

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024



12700 SW 72nd Ave.
Tigard, OR 97223

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024

Prepared by the Business Office staff

Jason Hall, Finance Director

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2024

<u>NAME</u>	<u>TERM EXPIRES</u>
Jason Bizon, Chair	June 30, 2025
Abbie Warmbier, Vice-Chair	June 30, 2025
Christine Bader	June 30, 2025
Lu Ann Anderson	June 30, 2027
Gerardo Partida	June 30, 2027
Larry Vollmer	June 30, 2027
Doris Towery	June 30, 2027

All board members receive mail at the address below

ADMINISTRATIVE

800 NE Lafayette Ave
McMinnville, Oregon 97128

Debbie Brocket (Registered Agent)	Superintendent
Cherice Bowden	Superintendent Executive Assistant
Jason Hall	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.

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YAMHILL COUNTY, OREGON

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MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

INTRODUCTORY SECTION

December 27, 2024

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 Annual Comprehensive Financial Report of McMinnville School District #40 (the District), for the fiscal year ended June 30, 2024, 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, 2024. 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 page xiv.

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 6,400 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 2023 was 6,429. Enrollment counts are compiled annually on October 1st as required by the State of Oregon. The District’s enrollment increased by 84 students when compared to the fall of 2020 but decrease by 100 students when compared to 2023. 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	2012	2017	2023
Elementary (Grades K-5)	2,940	3,047	2,656
Middle School (Grades 6-8)	1,556	1,541	1,448
High School (Grades 9-12)	1,969	2,176	2,325
Total Enrollment	6,465	6,764	6,429

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 34,774 and Lafayette, population 4,541. 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 2024, the Yamhill County unemployment rate was 3.3%, as compared to 4.1% for the state of Oregon and 4.1% at the national level. The unemployment rate decreased slightly compared to the prior year.

The real market value of property located in the boundaries of the District increased by 8.3% from 2022-23 to 2023-24, while the assessed property values increased by 5%. Assessed value as a percentage of real market value was 44.7% compared to 46% 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 2023-24, the total real market value of property within the District boundaries is \$9.9 billion and the assessed value is \$4.4 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 \$9.3 billion to \$10.2 billion for the 2023-25 biennium, a 9.7% 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. Funding for the 2025-27 biennium will be approved in the spring of 2025.

Oregon's economic recovery from the pandemic remained strong in 2023-24. As of December 2024, state revenues are projected to exceed budget estimates for the 2023-25 biennium, resulting in a larger-than-expected beginning fund balance. Looking ahead to the 2025-27 biennium, revenue projections show growth due to adjustments in the Forecast Model and the increased beginning balance. Additionally, Oregon's two budgetary reserve funds—the Education Stability Fund and Rainy Day Fund—hold record amounts to address potential economic or revenue challenges in the future.

LONG-TERM FINANCIAL PLANNING

The District's unassigned general fund balance at year-end was 14.8% 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 53 years, ranging from 4 years old to 109 years old. K-12 school facilities need regular maintenance to ensure they remain safe, functional, and supportive of learning. Routine upkeep, like HVAC servicing, roof repairs, and fixing wear and tear, helps prevent costly emergency repairs and extends the life of the buildings. Planning for future needs, including prioritizing repairs and upgrades, is essential for long-term financial planning. Properly maintained facilities show fiscal responsibility and help build community trust, which is important when preparing for a potential school bond in the future.

The District completed a detailed professional assessment of each facility in 2024 through the Oregon Department of Education. An updated long-range facilities plan will be developed to guide the future needs of 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 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.
- ***High School Success Act*** (Measure 98) – The District has received funding from the High School Success fund for six 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.
- ***Early Literacy Success*** – The 2023 Oregon Legislature passed the Early Literacy Success Initiative through HB 3198, which is the largest literacy investment in the State in two decades. This initiative allocated \$90 million for the 2023-25 biennium with a required 25% match of funding (from any fund source). It seeks to use evidence-based practices in early learning to improve 3rd-grade reading outcomes. This work aligns with our integrated

and strategic plan to support professional development, instructional coaching, evidence-aligned literacy strategies, and resources to support student literacy development through core instruction, intervention, high-dose tutoring, and additional opportunities to extend learning.

