	1,011,967
Unrestricted	(65,466,226)
	(65,466,226)
Total Net Position	\$ (562,150)

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	
Governmental Activities:				
Instruction	\$ 56,380,424	\$ 1,093,674	\$ 8,757,979	\$ (46,528,771)
Support Services	28,391,828	186,449	2,688,051	(25,517,328)
Community Services	3,314,191	87,226	2,287,219	(939,746)
Facilities & Acquisition	1,913,565	-	-	(1,913,565)
Interest on Long-Term Debt	5,071,828	-	-	(5,071,828)
Total Governmental Activities	<u>\$ 95,071,836</u>	<u>\$ 1,367,349</u>	<u>\$ 13,733,249</u>	<u>(79,971,238)</u>
General Revenues				
				16,107,057
				9,988,180
				574,161
				5,790
				217,269
				1,256,382
				2,141,854
				<u>61,288,119</u>
			Total General Revenues	<u>91,578,812</u>
			Changes in Net Position	11,607,574
			Net Position - Beginning	<u>(12,169,724)</u>
			Net Position - Ending	<u>\$ (562,150)</u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

	General Fund	Grants Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS:						
Equity in Pooled Cash and Investments	\$ 18,586,109	\$ -	\$ 316,709	\$ 3,816,704	\$ 3,378,715	\$ 26,098,237
Cash Held by County	90,566	-	56,222	-	-	146,788
Receivables:						
Property Taxes	704,283	-	425,232	-	-	1,129,515
Accounts and Grants Receivable	449,776	4,728,017	-	-	249,702	5,427,495
Due from Other Funds	2,590,725	-	-	-	-	2,590,725
Restricted Cash and Investments	-	-	-	-	8,828	8,828
Total Assets	\$ 22,421,459	\$ 4,728,017	\$ 798,163	\$ 3,816,704	\$ 3,637,245	\$ 35,401,588
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable	\$ 2,285,043	\$ 685,568	\$ -	\$ 1,144,015	\$ 3,048	\$ 4,117,674
Accrued Payroll and Payroll Taxes	7,138,890	-	-	-	-	7,138,890
Due to Other Funds	-	2,130,723	-	460,002	-	2,590,725
Due to Fiduciary Funds	-	5,750	-	-	-	5,750
Unearned Revenue	-	1,539,989	-	-	-	1,539,989
Total Liabilities	9,423,933	4,362,030	-	1,604,017	3,048	15,393,028
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	634,472	-	381,854	-	-	1,016,326
Total Deferred Inflows of Resources	634,472	-	381,854	-	-	1,016,326
Fund Balance:						
Restricted for:						
Grant Activities	-	365,987	-	-	-	365,987
Debt Service	-	-	416,309	-	-	416,309
Capital Improvements	-	-	-	2,212,687	1,424,047	3,636,734
Associated Student Body	-	-	-	-	574,673	574,673
Nutrition Services	-	-	-	-	1,132,563	1,132,563
Committed to:						
Asset Reserve	1,996,583	-	-	-	-	1,996,583
Textbook and Technology Replacement	466,036	-	-	-	-	466,036
Insurance Reserve	307,329	-	-	-	-	307,329
Debt Service	-	-	-	-	502,914	502,914
Unassigned	9,593,106	-	-	-	-	9,593,106
Total Fund Balance	12,363,054	365,987	416,309	2,212,687	3,634,197	18,992,234
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 22,421,459	\$ 4,728,017	\$ 798,163	\$ 3,816,704	\$ 3,637,245	\$ 35,401,588

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

Total Fund Balances - Governmental Funds	\$	18,992,234
<p>The net PERS pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
		(40,488,340)
<p>The proportionate share of the OPEB Retiree Health Insurance Account (RHIA) OPEB asset is not reported as an asset in the District's governmental activities.</p>		
		1,011,967
<p>Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.</p>		
Deferred Outflows (PERS)	\$	25,245,475
Deferred Inflows (PERS)		(38,409,311)
Deferred Outflows (OPEB RHIA)		443,473
Deferred Inflows (OPEB RHIA)		(420,260)
Deferred Outflows (OPEB Health)		453,227
Deferred Inflows (OPEB Health)		<u>(1,614,521)</u>
		(14,301,917)
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>		
Net Capital Assets		173,374,230
<p>The unamortized portion of prepaid pension cost, bond premiums and bond issuance costs is not available to pay for current period expenditures, and therefore is not reported in the governmental funds.</p>		
Bonds Premium		(10,142,544)
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>		
<p>Long-Term Liabilities</p>		
OPEB Liability - Health Insurance		(6,077,034)
Interest Payable		(152,731)
General Obligation Bonds Payable		(108,355,000)
Deferred Charges on Refunding		2,046,519
Limited Tax Pension Bonds Payable		(17,485,001)
Lease Liability		<u>(222,845)</u>
		(130,246,092)
<p>Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.</p>		
Unearned Revenue Related to Property Taxes - General Fund		634,472
Unearned Revenue Related to Property Taxes - Debt Service Fund		<u>381,854</u>
		1,016,326
<p>Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.</p>		
		221,986
Net Position	\$	<u><u>(562,150)</u></u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2022

	General Fund	Grants Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues:						
Local Sources						
Property Taxes	\$ 16,040,437	\$ -	\$ 9,949,725	\$ -	\$ -	\$ 25,990,162
Construction Excise Tax	-	-	-	-	574,161	574,161
Charges for Services	329,789	38,282	-	-	48,928	416,999
Rentals	79,808	-	-	-	-	79,808
Investment Earnings	143,572	-	29,664	21,600	22,433	217,269
Contributions and Donations	-	80,986	-	-	572	81,558
Fees Charged to Grants	226,160	-	-	-	976,478	1,202,638
Services to Other Funds	-	-	-	-	3,280,161	3,280,161
Miscellaneous	380,434	501,401	-	-	42,451	924,286
Intergovernmental						
Intermediate Sources	2,124,526	76,139	991	-	-	2,201,656
State Sources	55,793,224	7,020,285	-	-	67,934	62,881,443
Federal Sources	-	8,498,517	-	-	3,500,048	11,998,565
Total Revenues	75,117,950	16,215,610	9,980,380	21,600	8,513,166	109,848,706
Expenditures:						
Current:						
Instruction	47,778,045	11,708,267	-	-	844,246	60,330,558
Support Services	26,088,532	4,291,572	-	-	-	30,380,104
Enterprise & Community Services	201,043	156,839	-	-	3,188,508	3,546,390
Facilities Acquisition & Construction	395,405	-	-	1,475,831	42,329	1,913,565
Debt Service						
Principal	-	-	6,070,000	-	2,200,000	8,270,000
Interest	-	-	3,997,287	-	1,088,364	5,085,651
Capital Outlay						
Support Services	7,222	-	-	-	-	7,222
Enterprise and Community Services	-	-	-	-	21,890	21,890
Facilities Acquisition and Construction	206,764	-	-	93,081	40,673	340,518
Total Expenditures	74,677,011	16,156,678	10,067,287	1,568,912	7,426,010	109,895,898
Revenues Over (Under) Expenditures	440,939	58,932	(86,907)	(1,547,312)	1,087,156	(47,192)
Other Financing Sources (Uses):						
Transfer In	750,000	-	-	-	-	750,000
Transfer Out	(750,000)	-	-	-	-	(750,000)
Leases	5,790	-	-	-	-	5,790
Total Other Financing Sources (Uses)	5,790	-	-	-	-	5,790
Net Change in Fund Balances	446,729	58,932	(86,907)	(1,547,312)	1,087,156	(41,402)
Fund Balances, Beginning of Year	11,916,325	307,055	503,216	3,759,999	2,547,041	19,033,636
Fund Balances, End of Year	<u>\$ 12,363,054</u>	<u>\$ 365,987</u>	<u>\$ 416,309</u>	<u>\$ 2,212,687</u>	<u>\$ 3,634,197</u>	<u>\$ 18,992,234</u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Total Net Changes in Fund Balances - Governmental Funds \$ (41,402)

The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. 6,922,280

OPEB - RHIA income (expense) represents the net change in total OPEB liability from year to year related to the medical benefit OPEB and is not included in the governmental funds. 69,327

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

	Capital Asset Additions (Net)	\$ 2,095,506	
	Depreciation Expense	<u>(6,234,310)</u>	(4,138,804)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Amortization of Premium	987,422	
	Amortization of Deferred Charge on Refunding Bonds	(672,013)	
	Debt Principal Repaid	<u>8,270,000</u>	8,585,409

In the Statement of Activities interest expense is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due. 13,823

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.

	Change in Unearned Revenue - General Fund	66,620	
	Change in Unearned Revenue - Debt Service Fund	<u>38,455</u>	105,075

Post retirement obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities post retirement obligations are recognized as an expenditure when earned.

	OPEB Health Insurance Income (Expense)		92,725
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Payment on Lease Liability decreases liabilities in the Statement of Net Position.

	Payment on Lease Liability		103,671
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Expenditure for Right-to-use Assets reduces the Prepaid Expenses in the Statement of Net Position and Amortization Expense increases the expenses on the Statement of Activities.

	Amortization Expense		<u>(104,530)</u>
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			<u>\$ 11,607,574</u>
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See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	<u>Private Purpose Trust Fund</u>
ASSETS:	
Equity in Pooled Cash and Investments	\$ 157,944
Due from Other Funds	<u>5,750</u>
Total Assets	<u>163,694</u>
NET POSITION:	
Net Position held for Private Purpose Trust	<u>163,694</u>
Total Net Position	<u><u>\$ 163,694</u></u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended June 30, 2022

	Private Purpose Trust Fund
ADDITIONS:	
Earnings from Investments	\$ 885
Contributions	20,400
Total Additions	21,285
DEDUCTIONS:	
Scholarships	6,250
Supplies and Materials	8,399
Total Deductions	14,649
Change in Net Position	6,636
Net Position, Beginning of Year	157,058
Net Position, End of Year	\$ 163,694

See accompanying notes to basic financial statements.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

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

Reporting Entity

McMinnville School District No. 40 (the District) is a municipal corporation governed by a separately elected seven-member board authorized to transact all business on the District's behalf. The District is the special-purpose primary government exercising financial accountability for all public education within its boundaries. The Board approves administrative officials. The daily functioning of the District is under supervision of the Superintendent. As required by generally accepted accounting principles, 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. There are various governmental agencies and special districts, which provide service within the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Exceptions to this rule include charges between various programs and functions. Elimination of these charges would distort the direct costs and revenues reported for the various activities involved. *Governmental activities* are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities demonstrates the degree to which the expenses of a given function are offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function. *Program revenues* include 1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded 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 the eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available (*susceptible to accrual*). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period:

- Property taxes are recognized as revenues of the current fiscal period if received within 60 days of year-end.
- Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met.
- Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.
- Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures are recorded when the related fund liability is incurred, with certain exceptions:

- Un-matured interest on long-term debt is not recognized until due.
- Compensated absences, pension liabilities, OPEB liabilities, and claims and judgments are not recognized until the obligations are expected to be liquidated with expendable available resources.
- Expenditures for inventory are recognized when inventory is consumed, rather than when inventory is purchased.

Other major differences between the modified accrual basis and the accrual basis are:

- Capital outlay expenditures are recognized as expenditures when the assets are acquired (depreciation is not recorded.)
- Proceeds of long-term borrowing are recognized as an “other financing source” and principal paid is considered expenditure when paid.
- Bond issue costs are recognized as expenditures when bonds are issued (rather than amortizing over the life of the bonds).

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

The District has the following *major governmental* funds:

- *General Fund* – This is the primary operating fund. It accounts for all general operating revenues and expenditures, except those required to be accounted for in another fund. The General Fund’s principal revenue sources are property taxes and an apportionment from the State School Fund.
- *The Asset Reserve Fund, Textbooks and Technology Replacement Reserve Fund, and the Insurance Reserve Fund* – These funds are classified for purposes of presentation in the Fund Financial Statements as General Funds under the GASB 54 standard. Transfers from the General Fund are the primary sources of inflows for these three budgetary funds. These funds are separate special revenue funds for purposes of budget appropriation.
- *Grants Fund* – This fund accounts for the revenues and expenditures of specific educational programs funded from federal, state and local sources. Principal sources of revenue are federal grants paid to the District through state and county agencies and other grants paid to the District directly from state, local and private agencies.
- *Debt Service Fund* – This fund is used for the accumulation of resources and payment of general obligation bond principal and interest. Primary resources in these funds are property taxes and earnings on investments.
- *Capital Projects Fund* – This fund accounts for activities related to the acquisition, construction, and equipping of facilities. The principle revenue sources are proceeds from the sale of bonds, state capital grants, and interest earnings.

The District has the following *fiduciary* fund:

- *Private-Purpose Trust Fund* – This fund’s purpose is to account for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the trust and donor agreements.

Net position is reported as restricted when constraints placed on net position use is either externally restricted, imposed by creditors, or through constitutional provisions or enabling resolutions. When both restricted and unrestricted resources are available, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Cash and Investments

Cash is stated at cost, which approximates market value. The investments during the year consisted of deposits in the State of Oregon Local Government Investment Pool, which is authorized by state statutes. Investments are stated at fair value.

Property Taxes

Property taxes are levied on all taxable property as of January 1. Property taxes become a lien on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the full amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the Statement of Net Position. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

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

Capital Assets

Capital assets, which include land, buildings, improvements, vehicles, furniture, fixtures, equipment and construction in progress, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The capital assets are depreciated using the straight-line method over the following estimated lives:

Buildings and improvements	10 – 60 years
Furniture and equipment	5 – 15 years

Retirement Plans

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as a liability in the applicable governmental activities Statement of Net Position. In the fund financial statements, payment of general obligation bonds is recorded in the Debt Service Fund and payment of financed purchase obligations is recorded in the General Fund. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. Savings realized from advance refunding of debt are recorded as deferred outflows of resources and amortized over the remaining life of the related defeased debt.

In the fund financial statements bond premiums and discounts are recognized when incurred and are not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. All are considered collectible by management and therefore there is no allowance for uncollectible accounts.

Budget

A budget is prepared for each governmental fund and private purpose trust in accordance with the modified accrual method of accounting and legal requirements set forth in the Oregon Local Budget Law. For governmental fund types and private purpose trusts, the budgetary basis of accounting is not the same as generally accepted accounting principles.

In compliance with Oregon State Department of Education requirements, a "program budget" format is used. Under the program budgeting concept, expenditures are classified by program or activity rather than by the functional nature of the expenditure. The concept is designed to provide an indication of the emphasis placed on various programs and activities as measured by the amount of financial support allotted to each program or activity.

Expenditures are appropriated at the major program level for each fund. Appropriations may not be legally over-expended except in the case of grant receipts, which could not be reasonably estimated at the time the budget was adopted.

Expenditures are controlled by appropriations adopted by resolution of the Board of Directors. Appropriations are made by major program categories and lapse at the end of each fiscal year. Budget amounts include the original budget and approved supplemental appropriations. Appropriations lapse at the end of the year.

Expenditures of the various funds were within authorized appropriations.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Estimates

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

Compensated Absences

Accumulated vested vacation pay is typically accrued as it is earned in the government-wide financial statements. It is the policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts for sick leave when employees separate from service. Governmental fund types recognize the expenditures when benefits are paid. Management has determined that compensated absences at the fiscal year end are not material and the liability and related expense is not recorded in the financial report.

Deferred Outflows/Inflows of Resources

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Fund Balance

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

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

There were no nonspendable or assigned ending fund balances at fiscal year-end.

The District considers the spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the board will consider the committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.

The Board has approved a policy that directs the Superintendent to manage the currently adopted budget in such a way to ensure an ending fund balance of at least five (5%) percent of total actual general fund revenues. This policy applies to the unassigned general fund balance. The Board is the highest level decision making authority and may take formal action by vote or resolution to establish, modify, or rescind a fund balance commitment.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued):

Net Position

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

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

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

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

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

2. Cash and Investments:

Cash and Investments are comprised of the following at June 30, 2022:

<u>Deposits with Financial Institutions:</u>	
Demand Deposits	\$ 1,788,567
State Treasurer's Investment Pool	24,474,888
Cash with County	146,788
Petty Cash	1,554
Total Deposits with Financial Institutions	<u>\$ 26,411,797</u>
Reported in:	
Statement of Net Position:	
Governmental Funds	\$ 26,245,025
Restricted Cash	8,828
Statement of Fiduciary Net Position:	
Private Purpose Trust Fund	157,944
Grand Total	<u>\$ 26,411,797</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2022 was \$4,399,360, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk - Deposits

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

2. Cash and Investments (continued):

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

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

The audited financial reports of the Oregon Short Term Fund can be found here:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx>

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

As of June 30, 2022, the following investments and maturities are reported:

Investment Type:	Fair Value	Investment Maturities (in Months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 24,474,888	\$ 24,474,888	\$ -	\$ -
Total	\$ 24,474,888	\$ 24,474,888	\$ -	\$ -

Interest Rate Risk – Investments

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

Concentration Risk – Investments

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

3. Long-Term Obligations:

Bonds Payable

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of school facilities.