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, 2023. This was the fifteenth 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, 2023. This was the fifteenth 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



Jason Hall
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, 2023

Christopher P. Morill

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, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

James M. Rowan, CAE, SFO
CEO/Executive Director



Organizational Leadership Chart 2024-2025

MSD Board of Directors

Jason Bizon - Chair
Abbie Warmbier - Vice Chair
 Lu Ann Anderson Doris Towery
 Gerardo Partida Larry Vollmer

Cherice Bowden
 Executive Assistant

Superintendent Debbie Brockett

Student Support Services Shelly Simonyi

Counselors/504's
 Civil Rights
 Health Services
 McKinney Vento
 Mental Health Partnerships
 Special Services
 SLP's/Psychologists
 Social Worker Services

Coordinators
 Julie Gluff
 Linda Jones

Curriculum, Instruction & Assessment Kourtney Ferrua

K-12 Curriculum & Assessments
 Afterschool Programs
 Curriculum Adoptions
 EL Programming
 Early Learning
 Integrated Plan
 New Teacher Mentorship
 Professional Development
 SEL
 Title Funding

Elementary Programs
 Davey Altree

Outdoor School
 Music, PE, Art
 Title IX Investigations
 Virtual Academy

EL Coordinator
 Cielo Talmaseb

Community Outreach
 EL Professional Dev
 Family Engagement
 Migrant
 Translation

Finance Jason Hall

Bond Services
 Business Services
 District Budget
 Financial Reporting
 Grant Funding/Reporting
 Nutrition Services
 Payroll Services

Supervisors/Managers
 Bill Leet - Fiscal Supervisor
 Tracie Martin - Payroll Supervisor
 Shiloh Fieck - Nutrition Manager

Secondary Programs
 Lauren Berg

CTE Partnerships
 MAPS
 Title IX Investigations
 Virtual Academy

Human Resources Steffanie Frost

Benefits
 Employee Evaluations
 Employee Wellness
 Grow-Your-Own
 Labor Mgmt. Relations
 Legal Compliance
 Admin. Mentorship
 New Administrator Training
 Personnel Processes
 Policies
 Title IX Coordinator
 Workers Compensation

Manager
 David Cano, FRC

Operations Brian Crain

Bonds
 District Athletics
 District Hearing Office (Expulsions)
 Facilities/Grounds
 Long-Term Planning
 Safety
 Transportation

Supervisors
 Jody Fisher - Maintenance/Grounds
 Martha Biggs - Safety

Elementary Principals
 Erin Caldwell, Buel
 Kathi Fowler, Grandhaven
 Kim Price, Memorial
 Vicky Brown, Newby
 Scott Murphy, Washcer
 Stephanie Murdock, Willamette

Information Technology Hiran Amerasinghe

Cybersecurity
 Help Desk
 Infrastructure and Inventory
 Student Information System
 Technology and Security
 Rostering

Managers
 Laurie Fry, Communication

Secondary Principals
 Dave Furman, MHS
 Hilary Brittan Lack, Duniway MS
 Allison Eitzen, Patton MS

Assistant Principals
 Pamela Canady, MHS
 Teresa Denney, MHS
 Jared Larson, MHS
 Jeremy Vernon, MHS
 Troy Hall, DMS
 Lisa Jordan Zornow, PMS

MSD will honor, empower, and prepare each individual to thrive and contribute.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

FINANCIAL SECTION

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT



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

December 27, 2024

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

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, 2024, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position thereof 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 Basic 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 the system 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 Basic 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 controls. 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 the District's system 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 system of 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 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, except for budgetary statements included in the required supplementary information.

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 list of board members before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 27, 2024 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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 27, 2024, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

MANAGEMENTS DISCUSSION AND ANALYSIS

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. 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 assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$16,296,642 (net position). The total net position increased by \$10.08 million from the prior year. The positive net position is primarily due to the District's share of revenue from the State School Fund. Further analysis can be found in the discussion of the Statement of Net Position.
- The total cost of all District programs was \$109.7 million, an increase of \$2.1 million (2.0%) from the prior year.
- At June 30, 2024, the District's governmental funds report a combined fund balance of \$22.22 million, an increase of \$4.44 million in comparison to the prior fiscal year. Of this amount \$12.95 million is available for spending at the government's discretion (unassigned fund balance). The General Fund's unassigned fund balance increased by \$2.6 million from the prior year.

OTHER HIGHLIGHTS

- On June 15, 2021, the District 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.

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).

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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.

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 43 of this report.

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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 44 through 48 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 49 through 62 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 assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$16,296,642 at June 30, 2024.

Statement of Net Position

	Governmental Activities		Increase (Decrease)
	June 30, 2024	June 30, 2023	
Current and other assets	\$ 33,962,754	\$ 29,824,380	\$ 4,138,374
Capital assets	166,800,350	172,481,358	(5,681,008)
Total Assets	<u>200,763,104</u>	<u>202,305,738</u>	<u>(1,542,634)</u>
Deferred Outflows of Resources	<u>19,716,590</u>	<u>21,366,031</u>	<u>(1,649,441)</u>
Long-term obligations	183,300,730	183,945,463	(644,733)
Other liabilities	9,562,678	10,113,996	(551,318)
Total Liabilities	<u>192,863,408</u>	<u>194,059,459</u>	<u>(1,196,051)</u>
Deferred Inflows of Resources	<u>11,319,644</u>	<u>23,395,146</u>	<u>(12,075,502)</u>
Net Position			
Net investment in capital assets	64,703,683	62,625,707	2,077,976
Restricted	6,859,070	5,529,489	1,329,581
Unrestricted	<u>(55,266,111)</u>	<u>(61,938,032)</u>	<u>6,671,921</u>
Total Net Position	<u>\$ 16,296,642</u>	<u>\$ 6,217,164</u>	<u>\$ 10,079,478</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Net position. The largest portion of the District's net position reflects an investment of \$64.7 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 \$6.9 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 \$55.3 million. The decrease of \$6.7 million from the fiscal year 2022-23 is primarily due to the change in the PERS net pension liability.

Cash and other assets. Cash and other assets totaled \$34.0 million at year end. Cash and investments (\$26.8 million) made up 79% of this total. Total cash and other assets increased by \$4.14 million from the prior year. This is primarily due to the increase of state school funds and investment earnings.

Capital assets. At year end, the District's investment in capital assets amounted to \$166.8 million (net of accumulated depreciation and amortization). This includes land, buildings and improvements, equipment, construction in progress, lease, and SBITA assets as shown in the following table:

	Capital Assets (Net of Depreciation)		
	Governmental Activities		Increase (Decrease)
	June 30, 2024	June 30, 2023	
Land	\$ 4,879,642	\$ 4,879,642	\$ -
Construction in Progress	-	56,520	(56,520)
Buildings and Improvements	159,871,487	165,298,711	(5,427,224)
Equipment	1,836,213	1,865,010	(28,797)
Right to Use Lease Asset	84,134	138,468	(54,334)
Subscription Asset	128,874	243,007	(114,133)
Total capital assets, net of accumulated depreciation and amortization	<u>\$ 166,800,350</u>	<u>\$ 172,481,358</u>	<u>\$ (5,681,008)</u>

During the fiscal year, net capital assets decreased by \$5.7 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:

- Duniway Fire Alarm of \$80,000.
- Nutrition Services equipment of \$138,921.
- Nutrition Services vending machines of \$40,876.
- General building maintenance and grounds equipment of \$334,484.

Depreciation expense was \$6.1 million for the year. Additional information on the District's capital assets can be found in Note 9 of this report.

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Deferred inflows and outflows of resources. Deferred outflows of resources decreased by \$1.6 million and deferred inflows of resources decreased by \$12.1 million due to changes in assumptions and investment earning differences related to the valuation of the net pension liability and OPEB liabilities.

Liabilities. Accrued liabilities, representing 5.0% of the District's total liabilities, consists of payables on accounts, salaries and benefits, interest charges, and unearned revenues.

Outstanding long-term obligations represent 95.0% of the District's total liabilities. At the end of the current fiscal year, the District's long-term obligations totaled \$183.3 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, 2024	June 30, 2023	
General obligation bonds	\$ 94,450,000	\$ 101,710,000	\$ (7,260,000)
Pension obligation bonds	12,225,001	15,005,001	(2,780,000)
Unamortized premium	8,553,030	9,170,536	(617,506)
Net Pension Liability	62,303,679	52,447,820	9,855,859
OPEB obligation	5,578,086	5,262,483	315,603
Lease Liabilities	87,404	140,099	(52,695)
Subscription Liabilities	103,530	209,524	(105,994)
Total long-term debt	\$ 183,300,730	\$ 183,945,463	\$ (644,733)

The District's total long-term debt decreased by \$644,733 during the current fiscal year. This reflects an increase of \$9.9 million in the net pension liability and a decrease of \$10.7 million in bonds payable and unamortized bond premium due to principal payments.