On June 15, 2021, the District issued \$1,000,000 in General Obligation Bonds to finance capital construction and improvements. This is the remaining authorization from May 2016 when District voters approved \$89.4 million, but issued \$88.4 million. Interest rates were 3% payable semiannually in June and December. The bonds mature on June 15, 2028 with principal payments due annually on June 15th. The bonds were issued at a premium of \$92,837, which is being amortized over the life of the bonds.

On June 15, 2021, the District also issued \$25,850,000 in General Obligation Bonds to refund bonds issued February 27, 2013 and obtain a savings in total debt service requirement. Interest rates range from 0.18% to 1.51%, payable semiannually in June and December. The bonds mature on June 15, 2028 with principal payments due annually on June 15th.

On August 10, 2016, the District issued \$88,400,000 in General Obligation Bonds to finance capital construction and improvements. Interest rates range from 3.0% to 5.0%, payable semiannually in June and December. The bonds mature on June 15, 2038 with principal payments due annually on June 15th. The bonds were issued at a premium of \$13,381,978, which is being amortized over the life of the bonds.

On February 27, 2013, the District issued \$42,075,000 in General Obligation Bonds to refund bonds issued June 26, 2007 and obtain a savings in total debt service requirement. Interest rates range from 2.0% to 5.0%, payable semiannually in June and December. The bonds mature on June 15, 2028 with principal payments due annually on June 15th. The bonds were issued at a premium of \$7,273,383, which is being amortized over the life of the bonds.

Pension Obligation Bonds – On October 31, 2002, the District issued \$16,044,243 of limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the State of Oregon Public Employees Retirement System (PERS) as of December 31, 2000. On February 19, 2004, the District issued an additional \$13,715,000 of limited tax pension obligation bonds to finance its portion of the UAL with PERS as of December 31, 2001. On August 11, 2011, the District issued \$1,120,000 of limited tax pension refunding obligation bonds to advance refund the 2021 maturity of the Series 2002 pension bond.

There are no default clauses on any of the bonds that require disclosure under GASB 88.

Advance Refunding

The District issued \$25,850,000 general obligation refunding bonds with interest rates ranging from 0.18% to 1.51% on June 15, 2021. The reacquisition price exceeded the net carrying amount of the old debt by \$1,940,480. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The advance refunding reduced the total debt service payments over the next seven years by approximately \$1.61 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1.57 million. \$672,013 of amortization expense was recognized in the current year and the remaining \$2,046,519 will be fully recognized by 2028.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

3. Long-Term Obligations (continued):

The following is a summary of long-term debt transactions for the year ended June 30, 2022:

Issue Date	Interest Rates	Principal			Outstanding Ending Balance	Due within One Year
		Outstanding Beginning Balance	Increases	Decreases		
Bonds Payable:						
General Obligation Bonds						
February 27, 2013	2.00-5.00	\$ 6,970,000	\$ -	\$ 3,320,000	\$ 3,650,000	\$ 3,650,000
August 10, 2016	3.00-5.00	80,605,000	-	2,115,000	78,490,000	2,355,000
June 15, 2021	3.00	1,000,000	-	135,000	865,000	135,000
June 15, 2021	0.18-1.51	25,850,000	-	500,000	25,350,000	505,000
Subtotal		114,425,000	-	6,070,000	108,355,000	6,645,000
Limited Tax Pension Bonds						
October 31, 2002	4.82-5.55	10,870,001	-	1,215,000	9,655,001	1,370,000
February 19, 2004	4.40-5.53	8,815,000	-	985,000	7,830,000	1,110,000
Subtotal		19,685,001	-	2,200,000	17,485,001	2,480,000
Total G.O. and Pension Bonds		134,110,001	-	8,270,000	125,840,001	
Bond Premium		11,129,966	-	987,422	10,142,544	
Total		\$ 145,239,967	\$ -	\$ 9,257,422	\$ 135,982,545	\$ 9,125,000

Debt service requirements to maturity comprise the following:

Fiscal Year Ending	Principal	Interest	Total Requirements
General Obligation Bonds			
2023	\$ 6,645,000	3,726,638	\$ 10,371,638
2024	7,260,000	3,420,924	10,680,924
2025	7,745,000	3,262,321	11,007,321
2026	8,260,000	3,074,531	11,334,531
2027	8,820,000	2,858,966	11,678,966
2028-2032	28,745,000	11,203,746	39,948,746
2033-2037	34,255,000	5,635,000	39,890,000
2038	6,625,000	265,000	6,890,000
Total	\$ 108,355,000	\$ 33,447,126	\$ 141,802,126
Limited Tax Pension Bonds			
2023	\$ 2,480,000	967,872	\$ 3,447,872
2024	2,780,000	831,300	3,611,300
2025	3,115,000	677,283	3,792,283
2026	3,470,000	504,707	3,974,707
2027	3,850,000	312,465	4,162,465
2028	1,790,001	99,169	1,889,170
Total	\$ 17,485,001	\$ 3,392,796	\$ 20,877,797
Total Debt and Interest	\$ 125,840,001	\$ 36,839,922	\$ 162,679,923

4. Defined Benefit Pension Plan:

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

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

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (Continued):

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$10,326,232, excluding amounts to fund employer specific liabilities. In addition approximately \$2,017,793 in employee contributions were paid or picked up by the District in fiscal 2021-22.

Pension Asset or Liability – At June 30, 2022, the District reported a net pension liability of \$40,488,340 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .338 percent and .375 percent, respectively. Pension expense for the year ended June 30, 2022 was \$6,922,280.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (Continued):

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

- (1) Tier 1/Tier 2 – 17.83%
- (2) OPSRP general services – 14.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 3,789,973	\$ -
Changes in assumptions	10,135,451	106,556
Net difference between projected and actual earnings on pension plan investments	-	29,973,205
Net changes in proportionate share	341,897	6,901,570
Differences between District contributions and proportionate share of contributions	651,922	1,427,980
Subtotal - Amortized Deferrals (below)	14,919,243	38,409,311
District contributions subsequent to measuring date	10,326,232	-
Deferred outflow (inflow) of resources	\$ 25,245,475	\$ 38,409,311

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

Subtotal amounts related to pension as deferred outflows of resources \$14,919,243, or deferred inflows of resources, (\$38,409,311), net to (\$23,490,068) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2023	\$ (4,586,650)
2024	(4,969,379)
2025	(5,993,149)
2026	(8,450,602)
2027	509,712
Thereafter	-
Total	\$ (23,490,068)

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

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (Continued):

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

Actuarial Methods and Assumptions:

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (Continued):

Assumed Asset Allocation:

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

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

Long-Term Expected Rate of Return:

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

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (Continued):

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 79,509,415	\$ 40,488,340	\$ 7,841,864

Changes Subsequent to the Measurement Date

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

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

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
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NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (Continued):

Pension Benefits:

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

Death Benefits:

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

Contributions:

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

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

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

5. Other Post-Employment Benefits (RHIA)

The District offers a postemployment health insurance subsidy and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the net OPEB liability, asset, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	Postemployment Health Insurance Subsidy	Postemployment Health Insurance Account	Net
Total OPEB Liability	\$ 6,077,034	\$ -	\$ 6,077,034
Total OPEB Asset	-	1,011,967	1,011,967
OPEB Deferred Outflows of Resources	453,227	443,473	896,700
OPEB Deferred Inflows of Resources	1,614,521	420,260	2,034,781
OPEB Income (Expense)	92,725	69,327	162,052

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA) (Continued)

Plan Description:

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2020, 2021 and 2022 were \$177,294, \$40,706, and \$7,335, respectively, which equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB asset of \$1,011,967 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .295 percent and .640 percent, respectively. OPEB income for the year ended June 30, 2022 was \$69,327.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA) (Continued)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (165,505)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	97,025
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	\$ (68,480)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 28,155
Changes in assumptions	19,912	15,054
Net difference between projected and actual earnings on pension plan investments	-	240,497
Net changes in proportionate share	423,561	136,554
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	443,473	420,260
District contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 443,473	\$ 420,260

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

Subtotal amounts related to OPEB as deferred outflows of resources, \$443,473, and deferred inflows of resources, (\$420,260), net to \$23,213 and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2023	\$ 28,205
2024	125,884
2025	(54,906)
2026	(75,970)
2027	-
Thereafter	-
Total	\$ 23,213

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated March 1, 2022 and can be found at:

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA) (Continued)

Actuarial Methods and Assumptions:

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

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

Discount Rate:

The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2021 and 2020 was 6.90 and 7.20 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA) (Continued)

Long-Term Expected Rate of Return:

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

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (894,936)	\$ (1,011,967)	\$ (1,111,939)

Changes Subsequent to the Measurement Date

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

6. Other Post-Employment Benefits (OPEB)

Post-Employment Health Care Benefits

Plan Description - The District maintains a single employer early retirement supplemental program for its employees. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The district does not issue a stand-alone report for this plan.

The District sponsors an early retirement program with two main components, as follows:

- District paid medical premiums for certain retirees who were hired or retired before certain threshold dates. The District is in the process of phasing out this plan and has adopted benefit reduction trigger dates for each class of employee. Administrative and confidential employees hired prior to July 1, 2006 are eligible for District-paid medical insurance until they are eligible for Medicare, limited to a maximum of 72 months. This explicit benefit is required to be valued under GASB 75. At June 30, 2020, there were 8 active participants who are potentially eligible for this benefit in the future.
- Per Oregon Revised Statutes (ORS) 243.303, the District provides health insurance coverage on a self-pay basis for retirees and eligible dependents until they are Medicare eligible. Healthcare premiums rates must be based on all plan members, both active employees and retirees. There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. This is due to medical premium rates being determined by blending both active employee and retiree experience. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. There are 776 active and 53 retired members in the plan.

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.

Total OPEB Liability - The District’s total OPEB liability of \$6,077,034 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Methods and Assumptions – The total OPEB liability was determined by an actuarial valuation using the Entry Age Normal Level Percent of Pay Cost Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a discount rate for future liabilities of 2.25% per year; (b) assumed inflation rate of 2.00% per year; (c) annual salary increases of 3.00% per year; (d) annual medical premium increases of 3.5% for 2020-21 and 4.00% for 2021-22.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

6. Other Post-Employment Benefits (OPEB) (Continued)

The following tables show sensitivity of the Total OPEB Liability to changes in discount and trend rates, as determined by the June 30, 2022 actuarial valuation:

Discount Rate Sensitivity	1% Decrease <u>(1.25%)</u>	Current Discount Rate <u>(2.25%)</u>	1% Increase <u>(3.25%)</u>
Total OPEB Liability on June 30, 2022	\$ 6,557,165	\$ 6,077,034	\$ 5,626,738
Health Care Trend Sensitivity	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability on June 30, 2022	\$ 5,303,475	\$ 6,077,034	\$ 7,008,350

Amounts reported as deferred outflows, \$453,227, and deferred inflows of resources, (\$1,614,521) related to OPEB net to (\$1,161,294) and will be recognized in OPEB expense as follows:

Year ended June 30,	Amount
2023	\$ (297,292)
2024	(297,292)
2025	(297,290)
2026	(34,703)
All subsequent Years	<u>(234,717)</u>
	<u>\$ (1,161,294)</u>

7. Commitments and Contingencies:

Tax Sheltered Annuity

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employee up to the amounts specified in the Code. No contributions are required from the District. As of June 30, 2022, 189 employees were participating in the plan.

Federal Funding

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

State School Funding

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

COVID-19

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

8. Risk Management:

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for other risks of loss including excess liability, workers' compensation, boiler and machinery, public official bond and employee dishonesty and contractors' license bond coverage. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

9. Capital Assets:

At June 30, 2022, capital assets consisted of the following:

	Balance July 1, 2021	Adjustments	Additions	Deletions	Balance June 30, 2022
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 207,752	\$ (141,844)	\$ 1,522,725	\$ -	\$ 1,588,633
Land	4,879,642	-	-	-	4,879,642
Total Assets Not Being Depreciated	5,087,394	(141,844)	1,522,725	-	6,468,275
Capital Assets Being Depreciated:					
Buildings and Improvements	226,596,340	141,844	264,750	-	227,002,934
Equipment	6,673,778	-	308,031	-	6,981,809
Total Capital Assets Being Depreciated	233,270,118	141,844	572,781	-	233,984,743
Accumulated Depreciation:					
Buildings and Improvements	(56,435,320)	-	(5,519,794)	-	(61,955,114)
Equipment	(4,409,158)	-	(714,516)	-	(5,123,674)
Total Accumulated Depreciation	(60,844,478)	-	(6,234,310)	-	(67,078,788)
Total Depreciable Assets, net	172,425,640				166,905,955
Total Capital Assets, Net	\$ 177,513,034				\$ 173,374,230

During the year ended June 30, 2022, \$141,844 of assets previously reported as Construction in Progress were placed into service as Buildings and Improvements.

Depreciation Expense for governmental activities is charged to functions as follows:

Instruction	\$ 3,990,358
Support Services	2,009,388
Enterprise and Community Services	234,564
Total	\$ 6,234,310

MCMINNVILLE SCHOOL DISTRICT NO. 40
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NOTES TO THE FINANCIAL STATEMENTS

10. Property Tax Limitation:

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The voters of the State of Oregon passed ballot measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts.

11. Interfund Transfers and Due To/Due From:

Operating transfers between funds were made to fund the various programs and activities as follows:

	Transfers Out	Transfers In
Governmental		
General Fund	\$ 750,000	\$ -
Asset Reserve	-	500,000
Textbooks and Technology Reserve	-	250,000
Total	\$ 750,000	\$ 750,000

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

The composition of interfund balances is as follows:

Due From Other Funds:		Due to Other Funds:	
General Fund	\$ 2,590,725	General Fund	\$ -
Grants Fund	-	Grants Fund	2,136,473
Capital Projects Fund	-	Capital Projects Fund	460,002
Private Purpose Trust Fund	5,750	Private Purpose Trust Fund	-
Total	\$ 2,596,475	Total	\$ 2,596,475

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

12. Tax Abatements

As of June 30, 2022, the District had tax abatements through the Historic Property (ORS 385.505) and Housing for Low Income Rental (ORS 307.515 to 307.535) programs that impacted their levied taxes and require disclosure under GASB 77.

For the fiscal year ended June 30, 2022, the District had abated property taxes totaling \$76,927 under these programs.

Tax Abatement Program	Taxes Abated during the Fiscal Year
ORS 307.517 Housing for Low Income Rental	\$ 69,504
ORS 358.505 Historic Property	7,423
Total	\$ 76,927

13. Lease Liability

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

On 07/01/2021, the District entered into a 46 month lease as Lessee for the use of IClass Card Readers - Programmable . An initial lease liability was recorded in the amount of \$38,721. As of 06/30/2022, the value of the lease liability is \$28,894. The District is required to make monthly fixed payments of \$831. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$38,721 with accumulated amortization of \$38,721 is included with Equipment on the Lease Class activities table found below. The District has the option to purchase the Equipment for \$1.00.