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 \$787 million, which significantly exceeds the District's outstanding general obligation debt of \$94.5 million. Additional information on the District's long-term debt can be found in Note 3 of this report.

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

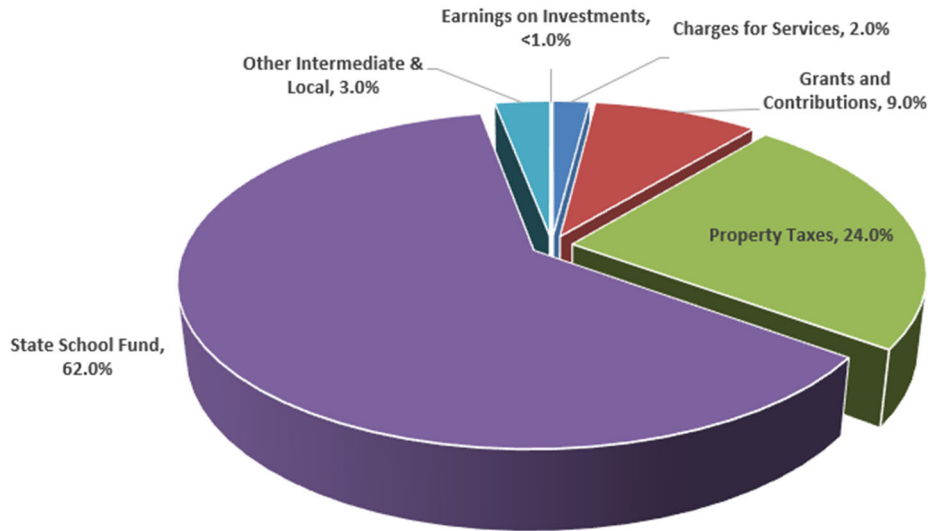
Governmental Activities. During the fiscal year, the District's net position increased by \$10.08 million. The key elements of the change in the District's net position for the year ended June 30, 2024 are as follows:

Changes in Net Position For the Year Ended			
	Governmental Activities		Increase (Decrease)
	June 30, 2024	June 30, 2023	
Revenues:			
Program Revenues:			
Charges for services	\$ 2,467,954	\$ 1,907,351	\$ 560,603
Operating grants and contributions	10,244,968	13,496,743	(3,251,775)
General Revenues:			
Property taxes	28,226,194	27,200,644	1,025,550
State Sources	73,459,436	67,391,090	6,068,346
Intermediate and other local sources	3,384,004	3,269,889	114,115
Earnings on investments	2,041,221	1,146,594	894,627
Gain (Loss) on Disposal of Capital Asset	(887)	-	(887)
Total revenues	119,822,890	114,412,311	5,410,579
Expenses:			
Instruction	63,941,145	60,819,805	3,121,340
Support services	37,075,184	34,015,560	3,059,624
Community services	4,358,652	4,004,927	353,725
Facilities and Acquisition	122,707	4,110,724	(3,988,017)
Interest on long-term debt	4,245,724	4,681,981	(436,257)
Total expenses	109,743,412	107,632,997	2,110,415
Change in net position	10,079,478	6,779,314	3,300,164
Net position - July 1	6,217,164	(562,150)	6,779,314
Net position - June 30	\$ 16,296,642	\$ 6,217,164	\$ 10,079,478

McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

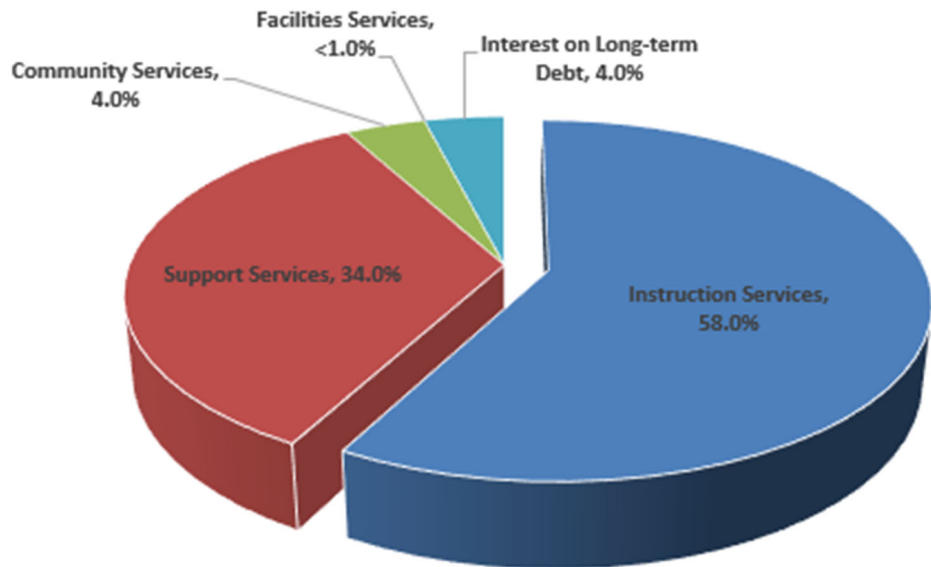
Revenues. Total revenues increased by \$5.4 million (4.73%). Program revenues decreased by \$2.7 million and General Revenues increased by \$8.1 million. The decrease is due to the decreasing federal emergency relief funds available through the CARES Act (ESSER). The increases are due to increased state school funding, increased local property tax collection, and increased investment returns. 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.

Revenues by Source - Governmental Activities



Expenses. Total expenses increased by \$2.1 million (1.96%). This increase is primarily due to an increase in expenses for continued support to students after the pandemic.

Expenses by Function - Governmental Activities



McMINNVILLE SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the District's governmental funds reported combined ending fund balances of \$22.22 million, an increase of \$4.44 million. Approximately 58.3% of this fund balance amount (\$12.95 million) is *unassigned fund balance*, which is available for spending at the government's discretion. Approximately, 25.67% of this amount is *restricted* for particular purposes (\$5.7 million) and 16.03% is *committed* by the District for specific purposes (\$3.56 million). 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, 2024, the total general fund balance was \$15.9 million. The fund balance increased by \$3.15 million is primarily due to increased revenue from the state school fund. The *unassigned* fund balance is \$12.97 million, which represents 14.8% of total General Fund revenues. *Committed* fund balance of \$2.92 million represents 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 \$978,938. Grant revenue is normally recognized as grant expenditures are expended.

Debt Service Fund. The Debt Service Fund has a total *restricted* fund balance of \$631,233. All of which is reserved for the payment of debt service.

Capital Projects Fund. The Capital Projects Fund has a total *unassigned* negative fund balance of \$13,245. This fund increased by \$79,000 as a result of E-Rate reimbursements received in 2023-24.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there were two supplemental budget resolutions; in November, the board approved an appropriations transfer from Instruction services to Support services in the Textbook and Technology Fund and the Grants Fund. In April, the board approved additional expenditure appropriations in Support services of the Insurance Reserve Fund due to the ice storm. Also in April, the board approved appropriation transfers in the General Fund between Instruction, Support, and Community services. The General Fund budgetary schedule can be found on page 47 of this report.

Final budget compared to actual results. Actual revenues were \$1.16 million higher in the area of local sources (investment earnings, property tax and fees for services), \$167,005 lower in intermediate sources and \$3.33 million higher in state school funding. Expenditures were lower than appropriations by \$1.94 million. Expenses were primarily decreased due to savings on employee benefits and positions that could not be filled. 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, 2024

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. Enrollment continues to fluctuate as some students choose private or home school options after a full return to in person learning. Enrollment is expected to decline for the 2024-25 school year.

For the 2023-24 budget, enrollment was projected to recover with the transition back to the brick and mortar education model with an anticipated enrollment of 6,553 students. Enrollment as of October 1, 2023 was 6,429 (124 students lower than projected). Statewide enrollment has continued to decline. The full impact on enrollment due to the pandemic is still unknown currently.

The 2024-25 budget was adopted by the Board on June 10, 2024. The adopted budget for the General Fund for the year ending June 30, 2025 includes appropriations of \$100.0 million, 8.2% higher than the 2023-24 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 2024-25 includes planned reserves of \$7.0 million or 7.0% of revenues.

The budget for 2024-25 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 the School Investment Account (state grant). The adopted budget for the Grants Fund for 2024-25 reflects an increase in appropriations of \$1.26 million primarily due to additional state grants available.