On 07/01/2021, the District entered into a 49 month lease as Lessee for the use of Postage Machine. An initial lease liability was recorded in the amount of \$22,551. As of 06/30/2022, the value of the lease liability is \$17,264.97. The District is required to make quarterly fixed payments of \$1,338. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$22,551 with accumulated amortization of \$5,459 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 33 month lease as Lessee for the use of Copier - Newby ID #3S03020. An initial lease liability was recorded in the amount of \$3,040. As of 06/30/2022, the value of the lease liability is \$1,970. The District is required to make monthly fixed payments of \$90. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$3,040 with accumulated amortization of \$1,079 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Buel ID #3S03317. An initial lease liability was recorded in the amount of \$1,032. As of 06/30/2022, the value of the lease liability is \$698. The District is required to make monthly fixed payments of \$28. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$1,032 with accumulated amortization of \$336 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Columbus ID #3S03318. An initial lease liability was recorded in the amount of \$4,577. As of 06/30/2022, the value of the lease liability is \$3,097. The District is required to make monthly fixed payments of \$124. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,577 with accumulated amortization of \$1,490 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - IT ID #3S03316. An initial lease liability was recorded in the amount of \$3,571. As of 06/30/2022, the value of the lease liability is \$2,416. The District is required to make monthly fixed payments of \$97. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$3,571 with accumulated amortization of \$1,162 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Patton ID #3S03321. An initial lease liability was recorded in the amount of \$6,200. As of 06/30/2022, the value of the lease liability is \$4,194. The District is required to make monthly fixed payments of \$168. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$6,200 with accumulated amortization of \$2,018 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Patton ID #3S03322. An initial lease liability was recorded in the amount of \$6,200. As of 06/30/2022, the value of the lease liability is \$4,194. The District is required to make monthly fixed payments of \$168. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$6,200 with accumulated amortization of \$2,018 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Duniway ID #3S03319. An initial lease liability was recorded in the amount of \$4,577. As of 06/30/2022, the value of the lease liability is \$3,097. The District is required to make monthly fixed payments of \$124. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,577 with accumulated amortization of \$1,490 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Duniway ID #3S03320. An initial lease liability was recorded in the amount of \$4,577. As of 06/30/2022, the value of the lease liability is \$3,097. The District is required to make monthly fixed payments of \$124. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,577 with accumulated amortization of \$1,490 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - Wascher ID #3S03323. An initial lease liability was recorded in the amount of \$6,567. As of 06/30/2022, the value of the lease liability is \$4,443. The District is required to make monthly fixed payments of \$178. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$6,567 with accumulated amortization of \$2,137 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 38 month lease as Lessee for the use of Copier - Newby ID #3S03428. An initial lease liability was recorded in the amount of \$9,852. As of 06/30/2022, the value of the lease liability is \$6,829.63. The District is required to make monthly fixed payments of \$254. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$9,852 with accumulated amortization of \$3,044 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 38 month lease as Lessee for the use of Copier - Wascher ID #3S03429. An initial lease liability was recorded in the amount of \$1,317. As of 06/30/2022, the value of the lease liability is \$911. The District is required to make monthly fixed payments of \$34. The lease has an interest rate of 0.0315%. The value of the right to use asset as of 06/30/2022 of \$1,317 with accumulated amortization of \$407 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 38 month lease as Lessee for the use of Copier - Grandhaven ID #3S03430. An initial lease liability was recorded in the amount of \$8,136. As of 06/30/2022, the value of the lease liability is \$5,640. The District is required to make monthly fixed payments of \$210. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$8,136 with accumulated amortization of \$2,514 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03367. An initial lease liability was recorded in the amount of \$8,575. As of 06/30/2022, the value of the lease liability is \$5,725. The District is required to make monthly fixed payments of \$239. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$8,575 with accumulated amortization of \$2,859 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03368. An initial lease liability was recorded in the amount of \$8,575. As of 06/30/2022, the value of the lease liability is \$5,725. The District is required to make monthly fixed payments of \$239. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$8,575 with accumulated amortization of \$2,859 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03369. An initial lease liability was recorded in the amount of \$4,413. As of 06/30/2022, the value of the lease liability is \$2,946. The District is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,413 with accumulated amortization of \$1,471 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03370. An initial lease liability was recorded in the amount of \$4,413. As of 06/30/2022, the value of the lease liability is \$2,946. The District is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,413 with accumulated amortization of \$1,471 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03371. An initial lease liability was recorded in the amount of \$4,413. As of 06/30/2022, the value of the lease liability is \$2,946. The District is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,413 with accumulated amortization of \$1,471 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03372. An initial lease liability was recorded in the amount of \$4,413. As of 06/30/2022, the value of the lease liability is \$2,946. The District is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,413 with accumulated amortization of \$1,471 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03373. An initial lease liability was recorded in the amount of \$4,413. As of 06/30/2022, the value of the lease liability is \$2,946. The District is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,413 with accumulated amortization of \$1,471 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03374. An initial lease liability was recorded in the amount of \$4,413. As of 06/30/2022, the value of the lease liability is \$2,946. The District is required to make monthly fixed payments of \$123. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,413 with accumulated amortization of \$1,471 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Copier - MHS ID #3S03375. An initial lease liability was recorded in the amount of \$1,277. As of 06/30/2022, the value of the lease liability is \$853. The District is required to make monthly fixed payments of \$36. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$1,277 with accumulated amortization of \$425 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 37 month lease as Lessee for the use of Copier - MHS ID #3D03330. An initial lease liability was recorded in the amount of \$21,992. As of 06/30/2022, the value of the lease liability is \$15,067. The District is required to make monthly fixed payments of \$582. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$21,992 with accumulated amortization of \$7,037 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 37 month lease as Lessee for the use of Copier - MHS ID #3S03331. An initial lease liability was recorded in the amount of \$10,729. As of 06/30/2022, the value of the lease liability is \$7,350. The District is required to make monthly fixed payments of \$283. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$10,729 with accumulated amortization of \$3,433 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 37 month lease as Lessee for the use of Copier - MHS ID #3S03332. An initial lease liability was recorded in the amount of \$10,106. As of 06/30/2022, the value of the lease liability is \$6,924. The District is required to make monthly fixed payments of \$267. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$10,106 with accumulated amortization of \$3,234 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 42 month lease as Lessee for the use of Copier - Facilities ID #3S03675. An initial lease liability was recorded in the amount of \$6,263. As of 06/30/2022, the value of the lease liability is \$4,523. The District is required to make monthly fixed payments of \$147. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$6,263 with accumulated amortization of \$1,777 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 54 month lease as Lessee for the use of Copier - Newby ID #3S03625. An initial lease liability was recorded in the amount of \$9,140. As of 06/30/2022, the value of the lease liability is \$7,163. The District is required to make monthly fixed payments of \$168. The lease has an interest rate of 0.5770%. The value of the right to use asset as of 06/30/2022 of \$9,140 with accumulated amortization of \$1,999 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 37 month lease as Lessee for the use of Copier - Baker Annex ID #3S03412. An initial lease liability was recorded in the amount of \$3,666. As of 06/30/2022, the value of the lease liability is \$2,512. The District is required to make monthly fixed payments of \$97. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$3,666 with accumulated amortization of \$1,167 is included with Equipment on the Lease Class activities table found below.

On 09/01/2021, the District entered into a 60 month lease as Lessee for the use of Copier - Columbus ID #3S05634. An initial lease liability was recorded in the amount of \$5,790. As of 06/30/2022, the value of the lease liability is \$4,834. The District is required to make monthly fixed payments of \$98. The lease has an interest rate of 0.5770%. The value of the right to use asset as of 06/30/2022 of \$5,790 with accumulated amortization of \$965 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Buel ID #3S05305. An initial lease liability was recorded in the amount of \$8,919. As of 06/30/2022, the value of the lease liability is \$6,553. The District is required to make monthly fixed payments of \$200. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$8,919 with accumulated amortization of \$2,378 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Buel ID #3S05308. An initial lease liability was recorded in the amount of \$1,388. As of 06/30/2022, the value of the lease liability is \$1,020. The District is required to make monthly fixed payments of \$31. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$1,388 with accumulated amortization of \$370 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Memorial ID #3S05307. An initial lease liability was recorded in the amount of \$8,919. As of 06/30/2022, the value of the lease liability is \$6,553. The District is required to make monthly fixed payments of \$200. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$8,919 with accumulated amortization of \$2,378 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Student Services MHS ID #3S05309. An initial lease liability was recorded in the amount of \$1,388. As of 06/30/2022, the value of the lease liability is \$1,020. The District is required to make monthly fixed payments of \$31. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$1,388 with accumulated amortization of \$370 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Facilities ID #3S05306. An initial lease liability was recorded in the amount of \$6,875. As of 06/30/2022, the value of the lease liability is \$5,051. The District is required to make monthly fixed payments of \$154.05. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$6,875 with accumulated amortization of \$1,833 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Grandhaven ID #3S05508. An initial lease liability was recorded in the amount of \$1,576. As of 06/30/2022, the value of the lease liability is \$1,158. The District is required to make monthly fixed payments of \$35. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$1,576 with accumulated amortization of \$420 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Copier - Personnel DO ID #3S05310. An initial lease liability was recorded in the amount of \$1,387. As of 06/30/2022, the value of the lease liability is \$1,019. The District is required to make monthly fixed payments of \$31. The lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$1,387 with accumulated amortization of \$370 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 13 month lease as Lessee for the use of Copier - Ricoh SPED ID #14120546. An initial lease liability was recorded in the amount of \$430. As of 06/30/2022, the value of the lease liability is \$33. The District is required to make monthly fixed payments of \$33. The lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$430 with accumulated amortization of \$397 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 13 month lease as Lessee for the use of Copier - Ricoh DO Workroom ID #14120634. An initial lease liability was recorded in the amount of \$2,073. As of 06/30/2022, the value of the lease liability is \$160. The District is required to make monthly fixed payments of \$160. The lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$2,073 with accumulated amortization of \$1,913 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 13 month lease as Lessee for the use of Copier - Ricoh Maintenance ID #14120647. An initial lease liability was recorded in the amount of \$1,475. As of 06/30/2022, the value of the lease liability is \$114. The District is required to make monthly fixed payments of \$114. The lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$1,475 with accumulated amortization of \$1,362 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 19 month lease as Lessee for the use of Copier - Ricoh MHS Student Center ID #14213937. An initial lease liability was recorded in the amount of \$2,287. As of 06/30/2022, the value of the lease liability is \$844. The District is required to make monthly fixed payments of \$121. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$2,287 with accumulated amortization of \$1,444 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 19 month lease as Lessee for the use of Copier - Ricoh Patton ID #14215703. An initial lease liability was recorded in the amount of \$2,442. As of 06/30/2022, the value of the lease liability is \$901. The District is required to make monthly fixed payments of \$129. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$2,442 with accumulated amortization of \$1,543 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Nutrition Svcs ID #14371601. An initial lease liability was recorded in the amount of \$2,994. As of 06/30/2022, the value of the lease liability is \$1,837. The District is required to make monthly fixed payments of \$97. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$2,994 with accumulated amortization of \$1,159 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh DO Superintendent ID #14372073. An initial lease liability was recorded in the amount of \$1,170. As of 06/30/2022, the value of the lease liability is \$718. The District is required to make monthly fixed payments of \$38. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$1,170 with accumulated amortization of \$453 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Memorial ID #14372092. An initial lease liability was recorded in the amount of \$8,139. As of 06/30/2022, the value of the lease liability is \$4,995. The District is required to make monthly fixed payments of \$264. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$8,139 with accumulated amortization of \$3,151 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Memorial ID #14372144. An initial lease liability was recorded in the amount of \$2,994. As of 06/30/2022, the value of the lease liability is \$1,837.41. The District is required to make monthly fixed payments of \$97. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$2,994 with accumulated amortization of \$1,159 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Buel ID #14372148. An initial lease liability was recorded in the amount of \$6,691. As of 06/30/2022, the value of the lease liability is \$4,107. The District is required to make monthly fixed payments of \$217. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$6,691 with accumulated amortization of \$2,590 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Booth Bend ID #14372201. An initial lease liability was recorded in the amount of \$2,650. As of 06/30/2022, the value of the lease liability is \$1,626. The District is required to make monthly fixed payments of \$86. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$2,650 with accumulated amortization of \$1,026 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Columbus ID #14372515. An initial lease liability was recorded in the amount of \$8,139. As of 06/30/2022, the value of the lease liability is \$4,995. The District is required to make monthly fixed payments of \$264. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$8,139 with accumulated amortization of \$3,151 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Adams ID #1437236. An initial lease liability was recorded in the amount of \$4,784. As of 06/30/2022, the value of the lease liability is \$2,936. The District is required to make monthly fixed payments of \$155. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,784 with accumulated amortization of \$1,852 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 31 month lease as Lessee for the use of Copier - Ricoh Wascher ID #14373059. An initial lease liability was recorded in the amount of \$4,250. As of 06/30/2022, the value of the lease liability is \$2,608. The District is required to make monthly fixed payments of \$138. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,250 with accumulated amortization of \$1,645 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 30 month lease as Lessee for the use of Copier - Ricoh Grandhaven ID #14373058. An initial lease liability was recorded in the amount of \$3,896. As of 06/30/2022, the value of the lease liability is \$2,391. The District is required to make monthly fixed payments of \$126. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$3,896 with accumulated amortization of \$1,548 is included with Equipment on the Lease Class activities table found below.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

On 07/01/2021, the District entered into a 33 month lease as Lessee for the use of Copier - Patton ID #3S03022. An initial lease liability was recorded in the amount of \$1,012. As of 06/30/2022, the value of the lease liability is \$655. The District is required to make monthly fixed payments of \$30. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$1,012 with accumulated amortization of \$359 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 33 month lease as Lessee for the use of Copier - Grandhaven ID #3S03023. An initial lease liability was recorded in the amount of \$4,208. As of 06/30/2022, the value of the lease liability is \$2,726. The District is required to make monthly fixed payments of \$124. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$4,208 with accumulated amortization of \$1,494 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the District entered into a 33 month lease as Lessee for the use of Copier - Duniway ID #3S03021. An initial lease liability was recorded in the amount of \$2,917. As of 06/30/2022, the value of the lease liability is \$1,890. The District is required to make monthly fixed payments of \$86. The lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$2,917 with accumulated amortization of \$1,036 is included with Equipment on the Lease Class activities table found below.

Changes in Lease Liability

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Due within a Year
Equipment	\$ -	\$ 326,516	\$ 103,671	\$ 222,845	\$ 99,493
Total	\$ -	\$ 326,516	\$ 103,671	\$ 222,845	\$ 99,493

Principal and Interest Requirements to Maturity

Fiscal Year Ending June 30.	Governmental Activities		
	Equipment		Total
	Principal Payments	Interest Payments	Payments
2023	\$ 99,493	\$ 914	\$ 100,407
2024	89,728	671	90,399
2025	29,744	82	29,826
2026	3,683	9	3,692
2027	197	-	197
Total	\$ 222,845	\$ 1,676	\$ 224,521

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

14. Right to Use Assets

Right to use assets are for the leases in Note 13.

Amount of Lease Assets by Major Classes of Underlying Asset
(Right-to-Use Assets)

Asset Class	At June 30, 2022		
	Lease Asset Value	Accumulated Amortization	Net Value
Equipment	\$ 326,516	\$ 104,530	\$ 221,986
Total	\$ 326,516	\$ 104,530	\$ 221,986

Changes in Right-to-Use Assets

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30,
Equipment	\$ -	\$ 326,516	\$ -	\$ 326,516
Accumulated Amortization Equipment	-	(104,530)	-	(104,530)
Total Lease Assets, Net	\$ -	\$ 221,986	\$ -	\$ 221,986

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2022

PLAN II (HEALTH INSURANCE):
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Experience (Gain/Loss)	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2022	\$ 5,872,467	\$ 393,845	\$ 137,318	\$ -	\$ -	\$ (326,596)	\$ -	\$ 6,077,034	\$ 42,890,363	14.2%
2021	6,463,125	456,247	152,752	-	(561,616)	(260,780)	(377,261)	5,872,467	41,641,129	14.1%
2020	5,620,863	356,451	204,012	-	578,587	(296,788)	-	6,463,125	40,670,388	15.9%
2019	7,124,609	381,176	221,154	-	(2,124,184)	(267,969)	286,077	5,620,863	39,255,141	14.3%
2018	6,933,792	368,286	207,760	-	-	(385,229)	-	7,124,609	37,904,098	18.8%
2017	6,766,009	368,286	202,460	-	-	(402,963)	-	6,933,792	37,036,888	18.7%

The above table presents the most recent actuarial valuations for the District's OPEB.

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

MCMINNVILLE SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.34 %	\$ 40,488,340	\$ 40,645,337	99.6 %	87.6 %
2021	0.37	81,777,506	38,745,655	211.1	75.8
2020	0.39	67,078,729	38,525,099	174.1	80.2
2019	0.40	60,341,144	37,313,847	161.7	82.1
2018	0.38	51,742,648	36,123,163	143.2	83.1
2017	0.41	61,102,578	34,416,163	177.5	80.5
2016	0.42	24,131,137	32,826,426	73.5	91.9
2015	0.42	(9,513,317)	31,518,849	(30.2)	103.6
2014	0.42	21,418,478	30,469,297	70.3	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 10,326,232	\$ 10,326,232	\$ -	\$ 44,626,751	23.1 %
2021	7,946,828	7,946,828	-	40,645,337	19.6
2020	7,878,582	7,878,582	-	38,745,655	20.3
2019	5,885,307	5,885,307	-	38,525,099	15.3
2018	5,758,934	5,758,934	-	37,313,847	15.4
2017	3,913,232	3,913,232	-	36,123,163	10.8
2016	3,824,327	3,824,327	-	34,416,163	11.1
2015	4,362,852	4,362,852	-	32,826,426	13.3
2014	3,874,843	3,874,843	-	31,518,849	12.3

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

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

MCMINNVILLE SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

OPEB-RHIA

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.29468985 %	\$ (1,011,967)	\$ 40,645,337	(2.49) %	183.9 %
2021	0.64007222	(1,304,213)	38,745,655	(3.37)	150.1
2020	0.35730000	(690,504)	38,525,099	(1.79)	144.4
2019	0.35850000	(400,217)	37,313,847	(1.07)	124.0
2018	0.32460000	(135,460)	36,123,163	(0.37)	108.9

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

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2022	\$ 7,335	\$ 7,335	\$ -	\$ 44,626,751	0.02 %
2021	40,706	40,706	-	40,645,337	0.10
2020	177,294	177,294	-	38,745,655	0.46
2019	172,087	172,087	-	38,525,099	0.45
2018	161,593	161,593	-	37,313,847	0.43

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

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

All statutorily required contributions were made and are included within PERS contributions.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Revenues from Local Sources				
Property Taxes	\$ 16,070,000	\$ 16,070,000	\$ 16,040,437	\$ (29,563)
Investment Earnings	200,000	200,000	128,976	(71,024)
Extracurricular Activities	160,000	160,000	179,954	19,954
Community Service Activities	150,000	150,000	149,835	(165)
Rentals	6,000	6,000	4,060	(1,940)
Fees Charged to Grants	400,000	400,000	226,160	(173,840)
Miscellaneous Local Sources	25,000	25,000	12,053	(12,947)
Total Local Revenues	17,011,000	17,011,000	16,741,475	(269,525)
Revenues from Intermediate Sources				
ESD Apportionment	2,171,500	2,171,500	2,099,797	(71,703)
County School Fund	25,000	25,000	23,112	(1,888)
Other Intermediate Sources	-	-	1,617	1,617
Total Intermediate Revenues	2,196,500	2,196,500	2,124,526	(71,974)
Revenues from State Sources				
State School Fund Support	55,476,183	55,476,183	55,023,306	(452,877)
Common School Fund	689,596	689,596	769,918	80,322
Total State Revenues	56,165,779	56,165,779	55,793,224	(372,555)
Revenues from Federal Sources				
Foster Care Transportation	20,000	20,000	-	(20,000)
Total Federal Revenues	20,000	20,000	-	(20,000)
Total Revenues	75,393,279	75,393,279	74,659,225	(734,054)
Expenditures:				
Instruction	48,845,484	48,845,484 (1)	47,774,572	1,070,912
Support Services	26,551,634	26,551,634 (1)	25,884,107	667,527
Enterprise & Community Services	246,161	246,161 (1)	201,043	45,118
Contingency	500,000	500,000 (1)	-	500,000
Total Expenditures	76,143,279	76,143,279	73,859,722	2,283,557
Revenues Over (Under) Expenditures	(750,000)	(750,000)	799,503	1,549,503
Other Financing Sources (Uses):				
Transfer Out	(750,000)	(750,000) (1)	(750,000)	-
Leases	-	-	5,790	5,790
Total Other Financing Sources	(750,000)	(750,000)	(744,210)	5,790
Net Change in Fund Balance	(1,500,000)	(1,500,000)	55,293	1,555,293
Fund Balance, Beginning of Year	9,000,000	9,000,000	9,537,813	537,813
Fund Balance, End of Year	\$ 7,500,000	\$ 7,500,000	9,593,106	\$ 2,093,106
(1) Appropriation Level				
Reconciliation to Governmental Ending Fund Balance:				
Asset Reserve Fund			1,996,583	
Textbook and Technology Replacement Fund			466,036	
Insurance Reserve Fund			307,329	
Total Governmental Funds			\$ 12,363,054	

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources	\$ 370,831	\$ 370,831	\$ 620,669	\$ 249,838
Intermediate Sources	288,489	288,489	76,139	(212,350)
State Sources	8,633,716	8,633,716	7,020,285	(1,613,431)
Federal Sources	11,780,220	11,780,220	8,498,517	(3,281,703)
Total Revenues	21,073,256	21,073,256	16,215,610	(4,857,646)
Expenditures:				
Instruction	14,899,143	14,899,143 (1)	11,708,267	3,190,876
Support Services	5,893,667	5,893,667 (1)	4,291,572	1,602,095
Enterprise & Community Services	392,346	392,346 (1)	156,839	235,507
Facilities Acquisition and Construction	213,500	213,500 (1)	-	213,500
Total Expenditures	21,398,656	21,398,656	16,156,678	5,241,978
Net Change in Fund Balance	(325,400)	(325,400)	58,932	384,332
Fund Balance, Beginning of Year	325,400	325,400	307,055	(18,345)
Fund Balance, End of Year	\$ -	\$ -	\$ 365,987	\$ 365,987

(1) Appropriation Level

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

SUPPLEMENTARY INFORMATION

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
 COMBINING BALANCE SHEET
 MAJOR GOVERNMENTAL FUND - GENERAL FUND
 June 30, 2022

	General	Asset Reserve	Textbooks and Technology Reserve	Insurance Reserve	Total
ASSETS					
Cash and Investments	\$ 15,655,172	\$ 2,157,510	\$ 466,036	\$ 307,391	\$ 18,586,109
Cash Held by County	90,566	-	-	-	90,566
Receivables					
Property Taxes	704,283	-	-	-	704,283
Accounts and Grants Receivable	449,776	-	-	-	449,776
Due from Other Funds	2,590,725	-	-	-	2,590,725
Total Assets	<u>\$ 19,490,522</u>	<u>\$ 2,157,510</u>	<u>\$ 466,036</u>	<u>\$ 307,391</u>	<u>\$ 22,421,459</u>
LIABILITIES					
Accounts Payable	\$ 2,124,054	\$ 160,927	\$ -	\$ 62	\$ 2,285,043
Accrued Payroll and Payroll Liabilities	7,138,890	-	-	-	7,138,890
Total Liabilities	<u>9,262,944</u>	<u>160,927</u>	<u>-</u>	<u>62</u>	<u>9,423,933</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	634,472	-	-	-	634,472
Total Deferred Inflows of Resources	<u>634,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,472</u>
FUND BALANCES					
Fund Balances					
Committed to					
Asset Reserve	-	1,996,583	-	-	1,996,583
Textbook and Technology Replacement	-	-	466,036	-	466,036
Insurance Reserve	-	-	-	307,329	307,329
Unassigned	9,593,106	-	-	-	9,593,106
Total Fund Balances	<u>9,593,106</u>	<u>1,996,583</u>	<u>466,036</u>	<u>307,329</u>	<u>12,363,054</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,490,522</u>	<u>\$ 2,157,510</u>	<u>\$ 466,036</u>	<u>\$ 307,391</u>	<u>\$ 22,421,459</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
**COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
MAJOR GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended June 30, 2022

	General	Asset Reserve	Textbooks and Technology Reserve	Insurance Reserve	Total
Revenues:					
Local Sources					
Property Taxes	\$ 16,040,437	\$ -	\$ -	\$ -	\$ 16,040,437
Charges for Services	329,789	-	-	-	329,789
Rentals	4,060	75,748	-	-	79,808
Investment Earnings	128,976	10,958	1,562	2,076	143,572
Fees Charged to Grants	226,160	-	-	-	226,160
Miscellaneous	12,053	210,334	47,346	110,701	380,434
Intergovernmental					
Intermediate Sources	2,124,526	-	-	-	2,124,526
State Sources	55,793,224	-	-	-	55,793,224
Total Revenues	74,659,225	297,040	48,908	112,777	75,117,950
Expenditures:					
Instruction	47,774,572	-	3,473	-	47,778,045
Support Services	25,884,107	95,661	-	115,986	26,095,754
Enterprise & Community Services	201,043	-	-	-	201,043
Facilities Acquisition & Construction	-	602,169	-	-	602,169
Total Expenditures	73,859,722	697,830	3,473	115,986	74,677,011
Revenues Over (Under) Expenditures	799,503	(400,790)	45,435	(3,209)	440,939
Other Financing Sources (Uses):					
Transfer In	-	500,000	250,000	-	750,000
Transfer Out	(750,000)	-	-	-	(750,000)
Leases	5,790	-	-	-	5,790
Total Other Financing Sources	(744,210)	500,000	250,000	-	5,790
Net Change in Fund Balance	55,293	99,210	295,435	(3,209)	446,729
Fund Balance, Beginning of Year	9,537,813	1,897,373	170,601	310,538	11,916,325
Fund Balance, End of Year	<u>\$ 9,593,106</u>	<u>\$ 1,996,583</u>	<u>\$ 466,036</u>	<u>\$ 307,329</u>	<u>\$ 12,363,054</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
ASSET RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Investment Earnings	\$ 17,000	\$ 17,000	\$ 10,958	\$ (6,042)
Rentals	82,500	82,500	75,748	(6,752)
Miscellaneous Local Sources	200,000	200,000	210,334	10,334
Total Revenues	<u>299,500</u>	<u>299,500</u>	<u>297,040</u>	<u>(2,460)</u>
Expenditures:				
Support Services	460,000	460,000 (1)	95,661	364,339
Facilities Acquisition and Construction	2,264,800	2,264,800 (1)	602,169	1,662,631
Total Expenditures	<u>2,724,800</u>	<u>2,724,800</u>	<u>697,830</u>	<u>2,026,970</u>
Revenues Over (Under) Expenditures	(2,425,300)	(2,425,300)	(400,790)	2,024,510
Other Financing Sources (Uses):				
Transfer In	500,000	500,000	500,000	-
Total Other Financing Sources	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	(1,925,300)	(1,925,300)	99,210	2,024,510
Fund Balance, Beginning of Year	<u>1,925,300</u>	<u>1,925,300</u>	<u>1,897,373</u>	<u>(27,927)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,996,583</u>	<u>\$ 1,996,583</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
TEXTBOOKS AND TECHNOLOGY REPLACEMENT RESERVE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Investment Earnings	\$ 1,000	\$ 1,000	\$ 1,562	\$ 562
Miscellaneous Local Sources	-	-	47,346	47,346
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>48,908</u>	<u>47,908</u>
Expenditures:				
Instruction	<u>421,000</u>	<u>421,000 (1)</u>	<u>3,473</u>	<u>417,527</u>
Total Expenditures	<u>421,000</u>	<u>421,000</u>	<u>3,473</u>	<u>417,527</u>
Revenues Over (Under) Expenditures	(420,000)	(420,000)	45,435	465,435
Other Financing Sources (Uses):				
Transfer In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balance	(170,000)	(170,000)	295,435	465,435
Fund Balance, Beginning of Year	<u>170,000</u>	<u>170,000</u>	<u>170,601</u>	<u>601</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,036</u>	<u>\$ 466,036</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
INSURANCE RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Investment Earnings	\$ 3,000	\$ 3,000	\$ 2,076	\$ (924)
Miscellaneous Local Sources	75,000	75,000	110,701	35,701
Total Revenues	78,000	78,000	112,777	34,777
Expenditures:				
Instruction	50,000	50,000 (1)	-	50,000
Support Services	353,000	353,000 (1)	115,986	237,014
Total Expenditures	403,000	403,000	115,986	287,014
Net Change in Fund Balance	(325,000)	(325,000)	(3,209)	321,791
Fund Balance, Beginning of Year	325,000	325,000	310,538	(14,462)
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,329</u>	<u>\$ 307,329</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources:				
Property Taxes	\$ 9,932,000	\$ 9,932,000	\$ 9,949,725	\$ 17,725
Investment Earnings	25,000	25,000	29,664	4,664
Intergovernmental				
Intermediate Sources	-	-	991	991
Total Revenues	<u>9,957,000</u>	<u>9,957,000</u>	<u>9,980,380</u>	<u>23,380</u>
Expenditures:				
Debt Service				
Redemption of Principal	6,070,000	6,070,000	6,070,000	-
Interest	<u>4,064,850</u>	<u>4,064,850</u>	<u>3,997,287</u>	<u>67,563</u>
Total Expenditures	<u>10,134,850</u>	<u>10,134,850 (1)</u>	<u>10,067,287</u>	<u>67,563</u>
Net Change in Fund Balance	(177,850)	(177,850)	(86,907)	90,943
Fund Balance, Beginning of Year	<u>547,000</u>	<u>547,000</u>	<u>503,216</u>	<u>(43,784)</u>
Fund Balance, End of Year	<u>\$ 369,150</u>	<u>\$ 369,150</u>	<u>\$ 416,309</u>	<u>\$ 47,159</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Investment Earnings	\$ 20,000	\$ 20,000	\$ 21,600	\$ 1,600
State Sources				
State Restricted Grants	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>(2,500,000)</u>
Total Revenues	<u>2,520,000</u>	<u>2,520,000</u>	<u>21,600</u>	<u>(2,498,400)</u>
Expenditures:				
Facilities Acquisition and Construction	<u>6,270,000</u>	<u>6,270,000 (1)</u>	<u>1,568,912</u>	<u>4,701,088</u>
Total Expenditures	<u>6,270,000</u>	<u>6,270,000</u>	<u>1,568,912</u>	<u>4,701,088</u>
Net Change in Fund Balance	(3,750,000)	(3,750,000)	(1,547,312)	2,202,688
Fund Balance, Beginning of Year	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,759,999</u>	<u>9,999</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,212,687</u>	<u>\$ 2,212,687</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	Special Revenue Funds				Total
	Nutrition Services	Student Body	Construction Excise Tax	PERS Debt Service	
ASSETS					
Cash and Investments	\$ 885,144	\$ 574,673	\$ 1,424,812	\$ 494,086	\$ 3,378,715
Restricted Cash and Investments	-	-	-	8,828	8,828
Accounts and Grants Receivable	249,702	-	-	-	249,702
Total Assets	\$ 1,134,846	\$ 574,673	\$ 1,424,812	\$ 502,914	\$ 3,637,245
LIABILITIES					
Accounts Payable	\$ 2,283	\$ -	\$ 765	\$ -	\$ 3,048
Total Liabilities	2,283	-	765	-	3,048
FUND BALANCES					
Fund Balances					
Restricted for					
Capital Improvements	-	-	1,424,047	-	1,424,047
Student Body Activities	-	574,673	-	-	574,673
Nutrition Services	1,132,563	-	-	-	1,132,563
Committed To					
PERS Debt Service	-	-	-	502,914	502,914
Total Fund Balances	1,132,563	574,673	1,424,047	502,914	3,634,197
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,134,846	\$ 574,673	\$ 1,424,812	\$ 502,914	\$ 3,637,245