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 Jason Hall, 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, 2024

	<u>GOVERNMENTAL</u>
ASSETS:	
Cash and Cash Equivalents	\$ 26,566,879
Receivables:	
Property Taxes	1,352,455
Accounts and Grants Receivable	4,786,372
Restricted Cash and Investments	99,571
Prepays	990
Net OPEB Asset - RHIA	1,155,966
Due from Fiduciary Fund	521
Capital Assets, Not Being Depreciated	4,879,642
Capital Assets, Net of Depreciation	161,707,700
Lease right- to-use asset, net of amortization	84,134
Subscription right-to-use asset, net of amortization	128,874
	<u>200,763,104</u>
DEFERRED OUTFLOWS OF RESOURCES:	
OPEB Related Deferrals (Health Insurance)	206,181
OPEB Related Deferrals (RHIA)	4,532
Pension Related Deferrals (PERS)	18,408,580
Deferred Charge on Refunding	1,097,297
	<u>19,716,590</u>
Total Deferred Outflows of Resources	<u>19,716,590</u>
Total Assets and Deferred Outflows	<u>220,479,694</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	1,796,684
Accrued Payroll, Taxes, and Employee Withholdings	6,589,147
Accrued Compensated Absences	59,563
Interest Payable	133,702
Lease Liability, Current	43,574
Subscription Liability, Current	103,530
Unearned Revenue	983,582
OPEB Liability, Current	290,835
Long-Term Obligations Due Within One Year	10,860,000
Non-Current Liabilities:	
Net Pension Liability - PERS	62,303,679
Long-Term Obligations Due in More than One Year	104,368,031
Lease Liability, Long Term	43,830
OPEB Liability, Long term	5,287,251
	<u>192,863,408</u>
Total Liabilities	<u>192,863,408</u>
DEFERRED INFLOWS OF RESOURCES:	
OPEB Related Deferrals (Health Insurance)	1,594,794
OPEB Related Deferrals (RHIA)	74,605
Pension Related Deferrals (PERS)	9,650,245
	<u>11,319,644</u>
Total Deferred Inflows of Resources	<u>11,319,644</u>
Total Liabilities and Deferred Inflows	<u>204,183,052</u>
NET POSITION:	
Net Investment in Capital Assets	64,703,683
Restricted for:	
Grant Activities	977,948
Debt Service	631,233
Capital Improvements	2,559,260
Associated Student Body	707,453
Nutrition Services	827,210
OPEB RHIA Asset	1,155,966
Unrestricted	(55,266,111)
	<u>16,296,642</u>
Total Net Position	<u>\$ 16,296,642</u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

<u>FUNCTIONS</u>	<u>EXPENDITURES</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	\$ 63,941,145	\$ 1,471,035	\$ 5,071,868	\$ (57,398,242)
Support Services	37,075,184	578,892	2,828,153	(33,668,139)
Community Services	4,358,652	418,027	2,344,947	(1,595,678)
Facilities & Acquisition	122,707	-	-	(122,707)
Interest on Long-Term Debt	4,245,724	-	-	(4,245,724)
Total Governmental Activities	<u>\$ 109,743,412</u>	<u>\$ 2,467,954</u>	<u>\$ 10,244,968</u>	<u>(97,030,490)</u>
General Revenues				
				17,704,741
				10,521,453
				563,307
				2,041,221
				710,105
				2,110,592
				73,459,436
				<u>(887)</u>
			Total General Revenues	<u>107,109,968</u>
			Changes in Net Position	10,079,478
			Net Position - Beginning	<u>6,217,164</u>
			Net Position - Ending	<u>\$ 16,296,642</u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2024