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2022

	Special Revenue Funds				Total
	Nutrition Services	Student Body	Construction Excise Tax	PERS Debt Service	
Revenues:					
Local Sources	\$ 94,883	\$ 976,478	\$ 581,409	\$ 3,292,414	\$ 4,945,184
State Sources	67,934	-	-	-	67,934
Federal Sources	3,500,048	-	-	-	3,500,048
Total Revenues	3,662,865	976,478	581,409	3,292,414	8,513,166
Expenditures:					
Instruction	-	844,246	-	-	844,246
Enterprise & Community Services	3,210,398	-	-	-	3,210,398
Facilities Acquisition	-	-	83,002	-	83,002
Debt Services					
Principal	-	-	-	2,200,000	2,200,000
Interest	-	-	-	1,088,364	1,088,364
Total Expenditures	3,210,398	844,246	83,002	3,288,364	7,426,010
Net Change in Fund Balance	452,467	132,232	498,407	4,050	1,087,156
Fund Balance, Beginning of Year	680,096	442,441	925,640	498,864	2,547,041
Fund Balance, End of Year	<u>\$ 1,132,563</u>	<u>\$ 574,673</u>	<u>\$ 1,424,047</u>	<u>\$ 502,914</u>	<u>\$ 3,634,197</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
NUTRITION SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Sales	\$ 95,000	95,000	48,928	\$ (46,072)
Investment Earnings	5,000	5,000	2,932	(2,068)
Contributions	-	-	572	572
Miscellaneous Local Sources	56,500	56,500	42,451	(14,049)
Total Local Sources	156,500	156,500	94,883	(61,617)
State Sources:				
State School Support Fund	32,500	32,500	24,447 (2)	(8,053)
Restricted Grants	50,000	50,000	43,487	(6,513)
Total State Sources	82,500	82,500	67,934	(14,566)
Federal Sources:				
National School Lunch Program	3,275,000	3,275,000	3,229,158	(45,842)
U.S.D.A Donated Commodities	250,500	250,500	225,082	(25,418)
Federal Restricted Grants	52,000	52,000	45,808	(6,192)
Total Federal Sources	3,577,500	3,577,500	3,500,048	(77,452)
Total Revenues	3,816,500	3,816,500	3,662,865	(153,635)
Expenditures:				
Enterprise & Community Services:				
Employee Pay and Benefits	2,005,484	2,005,484	1,779,054	226,430
Purchased Services	128,900	128,900	49,178	79,722
Supplies and Materials	1,904,350	1,904,350	1,339,770	564,580
Capital Outlay	268,716	268,716	21,890	246,826
Dues and Fees	9,050	9,050	20,506	(11,456)
Total Community Services	4,316,500	4,316,500 (1)	3,210,398	1,106,102
Net Change in Fund Balance	(500,000)	(500,000)	452,467	952,467
Fund Balance, Beginning of Year	500,000	500,000	680,096	180,096
Fund Balance, End of Year	\$ -	\$ -	\$ 1,132,563	\$ 1,132,563

(1) Appropriation Level

(2) This is the required match of \$24,447 for National School Lunch Support.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
STUDENT BODY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Extracurricular Activities	\$ 1,250,000	\$ 1,250,000	\$ 976,478	\$ (273,522)
Total Revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>976,478</u>	<u>(273,522)</u>
Expenditures:				
Instruction	<u>1,750,000</u>	<u>1,750,000 (1)</u>	<u>844,246</u>	<u>905,754</u>
Total Expenditures	<u>1,750,000</u>	<u>1,750,000</u>	<u>844,246</u>	<u>905,754</u>
Net Change in Fund Balance	(500,000)	(500,000)	132,232	632,232
Fund Balance, Beginning of Year	<u>500,000</u>	<u>500,000</u>	<u>442,441</u>	<u>(57,559)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,673</u>	<u>\$ 574,673</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
CONSTRUCTION EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Construction Excise Taxes	\$ 300,000	\$ 300,000	\$ 574,161	\$ 274,161
Investment Earnings	5,000	5,000	7,248	2,248
Total Revenues	<u>305,000</u>	<u>305,000</u>	<u>581,409</u>	<u>276,409</u>
Expenditures:				
Facilities Acquisition and Construction	<u>1,045,000</u>	<u>1,045,000 (1)</u>	<u>83,002</u>	<u>961,998</u>
Total Expenditures	<u>1,045,000</u>	<u>1,045,000</u>	<u>83,002</u>	<u>961,998</u>
Net Change in Fund Balance	(740,000)	(740,000)	498,407	1,238,407
Fund Balance, Beginning of Year	<u>740,000</u>	<u>740,000</u>	<u>925,640</u>	<u>185,640</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,424,047</u></u>	<u><u>\$ 1,424,047</u></u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
PERS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Investment Earnings	\$ 15,000	\$ 15,000	\$ 12,253	\$ (2,747)
Services Provided to Other Funds	3,273,364	3,273,364	3,280,161	6,797
Total Revenues	<u>3,288,364</u>	<u>3,288,364</u>	<u>3,292,414</u>	<u>4,050</u>
Expenses:				
Debt Service				
Redemption of Principal	2,200,000	2,200,000 (1)	2,200,000	-
Interest	1,088,364	1,088,364 (1)	1,088,364	-
Total Expenses	<u>3,288,364</u>	<u>3,288,364</u>	<u>3,288,364</u>	<u>-</u>
Net Change in Fund Balance	-	-	4,050	4,050
Fund Balance, Beginning of Year	<u>200,000</u>	<u>200,000</u>	<u>498,864</u>	<u>298,864</u>
Fund Balance, End of Year	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 502,914</u>	<u>\$ 302,914</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
PRIVATE PURPOSE TRUST FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Earnings on Investments	\$ 3,000	\$ 3,000	\$ 885	\$ (2,115)
Contributions and Donations	15,000	15,000	20,400	5,400
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>21,285</u>	<u>3,285</u>
Expenses:				
Community Services	50,000	50,000 (1)	14,649	35,351
Contingency	20,000	20,000 (1)	-	20,000
Total Expenses	<u>70,000</u>	<u>70,000</u>	<u>14,649</u>	<u>55,351</u>
Net Change in Fund Balance	(52,000)	(52,000)	6,636	58,636
Fund Balance, Beginning of Year	<u>152,000</u>	<u>152,000</u>	<u>157,058</u>	<u>5,058</u>
Fund Balance, End of Year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 163,694</u>	<u>\$ 63,694</u>

(1) Appropriation Level

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

OTHER INFORMATION

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
GENERAL FUND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2022

Transactions By Year	Property Taxes Uncollected at June 30, 2021	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2022
2021-2022	\$ 16,608,409	\$ 8,444	\$ 441,484	\$ 15,728,522	\$ (74,638)	\$ 372,209
2020-2021	319,199	12,197	-	143,413	(45,737)	142,246
2019-2020	132,276	9,522	(25)	50,820	(12,954)	78,049
2018-2019	74,359	10,167	(75)	32,458	(14,697)	37,446
2017-2018	42,093	6,729	-	18,440	(9,847)	20,535
Prior	69,839	7,224	-	8,735	(14,530)	53,798
	<u>\$ 17,246,175</u>	<u>\$ 54,283</u>	<u>\$ 441,384</u>	<u>\$ 15,982,388</u>	<u>\$ (172,403)</u>	<u>\$ 704,283</u>

Reconciliation to Revenue:

Collections General Fund	\$ 15,982,388
Accrual of Receivables:	
June 30, 2021	(70,161)
June 30, 2022	69,863
Interest and other adjustments	<u>58,347</u>
Subtotal - Governmental Property Tax Revenue, see page 5	<u>16,040,437</u>
Change from Prior Year's Unavailable Revenue, see page 6	<u>66,620</u>
Property Tax Revenue Reported on the Statement of Activities, see page 2	<u>\$ 16,107,057</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2022

Transactions By Year	Property Taxes Uncollected at June 30, 2021	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2022
2021-2022	\$ 10,299,977	\$ 5,236	\$ 273,794	\$ 9,754,300	\$ (46,287)	\$ 230,832
2020-2021	199,484	7,526	-	89,627	(28,487)	88,896
2019-2020	83,314	5,846	(16)	32,009	(8,004)	49,159
2018-2019	46,292	5,818	(47)	20,208	(8,639)	23,310
2017-2018	15,297	4,453	-	12,202	(6,516)	1,032
Prior	42,771	4,486	-	5,867	(9,747)	32,003
	<u>\$ 10,687,135</u>	<u>\$ 33,365</u>	<u>\$ 273,731</u>	<u>\$ 9,914,213</u>	<u>\$ (107,680)</u>	<u>\$ 425,232</u>

Reconciliation to Revenue:

Collections	\$ 9,914,213
Accrual of Receivables:	
June 30, 2021	(43,511)
June 30, 2022	43,327
Interest and other adjustments	<u>35,696</u>
Subtotal - Governmental Property Tax Revenue, see page 5	<u>9,949,725</u>
Change from Prior Year's Unavailable Revenue, see page 6	<u>38,455</u>
Property Tax Revenue Reported on the Statement of Activities, see page 2	<u>\$ 9,988,180</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
WASHINGTON COUNTY, OR
SUPPLEMENTAL INFORMATION FORM 581-3211C
For the Year Ended June 30, 2022

A. Energy bills for heating - all funds:		<u>Objects 325 and 326 and 327*</u>
	Function 2540	\$ 1,290,612
	Function 2550	-

B. Replacement of equipment - General Fund:
 Include all General Fund expenditures in Object 542, except for the following exclusions: Amount

Exclude these functions:

1113, 1122 & 1132	Co-curricular activities	2550	Pupil transportation	\$	-
1140	Pre-kindergarten	3100	Food service		
1300	Continuing education	3300	Community services		
1400	Summer school	4150	Construction		

**Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

OREGON DEPARTMENT OF EDUCATION
REVENUE SUMMARY 2021-2022 - All Funds
McMinnville School District

Revenue from Local Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1111	Ad Valorem Taxes Levied by District	25,893,147	15,980,841	-	9,912,306	-	-	-	-
1130	Construction Excise Tax	574,161	-	574,161	-	-	-	-	-
1190	Interest on Taxes	97,015	59,596	-	37,419	-	-	-	-
1500	Earnings on Investments	218,154	128,976	24,776	41,917	21,600	-	-	885
1600	Food Service	48,928	-	48,928	-	-	-	-	-
1700	Extracurricular Activities	1,194,714	179,954	1,014,760	-	-	-	-	-
1800	Community Service Activities	149,835	149,835	-	-	-	-	-	-
1910	Rentals	79,808	4,060	75,748	-	-	-	-	-
1920	Contributions and Donations From Private Sources	101,958	-	81,558	-	-	-	-	20,400
1940	Services Provided Other Local Education Agencies	41,717	-	41,717	-	-	-	-	-
1960	Recovery of Prior Years' Expenditure	210,334	-	210,334	-	-	-	-	-
1970	Services Provided Other Funds	3,280,161	-	-	3,280,161	-	-	-	-
1980	Fees Charged to Grants	226,160	226,160	-	-	-	-	-	-
1990	Miscellaneous	672,235	12,053	660,182	-	-	-	-	-
Total Revenue from Local Sources		32,788,327	16,741,475	2,732,164	13,271,803	21,600	-	-	21,285
Revenue from Intermediate Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101	County School Funds	23,112	23,112	-	-	-	-	-	-
2102	Education Service District Apportionment	2,099,797	2,099,797	-	-	-	-	-	-
2199	Miscellaneous County Revenue	18,945	1,617	16,337	991	-	-	-	-
2200	Restricted Revenue	59,802	-	59,802	-	-	-	-	-
Total Revenue from Intermediate Sources		2,201,656	2,124,526	76,139	991	-	-	-	-
Revenue from State Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101	State School Fund - General Support	55,023,306	55,023,306	-	-	-	-	-	-
3102	State School Fund - School Lunch Match	24,447	-	24,447	-	-	-	-	-
3103	Common School Fund	769,918	769,918	-	-	-	-	-	-
3299	Other Restricted Grants-in-Aid	7,063,772	-	7,063,772	-	-	-	-	-
Total Revenue from State Sources		62,881,443	55,793,224	7,088,219	-	-	-	-	-
Revenue from Federal Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Restricted Revenue From the Federal									
4500	Government Through the State	11,675,435	-	11,675,435	-	-	-	-	-
4700	Restricted Through Intermediate	98,048	-	98,048	-	-	-	-	-
4900	Commodities and Subsidies	225,079	-	225,079	-	-	-	-	-
Total Revenue from Federal Sources		11,998,562	-	11,998,562	-	-	-	-	-
Revenue from Other Sources		Total	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100	Other Financing Sources	5,790	5,790	-	-	-	-	-	-
5200	Interfund Transfers	750,000	-	750,000	-	-	-	-	-
5400	Resources - Beginning Fund Balance	19,190,693	9,537,813	4,733,744	1,002,080	3,759,999	-	-	157,057
Total Revenue from Other Sources		19,946,483	9,543,603	5,483,744	1,002,080	3,759,999	-	-	157,057
Grand Totals		\$ 129,816,471	\$ 84,202,828	\$ 27,378,828	\$ 14,274,874	\$ 3,781,599	\$ -	\$ -	\$ 178,342

**OREGON DEPARTMENT OF EDUCATION:
EXPENDITURE SUMMARY 2021-2022
McMinnville School District**

General Fund (1XX)

Instruction	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	16,435,039	9,711,170	5,897,320	513,010	313,539	-	-	-
1121 Middle/Junior High Programs	8,529,865	5,114,152	3,089,986	185,474	140,223	-	30	-
1122 Middle/Junior High School Extracurricular	217,591	129,822	40,507	12,527	34,049	-	686	-
1131 High School Programs	10,208,911	6,111,968	3,611,609	303,272	180,849	-	1,213	-
1132 High School Extracurricular	640,227	341,975	113,282	77,219	94,948	-	12,803	-
1140 Pre-Kindergarten Programs	118,990	54,400	48,713	11,602	4,275	-	-	-
1210 Programs for the Talented and Gifted	269,801	157,318	112,282	70	131	-	-	-
1220 Restrictive Programs for Students with Disabilities	3,217,551	1,760,787	1,355,873	88,407	12,484	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	3,276,095	1,915,045	1,320,682	33,613	6,755	-	-	-
1280 Alternative Education	1,962,644	1,168,607	774,008	16,806	3,223	-	-	-
1291 English Second Language Programs	2,817,051	1,654,579	1,103,856	30,693	27,923	-	-	-
1292 Teen Parent Programs	75,368	39,238	34,554	632	944	-	-	-
1299 Other Programs	5,439	3,305	784	1,350	-	-	-	-
Total Instruction Expenditures	47,774,572	28,162,366	17,503,456	1,274,675	819,343	-	14,732	-
Support Services	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	2,230,144	1,030,363	666,351	208,909	324,521	-	-	-
2120 Guidance Services	1,849,375	1,149,437	694,786	468	4,684	-	-	-
2130 Health Services	404,681	245,210	153,323	1,052	4,856	-	240	-
2140 Psychological Services	464,147	162,887	93,204	192,423	15,633	-	-	-
2150 Speech Pathology	749,604	427,664	253,790	63,780	2,731	-	1,639	-
2190 Service Direction, Student Support Services	508,763	313,268	174,731	11,564	9,160	-	40	-
2210 Improvement of Instruction Services	1,340,778	810,539	426,581	7,298	95,263	-	1,097	-
2220 Educational Media Services	1,175,516	690,495	437,818	-	47,111	-	92	-
2230 Assessment & Testing	1,303	-	-	-	1,303	-	-	-
2240 Instructional Staff Development	166,783	732	235	163,517	2,299	-	-	-
2310 Board of Education Services	341,284	-	-	152,849	3,773	-	184,662	-
2320 Executive Administration Services	477,186	315,148	122,551	19,215	18,398	-	1,874	-
2410 Office of the Principal Services	4,394,857	2,632,360	1,648,533	41,022	72,675	-	267	-
2510 Direction of Business Support Services	325,732	210,994	104,707	2,690	7,341	-	-	-
2520 Fiscal Services	756,799	458,370	250,290	2,826	9,739	-	35,574	-
2540 Operation and Maintenance of Plant Services	6,197,843	1,824,967	1,330,133	2,109,220	506,742	-	426,781	-
2550 Student Transportation Services	2,434,819	49,045	33,487	2,352,134	153	-	-	-
2570 Internal Services	82,620	-	-	41,140	34,837	-	6,643	-
2630 Information Services	204,762	97,880	48,708	38,197	19,977	-	-	-
2640 Staff Services	667,537	355,365	196,629	29,466	53,024	-	33,053	-
2660 Technology Services	893,040	384,203	207,221	127,062	174,554	-	-	-
2680 Interpretation and Translation Services	118,882	73,101	42,441	3,340	-	-	-	-
2700 Supplemental Retirement Program	97,652	-	97,652	-	-	-	-	-
Total Support Services Expenditures	25,884,107	11,232,028	6,983,171	5,568,172	1,408,774	-	691,962	-
Enterprise and Community Services Expenditures	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3300 Community Services	201,043	119,106	63,045	8,785	10,107	-	-	-
Total Enterprise and Community Services Expenditures	201,043	-	-	8,785	-	-	-	-
Other Uses	Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200 Transfer of Funds	750,000	-	-	-	-	-	-	750,000
Total Other Uses Expenditures	750,000	-	-	-	-	-	-	750,000
Grand Total	\$ 74,609,722	\$ 39,394,394	\$ 24,486,627	\$ 6,851,632	\$ 2,228,117	\$ -	\$ 706,694	\$ 750,000

**OREGON DEPARTMENT OF EDUCATION:
EXPENDITURE SUMMARY 2021-2022
McMinnville School District**

Special Revenue Funds (2XX)

Instruction		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Primary, K-3	3,489,171	1,571,264	1,043,335	106,107	768,465	-	-	-
1113	Elementary Extracurricular	462	-	-	-	462	-	-	-
1121	Middle/Junior High Programs	2,051,941	827,897	516,898	58,797	636,151	-	12,198	-
1122	Middle/Junior High School Extracurricular	142,607	-	-	-	142,607	-	-	-
1131	High School Programs	1,772,345	675,344	384,955	40,678	665,269	-	6,099	-
1132	High School Extracurricular	710,899	-	-	-	710,899	-	-	-
1140	Pre-Kindergarten Programs	198,804	95,187	63,697	-	39,920	-	-	-
1220	Restrictive Programs for Students with Disabilities	458,267	244,754	150,662	62,851	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	456,758	234,475	155,993	650	40,352	-	25,288	-
1271	Remediation	600,512	422,146	134,791	733	29,373	-	13,469	-
1272	Early Intervention	1,213,185	718,331	489,993	3,079	1,782	-	-	-
1273	Educationally Disadvantaged	1,279	-	-	-	1,279	-	-	-
1280	Alternative Education	65,548	30,301	32,617	-	2,630	-	-	-
1291	English Second Language Programs	107,780	31,680	22,522	10,147	43,431	-	-	-
1400	Summer School Programs	1,286,427	327,235	90,302	188,905	630,176	-	49,809	-
	Total Instruction Expenditures	12,555,985	5,178,614	3,085,765	471,947	3,712,796	-	106,863	-
Support Services									
2110	Attendance and Social Work Services	743,116	345,163	195,870	7,551	193,616	-	916	-
2120	Guidance Services	242,788	135,928	87,825	4,094	14,941	-	-	-
2130	Health Services	190,111	64,653	46,084	79,374	-	-	-	-
2140	Psychological Services	493,551	260,024	165,329	68,198	-	-	-	-
2150	Speech Pathology	196,156	110,222	76,749	7,919	1,266	-	-	-
2190	Service Direction, Student Support Services	176,522	113,121	63,401	-	-	-	-	-
2210	Improvement of Instruction Services	755,612	407,999	228,404	5,794	20,910	-	92,505	-
2220	Educational Media Services	13,548	-	-	-	13,548	-	-	-
2240	Instructional Staff Development	355,945	98,539	32,541	207,704	17,161	-	-	-
2410	Office of the Principal Services	703,367	407,986	247,103	669	3,436	-	44,173	-
2490	Other Support - School Administration	95,892	66,599	29,293	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	446,790	180,656	123,477	62,593	72,842	7,222	-	-
2550	Student Transportation Services	1,947	-	-	1,947	-	-	-	-
2610	Direction of Central Support Services	1,819	-	-	1,819	-	-	-	-
2640	Staff Services	5,918	1,516	3,877	-	525	-	-	-
2660	Technology Services	80,136	-	-	-	80,136	-	-	-
	Total Support Services Expenditures	4,503,218	2,192,406	1,299,953	447,662	418,381	7,222	137,594	-
Enterprise and Community Services Expenditures									
3100	Food Services	3,190,755	1,001,109	759,026	48,521	1,339,703	21,890	20,506	-
3200	Other Enterprise Services	19,645	14,186	4,735	657	67	-	-	-
3300	Community Services	41,374	15,874	5,043	3,004	17,453	-	-	-
3500	Custody and Care of Children Services	115,465	54,504	60,961	-	-	-	-	-
	Total Enterprise and Community Services Expenditures	3,367,239	1,085,673	829,765	52,182	1,357,223	21,890	20,506	-
Facilities Acquisition and Construction Expenditures									
4100	Facilities Acquisition and Construction	685,171	-	-	416,304	3,777	247,437	17,653	-
	Total Facilities Acquisition and Construction Expenditures	685,171	-	-	416,304	3,777	247,437	17,653	-
Grand Total		\$ 21,111,613	\$ 8,456,693	\$ 5,215,483	\$ 1,388,095	\$ 5,492,177	\$ 276,549	\$ 282,616	\$ -

Debt Service Fund (3XX)

Other Uses		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	13,355,651	-	-	-	-	-	13,355,651	-
	Total Other Uses Expenditures	13,355,651	-	-	-	-	-	13,355,651	-
Grand Total		\$ 13,355,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,355,651	\$ -

OREGON DEPARTMENT OF EDUCATION:
EXPENDITURE SUMMARY 2021-2022
McMinnville School District

Capital Projects Funds (4XX)

		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Facilities Acquisition and Construction Expenditures									
4100	Facilities Acquisition and Construction	1,568,912	-	-	1,407,794	68,037	93,081	-	-
	Total Facilities Acquisition and Construction Expenditures	1,568,912	-	-	1,407,794	68,037	93,081	-	-
	Grand Total	\$ 1,568,912	\$ -	\$ -	\$ 1,407,794	\$ 68,037	\$ 93,081	\$ -	\$ -

Fiduciary Funds (7XX)

		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Enterprise and Community Services Expenditures									
3300	Community Services	14,649	-	-	6,250	8,399	-	-	-
	Total Enterprise and Community Services Expenditures	14,649	-	-	6,250	8,399	-	-	-
	Grand Total	14,649	\$ -	\$ -	\$ 6,250	\$ 8,399	\$ -	\$ -	\$ -

STATISTICAL SECTION

This section provides further details as a context for a better understanding of the financial statements.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how financial performance has changed over time.	72
Revenue Capacity These schedules contain information to help the reader assess the McMinnville School District's most significant local revenue sources, state school fund and property taxes.	76
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the ability to issue additional debt in the future.	81
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	85
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs	87

Sources: The information in these schedules is derived from the comprehensive annual financial reports for the relevant year, unless otherwise noted.

McMINNVILLE SCHOOL DISTRICT NO. 40
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Governmental Activities										
Net investment in capital assets	\$ 57,765,843	\$ 54,686,599	\$ 56,345,606	\$ 60,569,246	\$ 59,894,436	\$ 52,959,303	\$ 44,269,882	\$ 40,288,915	\$ 36,979,216	\$ 34,552,035
Restricted	7,138,233	6,618,447	5,989,800	2,164,220	2,669,614	3,521,235	4,934,369	3,461,939	2,778,236	2,578,592
Unrestricted	<u>(65,466,226)</u>	<u>(73,474,770)</u>	<u>(68,034,734)</u>	<u>(59,071,573)</u>	<u>(55,492,361)</u>	<u>(51,398,512)</u>	<u>(43,979,929)</u>	<u>(16,701,864)</u>	<u>(36,954,932)</u>	<u>(3,544,713)</u>
Total primary government net position	<u>\$ (562,150)</u>	<u>\$ (12,169,724)</u>	<u>\$ (5,699,328)</u>	<u>\$ 3,661,893</u>	<u>\$ 7,071,689</u>	<u>\$ 5,082,026</u>	<u>\$ 5,224,342</u>	<u>\$ 27,048,990</u>	<u>\$ 2,802,520</u>	<u>\$ 33,585,914</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
 CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Expenses										
Instructional programs	\$ 56,380,424	\$ 63,400,809	\$ 61,371,161	\$ 56,506,959	\$ 54,532,271	\$ 52,558,011	\$ 63,619,441	\$ 30,991,109	\$ 41,484,570	\$ 39,110,966
Support services	28,391,828	29,544,121	28,228,246	25,905,842	24,451,519	23,638,564	27,736,353	16,195,532	20,631,872	20,819,158
Community services	3,314,191	3,142,629	3,447,468	3,271,939	3,537,084	3,522,195	3,838,040	2,548,372	2,639,518	2,499,644
Facilities services	1,913,565	236,370	556,068	1,211,007	1,028,581	581,682	117,817	92,820	20,128	15,993
Interest on long-term debt	5,071,828	6,036,708	6,306,571	6,434,550	6,466,628	6,669,502	3,800,386	4,030,059	4,243,817	3,092,214
Total expenses	95,071,836	102,360,637	99,909,514	93,330,297	90,016,083	86,969,954	99,112,037	53,857,892	69,019,905	65,537,975
Program Revenues										
Charges for services										
Instructional programs	1,093,674	275,230	1,065,054	1,287,128	1,449,981	1,499,275	1,530,476	1,440,986	1,404,134	1,250,940
Support services	186,449	259,440	212,425	176,218	178,343	129,363	122,901	120,027	77,982	143,440
Community services	87,226	145,051	356,834	263,483	117,921	107,322	101,108	96,296	393,159	388,648
Operating grants and contributions	13,733,249	13,071,973	9,642,820	9,823,510	9,450,956	9,166,772	10,090,709	10,840,699	9,745,187	10,300,449
Capital grants and contributions	-	-	162,372	53,382	4,938,157	4,823,252	-	-	-	-
Total program revenues	15,100,598	13,751,694	11,439,505	11,603,721	16,135,358	15,725,984	11,845,194	12,498,008	11,620,462	12,083,477
Net (Expense) Revenue	(79,971,238)	(88,608,943)	(88,470,009)	(81,726,576)	(73,880,725)	(71,243,970)	(87,266,843)	(41,359,884)	(57,399,443)	(53,454,498)
General Revenues										
Property taxes	26,095,237	25,039,587	24,087,025	23,019,870	21,850,303	21,529,589	20,756,714	19,971,205	18,912,202	18,757,989
State school fund - general support	61,288,119	54,226,770	52,128,039	50,835,277	49,507,845	45,323,080	45,102,671	42,186,575	39,074,365	33,941,098
Intermediate sources	2,141,854	2,236,989	2,011,047	2,113,086	2,100,157	2,172,679	2,126,367	2,189,842	1,934,088	1,875,412
Other state and local sources	1,830,543	340,920	652,327	649,062	1,077,628	1,259,595	1,201,250	1,119,603	946,812	823,229
Earnings on investments	217,269	294,281	859,506	1,699,485	1,300,355	816,711	199,469	139,129	128,987	132,079
Other	5,790	-	(629,156)	-	34,100	-	-	-	-	-
Total general revenues	91,578,812	82,138,547	79,108,788	78,316,780	75,870,388	71,101,654	69,386,471	65,606,354	60,996,454	55,529,807
Change in Net Position	\$ 11,607,574	\$ (6,470,396)	\$ (9,361,221)	\$ (3,409,796)	\$ 1,989,663	\$ (142,316)	\$ (17,880,372)	\$ 24,246,470	\$ 3,597,011	\$ 2,075,309

McMINNVILLE SCHOOL DISTRICT NO. 40
 FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Years
 (modified accrual basis of accounting)

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
General Fund										
Committed to										
Asset Reserve	\$ 1,996,583	\$ 1,897,373	\$ 1,912,353	\$ 2,046,481	\$ 2,081,865	\$ 2,820,055	\$ 2,886,198	\$ 2,310,406	\$ 2,046,414	\$ 1,969,466
Textbook and Technology Replacement	466,036	170,601	26,793	124,765	176,541	179,300	421,400	250,000	-	-
Insurance Reserve	307,329	310,538	395,724	483,355	506,522	590,157	690,886	771,402	746,204	774,738
Unassigned	9,593,106	9,537,813	7,837,357	8,476,261	7,355,987	6,129,550	6,647,752	6,105,164	4,755,843	3,437,015
Total general fund	<u>\$ 12,363,054</u>	<u>\$ 11,916,325</u>	<u>\$ 10,172,227</u>	<u>\$ 11,130,862</u>	<u>\$ 10,120,915</u>	<u>\$ 9,719,062</u>	<u>\$ 10,646,236</u>	<u>\$ 9,436,972</u>	<u>\$ 7,548,461</u>	<u>\$ 6,181,219</u>
All Other Governmental Funds										
Restricted for										
Grant Activities	\$ 365,987	\$ 307,055	\$ 291,214	\$ 284,593	\$ 275,783	\$ 319,491	\$ 262,857	\$ 255,235	\$ 259,795	\$ 219,474
Debt Service	416,309	503,216	653,292	689,305	646,835	955,302	802,803	749,900	568,295	704,145
Capital Improvements	3,636,734	4,685,639	3,894,265	12,800,801	56,052,676	86,269,284	1,795,091	1,410,855	969,003	660,824
Associated Student Body	574,673	442,441	476,804	424,281	435,908	417,309	519,024	510,837	490,899	507,463
Nutrition Services	1,132,563	680,096	674,225	766,041	948,592	1,125,638	798,727	535,112	490,244	486,686
Committed to										
PERS Bond Debt Service	502,914	498,864	515,154	507,362	582,153	563,215	575,824	570,040	566,867	563,578
Total all other governmental funds	<u>\$ 6,629,180</u>	<u>\$ 7,117,311</u>	<u>\$ 6,504,954</u>	<u>\$ 15,472,383</u>	<u>\$ 58,941,947</u>	<u>\$ 89,650,239</u>	<u>\$ 4,754,326</u>	<u>\$ 4,031,979</u>	<u>\$ 3,345,103</u>	<u>\$ 3,142,170</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenues										
Property Taxes	\$ 25,990,162	\$ 25,084,587	\$ 24,246,635	\$ 23,642,323	\$ 21,880,892	\$ 21,655,614	\$ 20,725,897	\$ 19,853,832	\$ 18,885,540	\$ 18,585,198
Earnings on Investments	217,269	294,281	859,505	1,699,485	1,300,355	816,711	199,469	139,129	128,986	132,079
Other Revenue From Local Sources	6,142,612	3,994,826	4,062,024	3,952,251	3,544,297	4,020,911	3,341,203	3,261,526	3,017,593	2,721,176
Charges for Services	416,999	385,865	1,469,961	1,592,551	1,610,039	1,612,440	1,688,631	1,623,549	1,803,474	1,815,582
Intermediate Sources	2,201,656	2,484,757	2,058,213	2,165,361	2,177,104	2,339,067	2,333,034	2,373,720	2,107,064	1,895,508
State sources	62,881,443	59,679,902	55,913,043	54,454,408	57,818,198	52,421,334	48,062,326	45,259,744	41,689,946	37,158,203
Federal Sources	11,998,565	7,291,781	5,716,332	6,005,148	6,562,043	6,858,096	7,573,919	8,132,034	7,439,483	7,581,145
Total Revenues	109,848,706	99,215,999	94,325,713	93,511,527	94,892,928	89,724,173	83,924,479	80,643,534	75,072,086	69,888,891
Expenditures										
Instruction	60,330,558	53,487,700	51,974,808	50,792,511	49,051,233	47,093,306	45,749,145	42,796,254	39,915,996	37,401,381
Support Services	30,380,104	27,438,404	26,130,880	24,595,282	23,333,801	22,362,522	21,801,470	21,591,515	20,829,700	21,054,314
Enterprise and Community Services	3,546,390	2,890,554	3,209,409	3,147,948	3,373,212	3,305,735	3,220,708	2,967,976	2,563,536	2,421,521
Facilities Acquisition and Construction	1,913,565	236,370	550,178	1,204,785	1,022,557	581,682	117,816	92,820	20,128	15,993
Debt Service:										
Principal	8,270,000	6,895,000	5,495,721	4,891,768	4,412,249	4,422,629	6,811,360	6,183,956	5,582,120	5,396,877
Interest	5,085,651	6,107,711	6,969,675	7,097,309	7,125,224	6,675,573	3,860,160	4,088,757	4,301,834	4,265,880
Bond Issuance Costs	-	241,727	-	-	-	504,795	-	-	-	233,036
Capital Outlay	369,630	889,435	9,921,106	44,241,541	36,915,191	22,597,900	432,209	346,869	288,597	255,347
Total Expenditures	109,895,898	98,186,901	104,251,777	135,971,144	125,233,467	107,544,142	81,992,868	78,068,147	73,501,911	71,044,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,192)	1,029,098	(9,926,064)	(42,459,617)	(30,340,539)	(17,819,969)	1,931,611	2,575,387	1,570,175	(1,155,458)
Other Financing Sources (Uses)										
Sale of Fixed Assets	-	-	-	-	34,100	6,730	-	-	-	-
Lease Purchase Receipts	5,790	-	-	-	-	-	-	-	-	-
Tax Anticipation Note Proceeds	-	-	-	-	-	-	-	-	-	-
Tax Anticipation Note Payments	-	-	-	-	-	-	-	-	-	-
Bonds Issued and Premiums	-	1,092,837	-	-	-	101,781,978	-	-	-	-
Refunding Bonds Issued and Premiums	-	25,850,000	-	-	-	-	-	-	-	49,348,383
Payments of Escrow for Refunding	-	(25,615,480)	-	-	-	-	-	-	-	(49,112,845)
Total Other Sources (Uses)	5,790	1,327,357	-	-	34,100	101,788,708	-	-	-	235,538
Net Change in Fund Balance	(41,402)	2,356,455	(9,926,064)	(42,459,617)	(30,306,439)	83,968,739	1,931,611	2,575,387	1,570,175	(919,920)
Fund Balance										
Beginning of Year	19,033,636	16,677,181	26,603,245	69,062,862	99,369,301	15,400,562	13,468,951	10,893,564	9,323,389	10,243,309
End of year	\$ 18,992,234	\$ 19,033,636	\$ 16,677,181	\$ 26,603,245	\$ 69,062,862	\$ 99,369,301	\$ 15,400,562	\$ 13,468,951	\$ 10,893,564	\$ 9,323,389
Debt service as a percentage of noncapital expend	12.19%	13.36%	13.21%	13.07%	13.06%	13.06%	13.08%	13.22%	13.50%	13.65%

McMINNVILLE SCHOOL DISTRICT NO. 40
 ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Assessed Value					Assessed Value	Total Direct Rate (a)	Estimated Actual Value of Taxable Property (b)	Assessed Value as a % of Estimated Actual Value of Taxable Property
	Real Property	Personal Property	Manufactured Structures	Utilities					
2013	\$ 2,562,434,123	\$ 74,971,254	\$ 34,549,906	\$ 86,811,210	\$ 2,758,766,493	6.98	\$ 3,488,131,424	79.09%	
2014	2,624,439,230	73,919,360	34,671,070	92,937,829	2,825,967,489	6.87	3,518,402,639	80.32%	
2015	2,712,588,271	77,963,094	32,588,494	89,481,076	2,912,620,935	6.94	3,658,832,392	79.61%	
2016	2,896,448,939	81,438,355	35,516,279	102,508,575	3,115,912,148	6.87	4,026,645,831	77.38%	
2017	2,986,919,695	87,739,415	35,831,188	103,182,263	3,213,672,561	6.89	4,413,034,916	72.82%	
2018	3,091,624,120	86,752,183	40,671,388	104,687,235	3,323,734,926	6.75	5,604,828,529	59.30%	
2019	3,248,949,459	89,669,279	45,453,679	106,443,602	3,490,516,019	6.74	5,764,553,363	60.55%	
2020	3,449,023,084	118,942,783	61,689,097	64,844,500	3,694,499,464	6.75	6,244,712,129	59.16%	
2021	3,576,453,161	120,699,433	65,677,774	64,118,400	3,826,948,768	6.74	6,753,005,664	56.67%	
2022	3,763,620,651	119,901,625	68,444,320	68,007,205	4,019,973,801	6.71	7,505,548,152	53.56%	

(a) Per \$1,000 of assessed value.

(b) The real market value of property in the county is reassessed annually. The amounts in this schedule do not include tax exempt property.

Source: Yamhill County Assessor's Office.

McMINNVILLE SCHOOL DISTRICT NO. 40
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	McMinnville School District No. 40			Overlapping Rates (a)									
	Operating	Debt Service	Total District	Yamhill County	City of McMinnville	City of Lafayette	Willamette ESD	Chemeketa Community College	McMinnville RFPD	Carlton Fire	Sheridan Fire	Amity RFPD	Other Taxing Districts (b)
2013	\$ 4.15	\$ 2.83	\$ 6.98	\$ 2.58	\$ 5.72	\$ 3.49	\$ 0.30	\$ 0.86	\$ 0.96	\$ 1.46	\$ 1.47	\$ 1.76	\$ 0.16
2014	4.15	2.72	6.87	2.58	5.72	3.49	0.30	0.86	0.96	1.46	1.47	1.76	0.16
2015	4.15	2.79	6.94	2.58	5.70	3.49	0.30	0.89	0.96	1.46	1.47	1.79	0.16
2016	4.15	2.72	6.87	2.58	6.18	3.49	0.30	0.92	0.96	1.45	1.47	1.79	0.16
2017	4.15	2.74	6.89	2.58	6.10	3.49	0.30	0.90	0.96	1.44	1.47	2.21	0.16
2018	4.15	2.60	6.75	2.58	6.36	3.49	0.30	0.90	0.96	1.43	1.47	2.21	0.16
2019	4.15	2.59	6.74	2.58	6.47	3.49	0.30	0.90	0.96	1.43	1.47	2.21	0.16
2020	4.15	2.60	6.75	2.58	6.31	4.33	0.30	0.89	0.96	1.41	1.47	2.18	0.16
2021	4.15	2.59	6.74	2.58	6.29	4.24	0.30	0.89	0.96	1.40	1.47	2.00	0.16
2022	4.15	2.56	6.71	2.58	5.94	4.20	0.30	0.89	0.96	1.30	1.47	1.95	0.16

Note: Property tax rates listed are per \$1,000 assessed value.

(a) Overlapping rates are those of local and county governments that apply to property owners within the McMinnville School District. Not all overlapping rates apply to all McMinnville School District property owners (example: the rates for special districts apply only to property located within the geographic boundaries of that special district).

(b) Other taxing districts include Yamhill County Extension Service, Yamhill County Soil & Water District and Chemeketa Library .

Source: Yamhill County Assessor's Office.

McMINNVILLE SCHOOL DISTRICT NO. 40
 MAJOR TAXPAYERS FOR DISTRICT - CURRENT YEAR AND TEN YEARS AGO
 June 30, 2022

Taxpayer	Business/Service	2022			2013		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Cascade Steel Rolling Mills	Steel production	\$ 82,963,385	1	2.06%	\$ 66,884,177	1	2.47%
MPT of McMinnville - Capella LLC	(a) Health care	62,743,369	2	1.56%	58,065,106	2	2.15%
Riverbend Landfill Co	Landfill	23,837,467	3	0.59%			
Brookdale Senior Living Inc	(b) Retirement community	21,957,829	4	0.55%	17,603,599	4	0.65%
Northwest Natural Gas Co	Natural Gas Utility	17,812,000	5	0.44%	9,828,900	10	0.36%
Jackson Family Wines Inc	Commercial wine producer	16,125,617	6	0.40%			
Lowes HIW Inc.	Retail	15,989,084	7	0.40%	15,232,530	7	0.56%
Lafayette Place Apartments LLC	Residential real estate mgt	15,507,547	8	0.39%			
March Hare LLC & McMincenter, LLC	(c) Commercial real estate mgt	14,722,130	9	0.37%	10,844,382	9	0.40%
Portland General Electric	Electrical Utility	13,900,001	10	0.35%			
Frontier (Verizon) Northwest Inc.	Telecommunications				14,189,000	8	0.52%
Evergreen Vintage Aircraft	Museum				24,241,038	3	0.90%
Comcast Corporation	Telecommunications				15,982,800	6	0.59%
Chemeketa Community College	Education				17,502,481	5	0.65%
Subtotal - ten of the District's largest taxpayers		285,558,429		7.10%	250,374,013		9.26%
All other District taxpayers in Yamhill County		3,734,415,372		92.90%	2,452,513,128		90.74%
Total District taxpayers		\$ 4,019,973,801		100.00%	\$ 2,702,887,141		100.00%

McMINNVILLE SCHOOL DISTRICT NO. 40
 MAJOR TAXPAYERS FOR YAMHILL COUNTY
 June 30, 2022

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Tax¹</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Value</u>
Portland General Electric	Electrical Utility	\$ 482,485	\$ 187,191,001	1.88%
Cascade Steel Rolling Mills Inc.	Steel production	213,838	82,963,385	0.83%
MPT of McMinnville - Capella LLC	Health care	161,721	62,743,369	0.63%
Northwest Natural Gas Co	Natural Gas Utility	138,409	53,699,001	0.54%
Stoller Vineyards Inc	Winery	100,882	39,139,407	0.39%
Foxglove Properties	Nursery Stock	81,157	31,486,665	0.32%
The Allison Inn & Spa LLC	Hospitality	78,016	30,268,221	0.30%
Providence Health System	Health care	67,534	26,201,528	0.26%
Aspen Way West LLC	Commerical Property	65,457	25,395,443	0.25%
A to Z Winworks LLC	Winery	64,034	24,843,505	0.25%
Subtotal - ten of the District's largest taxpayers			563,931,525	5.65%
All other District taxpayers in Yamhill County			9,414,972,116	94.35%
Total District taxpayers			<u>\$ 9,978,903,641</u>	<u>100.00%</u>

(1) Tax amount is the total tax paid by taxpayer within the boundaries of the County. This amount is distributed to individual local governments by the County.

Source: Yamhill County Assessor's Office

McMINNVILLE SCHOOL DISTRICT NO. 40
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year End June 30,	Total Tax Levy for Fiscal Year			Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Original	Adjustments (a)	Total Adjusted	Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	\$ 19,244,450	\$ (673,423)	\$ 18,571,027	\$ 17,757,708	92.27%	\$ 802,065	\$ 18,559,773	99.94%
2014	19,410,313	(598,937)	18,811,376	18,048,287	92.98%	757,806	18,806,093	99.97%
2015	20,410,647	(624,506)	19,786,141	19,008,327	93.13%	766,847	19,775,174	99.94%
2016	21,369,909	(850,486)	20,539,423	19,911,013	93.09%	612,395	20,523,408	99.92%
2017	22,110,201	(774,477)	21,335,724	20,749,859	93.85%	575,886	21,325,745	99.95%
2018	22,517,639	(775,441)	21,742,198	21,209,134	94.19%	511,496	21,720,630	99.90%
2019	23,716,107	(744,376)	22,971,731	22,390,052	94.41%	520,924	22,910,976	99.74%
2020	24,841,036	(785,436)	24,055,600	23,511,969	94.65%	416,421	23,928,390	99.47%
2021	25,752,011	(829,543)	24,922,468	24,458,287	94.98%	233,040	24,691,327	99.07%
2022	26,908,366	(822,523)	26,085,863	25,482,822	94.70%	-	25,482,822	97.69%

Source: Yamhill County Department of Assessment and Taxation.

(a) Adjustments include discounts, write-offs and cancellations

McMINNVILLE SCHOOL DISTRICT NO. 40
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund (2)	Total	Taxable Assessed Value (3)	Percentage of Taxable Assessed Value	Estimated Actual Value of Property (3)	Percentage of Estimated Actual Value of Property	District Population (4) (Estimated)	Per Capita (4)
2013	\$ 67,221,391	\$ 704,145	\$ 66,517,246	\$ 2,758,766,493	2.411%	\$ 3,488,131,424	1.907%	42,500	\$ 1,565
2014	61,635,405	568,295	61,067,110	2,825,967,489	2.161%	3,518,402,639	1.736%	42,704	1,430
2015	55,524,419	749,900	54,774,519	2,912,620,935	1.881%	3,658,832,392	1.497%	43,113	1,270
2016	48,868,433	802,803	48,065,630	3,115,912,148	1.543%	4,026,645,831	1.194%	43,704	1,100
2017	145,856,152	955,302	144,900,850	3,213,672,561	4.509%	4,413,034,916	3.283%	44,479	3,258
2018	141,161,893	646,835	140,515,058	3,323,734,926	4.228%	5,604,828,529	2.507%	44,634	3,148
2019	136,082,634	689,305	135,393,329	3,490,516,019	3.879%	5,764,553,363	2.349%	44,774	3,024
2020	130,503,375	653,292	129,850,083	3,694,499,464	3.515%	6,244,712,129	2.079%	45,789	2,836
2021	125,554,966	503,216	125,051,750	3,826,948,768	3.268%	6,753,005,664	1.852%	45,416	2,753
2022	118,497,544	416,309	118,081,235	4,019,973,801	2.937%	7,505,548,152	1.573%	45,701	2,584

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(1) This is the general bonded debt net of original issuance discounts and premiums

(2) This is the amount restricted for debt service principal payments

(3) See Assessed and Real Market Value of properties for property value data.

(4) See Demographic and Economic Statistics for population and personal income data. These ratios are calculated using income and population from prior calendar year.

McMINNVILLE SCHOOL DISTRICT NO. 40
 OUTSTANDING DEBT BY TYPE
 LAST TEN YEARS

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Pension Obligation Bonds	Total Outstanding Debt	Percentage of Personal Income (2)	Debt Per Capita (2)
2013	\$ 67,221,391	\$ 27,434,804	\$ 94,656,195	6.49%	\$ 2,227
2014	61,635,405	26,862,684	88,498,089	5.91%	2,072
2015	55,524,419	26,213,728	81,738,147	5.16%	1,896
2016	48,868,433	25,482,368	74,350,801	4.37%	1,701
2017	145,856,152	24,669,739	170,525,891	9.22%	3,834
2018	141,161,893	23,767,490	164,929,383	8.53%	3,695
2019	136,082,634	22,770,722	158,853,356	7.80%	3,548
2020	130,503,375	21,670,001	152,173,376	7.00%	3,323
2021	125,554,966	19,685,001	145,239,967	6.27%	3,198
2022	118,497,544	17,485,001	135,982,545	5.78%	2,975

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- (1) This is the general bonded debt net of original issuance discounts and premiums
- (2) See Demographic and Economic Statistics for population and personal income data. These ratios are calculated using income and population from the prior calendar year.

McMINNVILLE SCHOOL DISTRICT NO. 40
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 June 30, 2022

Governmental Unit	Debt Outstanding	Percentage Applicable to District	Amount Applicable to District
Direct			
McMinnville School District No. 40	\$ 135,982,545	100.00%	\$ 135,982,545
Overlapping			
Chemeketa Community College	94,425,000	8.99%	8,488,808
City of McMinnville	25,046,560	99.97%	25,039,046
Yamhill County	8,337,279	36.65%	3,055,613
Willamette ESD	6,416,593	8.18%	524,877
City of Lafayette	5,223,785	100.00%	5,223,785
Amity RFPD	2,100,000	8.93%	187,530
New Carlton Fire District	570,000	2.38%	13,566
Sheridan RFPD	350,000	7.53%	<u>26,355</u>
Subtotal, overlapping debt			<u>42,559,580</u>
Total direct and overlapping debt			<u><u>\$ 178,542,125</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Debt Management Division, Oregon State Treasury.

McMINNVILLE SCHOOL DISTRICT NO. 40
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2022

Real Market Value	\$ 7,505,548,152
Debt limit (7.95% of real market value)	596,691,078
Debt applicable to limit	<u>(118,497,544)</u>
Legal debt margin	<u>\$ 478,193,534</u>

Fiscal Year	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2022	\$ 596,691,078	\$ 118,497,544	\$ 478,193,534	19.86%
2021	536,863,950	114,425,000	422,438,950	21.31%
2020	496,454,614	116,160,000	380,294,614	23.40%
2019	458,281,992	120,555,000	337,726,992	26.31%
2018	445,583,868	124,450,000	321,133,868	27.93%
2017	350,836,276	127,960,000	222,876,276	36.47%
2016	320,118,344	43,170,000	276,948,344	13.49%
2015	290,877,175	49,250,000	241,627,175	16.93%
2014	279,713,010	54,785,000	224,928,010	19.59%
2013	277,306,448	59,795,000	217,511,448	21.56%

Note: Under ORS 328.245, the McMinnville School District's outstanding general obligation debt should not exceed 7.95% of real market value. This is based on a limitation factor of .0055 for each grade kindergarten through eight and .0075 by each grade nine through twelve.

McMINNVILLE SCHOOL DISTRICT NO. 40
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Estimated Population (a)</u>	<u>Per Capita Personal Income (b)</u>	<u>Total Estimated Personal Income</u>	<u>Unemployment Rate (c)</u>
2012	42,500	\$ 34,330	\$ 1,459,025,000	8.50%
2013	42,704	35,049	1,496,732,496	7.50%
2014	43,113	36,765	1,585,049,445	6.40%
2015	43,704	38,920	1,700,959,680	5.30%
2016	44,479	41,600	1,850,326,400	4.60%
2017	44,634	43,328	1,933,901,952	3.70%
2018	44,774	45,478	2,036,231,972	3.70%
2019	45,789	47,494	2,174,702,766	3.40%
2020	45,416	51,028	2,317,487,648	5.00%
2021	45,701	51,486	2,352,961,686	3.40%

Sources:

(a) Population estimate includes population of the City of McMinnville, City of Lafayette and 26% of unincorporated areas of Yamhill County. Population estimate per Portland State University Population Research Center data.

(b) Per Capita Personal Income for Yamhill County per U.S. Department of Commerce, Bureau of Economic Analysis.

(c) Oregon Employment Department, Local Area Unemployment Statistics for Yamhill County, seasonally adjusted.

McMINNVILLE SCHOOL DISTRICT NO. 40
 MAJOR EMPLOYMENT INDUSTRIES - YAMHILL COUNTY
 CURRENT YEAR AND TEN YEARS PRIOR

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Private Employers:						
Manufacturing	6,444	1	17.59%	6,115	1	19.56%
Health care	5,346	2	14.59%	4,054	2	12.97%
Natural Resources: Agriculture, forestry	3,668	3	10.01%	2,886	5	9.23%
Retail	3,790	4	10.35%	3,135	3	10.03%
Leisure & Hospitality	3,231	5	8.82%	2,992	4	9.57%
Professional and business services	2,247	6	6.13%	1,694	6	5.42%
Construction	1,955	7	5.34%	1,115	8	3.57%
Education services	1,878	8	5.13%	1,358	7	4.34%
Other services	1,084	9	2.96%	1,240	9	3.97%
Financial activities	1,068	10	2.92%	951	10	3.04%
Wholesale	792	11	2.16%	483	12	1.55%
Transportation, warehousing & utilities	482	12	1.32%	667	11	2.13%
Information	290	13	0.79%	166	13	0.53%
Subtotal Private	32,275		88.11%	26,856		85.92%
Government						
Federal	461		1.26%	461		1.47%
State	236		0.64%	435		1.39%
Local Government						
Education & health services	2,136		5.83%	2,049		6.56%
Public administration	1,159		3.16%	1,235		3.95%
Other	362		0.99%	222		0.71%
Subtotal Government	4,354		11.89%	4,402		14.08%
Total Employment	36,629		100.00%	31,258		100.00%

Source: Oregon Employment Department Workforce and Economic Research Division at www.qualityinfo.org.

Note: Information provided for Yamhill County

McMINNVILLE SCHOOL DISTRICT NO. 40
 STUDENT ENROLLMENT STATISTICS
 LAST TEN YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Weighted Average Daily Membership (1)</u>	<u>Average Daily Membership (2)</u>	<u>Full-time Equivalent Teaching Staff (3)</u>	<u>Ratio of Students to Teaching Staff</u>
2013	7,558	6,142	321	19
2014	7,695	6,269	327	19
2015	7,796	6,303	349	18
2016	8,223	6,630	367	18
2017	8,151	6,667	375	18
2018	8,101	6,662	371	18
2019	7,887	6,598	378	17
2020	7,867	6,581	384	17
2021	7,539	6,307	377	17
2022	7,712	6,329	403	16

(1) Weighted Average Daily Membership is the enrollment figure used to allocate revenues appropriated by the State to school districts. It is the average daily membership increased for a variety of weighting factors such as students with disabilities, english language learners and poverty.

(2) Average daily membership during the school year. Kindergarten was counted as .50 until 2015-16 , the first year of full day kindergarten.

(3) Includes classroom, music, physical education, special education teachers, librarians and counselors.

Source: McMinnville School District No. 40 personnel and student records.

McMINNVILLE SCHOOL DISTRICT NO. 40
 CERTIFIED, CLASSIFIED, ADMINISTRATIVE AND OTHER EMPLOYEES
 LAST TEN YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Licensed</u>	<u>Classified</u>	<u>Administrative</u>	<u>Confidential</u>	<u>Total</u>
2013	363	299	23	14	699
2014	360	294	23	14	691
2015	394	299	23	14	730
2016	404	319	25	14	762
2017	422	328	25	14	789
2018	417	324	25	13	779
2019	420	326	25	13	784
2020	420	328	26	12	786
2021	428	334	26	14	802
2022	441	336	30	18	825

Source: McMinnville School District No. 40 personnel records.

Note: Number of employees both full-time and part-time (headcount).

McMINNVILLE SCHOOL DISTRICT NO. 40
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	(2) Average Daily Membership	General Fund (3) Expenditures and other financing uses	General Fund Per Student Expenditure	Nutrition Services				Percent Eligible Free or Reduced (5)	Student Transportation	
				Breakfast	Lunch	Dinner (4)	Total Meals		Total Bus Routes	Total Miles
2022	6,329	\$ 74,603,931	\$ 11,787	302,047	414,414	42,015	758,476	n/a	47	386,031
2021	6,307	72,052,292	11,424	189,823	189,861	174,080	553,764	n/a	47	148,995
2020	6,581	72,457,226	11,010	342,150	416,878	90,280	849,308	52.0%	47	410,019
2019	6,598	69,036,491	10,463	404,722	519,174	73,264	997,160	63.0%	47	655,681
2018	6,659	66,784,822	10,029	454,728	676,871	70,629	1,202,228	100.0%	47	615,791
2017	6,667	64,195,002	9,629	462,984	716,278	84,463	1,263,725	100.0%	47	614,304
2016 (1)	6,630	62,215,375	9,384	427,859	736,361	80,016	1,244,236	100.0%	47	516,654
2015	6,533	57,662,742	8,826	338,964	669,075	80,845	1,088,884	100.0%	47	546,937
2014	6,523	53,894,508	8,262	225,762	507,543	-	733,305	58.3%	47	651,252
2013	6,396	50,759,176	7,936	194,712	513,108	-	707,820	58.2%	47	657,333

(1) District began offering full day kindergarten in 2015-16.

(2) Average daily membership with kindergarten = 1.0

(3) General fund budgetary basis schedule

(4) District began serving dinner meals to students in after school programs in 2015

(5) District participated in the Community Eligibility Provision at all schools from 2014-2018. In 2018-19, only elementary schools participated. For the 2020-21 and 2021-22 school year, free meals were available to all students due to waiver granted by USDA.

Note: For fiscal year 2020 and 2021 there was a reduction in meals served and miles due to the closure of schools because of the pandemic. Meals were distributed at schools and by a limited number of bus deliveries during distance learning.

Source: McMinnville School District Records.

McMINNVILLE SCHOOL DISTRICT NO. 40
 CAPITAL ASSET INFORMATION
 AS OF JUNE 30, 2022

<u>Building</u>	<u>Year of Original Building Construction</u>	<u>Square Footage (1)</u>	<u>Maximum Capacity (1)</u>	<u>Enrollment 10/1/2021</u>	<u>Percent of Capacity</u>	<u>Average Age of Buildings (in years)</u>
Elementary Schools						
Buel	2008	80,837	600	397	66%	13
Columbus	1994	68,740	600	437	73%	27
Grandhaven	1999	69,958	600	515	86%	22
Memorial	1947	67,292	600	559	93%	74
Newby	1960	58,527	600	411	69%	61
Wascher	1979	61,259	600	350	58%	42
Total		<u>406,613</u>	<u>3,600</u>	<u>2,669</u>	<u>74%</u>	<u>40</u>
Middle Schools						
Duniway	1993	119,412	950	815	86%	28
Patton	1976	132,820	950	759	80%	45
Total		<u>252,232</u>	<u>1,900</u>	<u>1,574</u>	<u>83%</u>	<u>37</u>
High Schools						
McMinnville High Sch	1955 - 2019	268,935	2,700	2,241	83%	63
Adams Campus	1914	34,052	300			107
Total		<u>302,987</u>	<u>3,000</u>	<u>2,114</u>	<u>70%</u>	<u>85</u>
Other Buildings						
Cook Administration Office	1924	43,464				97
Baker Street Annex	1965	9,081				56
Evans Street Ctr	1995	6,418				26
Facilities Warehouse	1977	23,000				44
19th Street Maintenance	1948	12,395				73
Stadium	1980	12,480				41
Total		<u>106,838</u>				<u>56</u>
GRAND TOTAL		<u>1,068,670</u>	<u>8,500</u>	<u>6,357</u>	<u>75%</u>	<u>51</u>

Notes:

Many buildings have undergone remodels since original construction

(1) Square footage and capacity presented do not include modular classroom space.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



PAULY, ROGERS AND Co., P.C.
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December 31, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of McMinnville School District No. 40 as of and for the year ended June 30, 2022, and have issued our report thereon dated December 31, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the McMinnville School District No. 40 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

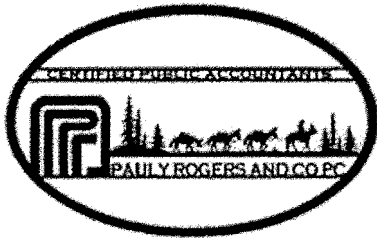
This report is intended solely for the information and use of the Board of Directors and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Roy R Rogers

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

GRANT COMPLIANCE SECTION



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December 31, 2022

To the Board of Directors
McMinnville School District No. 40
McMinnville, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, fiduciary fund, each major fund, and the aggregate remaining fund information of McMinnville School District No. 40 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 31, 2022.

Report on Internal Control over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

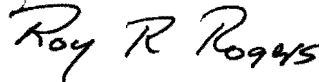
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

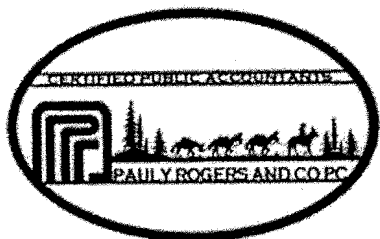
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



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



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December 31, 2022

To the Board of Directors
McMinnville School District No. 40
McMinnville, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited McMinnville School District No. 40 (the District)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section on the schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

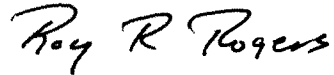
Report on Internal Control over Compliance

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

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

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

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



Roy R. Rogers, CPA

PAULY, ROGERS AND CO., P.C.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OR
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor Program Title	Grant Period	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Original Grant Amount	Federal Expenditures
U.S. Department of Education					
Passed through Oregon State Department of Education					
Title IA Grants	07/01/20-09/30/21	84.010	58306	\$ 1,283,859	\$ 66,718
	07/01/21-09/30/22	84.010	67015	1,243,959	1,192,698
	Total			2,527,818	1,259,416
IDEA: Special Education Grants to State					
Part B, Section 611	07/01/20-09/30/22	84.027	60696	1,007,985	202,787
Part B, Section 611	07/01/22-09/30/23	84.027	66671	1,078,984	748,049
Part B, Section 611 ARP	07/01/21-09/30/23	84.027	68422	270,758	-
Extended Assessment	07/01/19-09/30/21	84.027	54742	1,099	-
Extended Assessment	07/01/21- 06/30/22	84.027	73205	1,099	-
Extended Assessment	07/01/21- 09/30/22	84.027	73598	1,099	-
Pathways for Recovery & Return	07/01/20-09/30/21	84.027A	61436	45,306	45,306
Post School Outcomes	06/01/19-09/30/21	84.027	57397	765	-
IDEA: Preschool Grants for Children with Disabilities	07/01/19-09/30/21	84.173	54027	7,730	-
Part B, Section 619	07/01/20-09/30/22	84.173	60530	13,533	-
Part B, Section 619	07/01/21-09/30/23	84.173	68949	11,249	-
Part B, Section 619 ARP	07/01/21-09/30/23	84.173A	69193	6,565	-
	Total Special Education Cluster			2,446,172	996,142
Title IV-A Student Support and Academic Enrichment	07/01/21-09/30/22	84.424	66804	92,059	92,059
				92,059	92,059
21st Century Community Learning Centers	07/01/20-09/30/22	84.287	61154	613,029	426,079
	07/01/21-09/30/23	84.287	68791	389,028	249,434
	Total			1,002,057	675,513
Title III English Language Acquisition	07/01/19-09/30/21	84.365	58434	86,895	32,319
	07/01/20-09/30/21	84.365	58484	99,017	86,148
	07/01/21-09/30/22	84.365	67145	94,212	-
	Total			280,124	118,467
ED Homeless Children & Youth	07/01/20-09/30/21	84.196	65239	45,835	22,927
	07/01/21-09/30/22	84.196	66236	37,185	11,917
	Total			83,020	34,844
Title II-A Supporting Effective Instruction	07/01/20-09/30/22	84.367	58798	193,415	94,121
	07/01/21-09/30/22	84.367	67448	193,293	85,649
	Total			386,708	179,770
LEA ESSER II Fund	03/13/20-09/30/23	COVID-19 84.425D	64623	4,193,370	3,785,532
LEA ESSER III Fund	03/13/20-09/30/24	COVID-19 84.425D	64928	9,424,319	1,390,479
ARP-HCY I	04/23/21-09/30/24	COVID-19 84.425W	69298	28,702	-
ARP-HCY II	04/23/21-09/30/24	COVID-19 84.425W	69365	39,093	-
	Total Education Stability Fund			13,685,484	5,176,011
Passed Through Willamette Education Service District					
Title I-C Migrant Education	07/01/20-09/30/21	84.011	N/A	46,507	46,507
	07/01/21-09/30/21	84.011	N/A	51,541	51,541
				98,048	98,048
Total U.S. Department of Education				20,601,490	8,630,270
U.S. Department of Agriculture					
Passed through Oregon State Department of Education					
School Breakfast Program	07/01/21-06/30/22	10.553	N/A	827,065	827,065
National School Lunch Program	07/01/21-06/30/22	10.555	N/A	1,993,631	1,993,631
National School Lunch Program Commodities	07/01/21-06/30/22	10.555	N/A	224,365	224,365
NSLP Supply Chain Assistance	07/01/21-06/30/22	10.555	N/A	120,990	-
NSLP USDA COVID Sponsor	07/01/21-06/30/22	10.555	N/A	42,426	42,426
Summer Food Service Program	07/01/21-06/30/22	10.559	N/A	72,165	72,165
National Summer Food Service Program Commodities	07/01/21-06/30/22	10.559	N/A	717	717
Fresh Fruit and Vegetable Program	10/01/20-09/30/21	10.582	61226	26,050	-
Fresh Fruit and Vegetable Program	10/01/20-09/30/21	10.582	61311	29,500	-
Fresh Fruit and Vegetable Program	10/01/21-09/30/22	10.582	69595	25,500	20,668
Fresh Fruit and Vegetable Program		10.582	69596	28,950	25,140
	Total Child Nutrition Cluster			3,391,359	3,206,177
Child & Adult Care Food Program	07/01/21-06/30/22	10.558	N/A	158,555	158,555
CACFP CIL-Cash Commodities	07/01/21-06/30/22	10.558	N/A	11,263	11,263
	Total			169,818	169,818
Child Nutrition Program SNAP State and Local P-EBT	07/01/21-06/30/22	10.649	N/A	3,063	3,063
				3,063	3,063
Total U.S. Department of Agriculture				3,674,240	3,379,058
Department of Homeland Security					
Passed through Oregon Office of Emergency Management					
Disaster Grants - Public Assistance	07/01/21-06/30/22	97.036	N/A	24,046	24,046
Total Department of Homeland Security				24,046	24,046
Total Federal Awards				24,299,776	12,033,374

Reconciliation to Federal Revenue Recognized:
Federal Awards Expended \$ 12,033,374
Accruals / Deferrals (34,809)
Federal Revenue Recognized \$ 11,998,565

MCMINNVILLE SCHOOL DISTRICT NO. 40
MCMINNVILLE, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

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

Noncompliance material to financial statements noted? yes no

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

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

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

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
MCMINNVILLE, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

IDENTIFICATION OF MAJOR PROGRAMS

<u>AL NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.010	Title IA
COVID-19, 84.425D;	ESSER
COVID-19, 84.425W	

\$750,000

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None

MCMINNVILLE SCHOOL DISTRICT NO. 40
MCMINNVILLE, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has not elected to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with the Oregon Department of Education, and thus is not allowed to use the de minimis rate.