	General Fund	Grants Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS:						
Equity in Pooled Cash and Investments	\$ 21,393,522	\$ -	\$ 494,223	\$ -	\$ 4,449,217	\$ 26,336,962
Cash Held by County	143,788	-	86,129	-	-	229,917
Receivables:						
Property Taxes	851,464	-	500,991	-	-	1,352,455
Accounts and Grants Receivable	510,684	4,088,105	-	-	187,583	4,786,372
Due from Governmental Funds	1,900,710	-	-	-	11,280	1,911,990
Due from Fiduciary Fund	521	-	-	-	-	521
Prepays	-	990	-	-	-	990
Restricted Cash and Investments	-	-	-	-	99,571	99,571
Total Assets	\$ 24,800,689	\$ 4,089,095	\$ 1,081,343	\$ -	\$ 4,747,651	\$ 34,718,778
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable	\$ 1,554,418	\$ 227,830	\$ -	\$ -	\$ 14,436	\$ 1,796,684
Accrued Payroll and Payroll Taxes	6,588,063	-	-	-	1,084	6,589,147
Unearned Revenues	-	983,582	-	-	-	983,582
Due to Governmental Funds	-	1,898,745	-	13,245	-	1,911,990
Total Liabilities	8,142,481	3,110,157	-	13,245	15,520	11,281,403
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	767,172	-	450,110	-	-	1,217,282
Total Deferred Inflows of Resources	767,172	-	450,110	-	-	1,217,282
Fund Balance:						
Nonspendable	-	990	-	-	-	990
Restricted for:						
Grant Activities	-	977,948	-	-	-	977,948
Debt Service	-	-	631,233	-	-	631,233
Capital Improvements	-	-	-	-	2,559,260	2,559,260
Associated Student Body	-	-	-	-	707,453	707,453
Nutrition Services	-	-	-	-	827,210	827,210
Committed to:						
Asset Reserve	1,823,818	-	-	-	-	1,823,818
Textbook and Technology Replacement	1,016,948	-	-	-	-	1,016,948
Insurance Reserve	83,777	-	-	-	-	83,777
Debt Service	-	-	-	-	638,208	638,208
Unassigned	12,966,493	-	-	(13,245)	-	12,953,248
Total Fund Balance	15,891,036	978,938	631,233	(13,245)	4,732,131	22,220,093
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 24,800,689	\$ 4,089,095	\$ 1,081,343	\$ -	\$ 4,747,651	\$ 34,718,778

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, 2024

Total Fund Balances - Governmental Funds	\$	22,220,093
<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>		
		(62,303,679)
<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>		
		1,155,966
<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)	\$ 18,408,580	
Deferred Inflows (PERS)	(9,650,245)	
Deferred Outflows (OPEB RHIA)	4,532	
Deferred Inflows (OPEB RHIA)	(74,605)	
Deferred Outflows (OPEB Health)	206,181	
Deferred Inflows (OPEB Health)	<u>(1,594,794)</u>	7,299,649
<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		166,587,342
<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		(8,553,030)
<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>		
Long-Term Liabilities		
OPEB Liability - Health Insurance	(5,578,086)	
Accrued Compensated Absences	(59,563)	
Interest Payable	(133,702)	
General Obligation Bonds Payable	(94,450,000)	
Deferred Charges on Refunding	1,097,297	
Limited Tax Pension Bonds Payable	(12,225,001)	
Lease Liability	(87,404)	
Subscription Liability	<u>(103,530)</u>	(111,539,989)
<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	767,172	
Unearned Revenue Related to Property Taxes - Debt Service Fund	<u>450,110</u>	1,217,282
<p>Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.</p>		
Lease Right to Use Assets, Net of Accumulated Amortization	84,134	
Subscription Right to Use Assets, Net of Accumulated Amortization	<u>128,874</u>	213,008
Net Position	\$	<u><u>16,296,642</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, 2024

	General Fund	Grants Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues:						
Local Sources						
Property Taxes	\$ 17,573,041	\$ -	\$ 10,456,611	\$ -	\$ -	\$ 28,029,652
Construction Excise Tax	-	-	-	-	563,307	563,307
Charges for Services	312,705	-	-	-	257,430	570,135
Rentals	102,770	-	-	-	-	102,770
Investment Earnings	1,445,588	-	308,635	-	286,998	2,041,221
Contributions and Donations	-	104,346	-	-	-	104,346
Fees Charged to Grants	263,646	33,353	-	-	1,237,891	1,534,890
Services to Other Funds	-	-	-	-	3,556,368	3,556,368
Miscellaneous	540,332	249,013	-	171,958	3,070	964,373
Intergovernmental						
Intermediate Sources	2,047,995	316,101	1,766	-	-	2,365,862
State Sources	65,036,539	8,837,120	-	-	73,909	73,947,568
Federal Sources	12,773	5,831,232	-	-	3,571,879	9,415,884
Total Revenues	87,335,389	15,371,165	10,767,012	171,958	9,550,852	123,196,376
Expenditures:						
Current:						
Instruction	52,896,053	8,894,971	-	-	1,160,994	62,952,018
Support Services	30,928,074	5,784,994	-	-	-	36,713,068
Enterprise & Community Services	188,283	123,209	-	-	3,979,737	4,291,229
Facilities Acquisition & Construction	25,218	-	-	92,354	5,135	122,707
Debt Service						
Principal	-	-	7,260,000	-	2,780,000	10,040,000
Interest	-	-	3,420,924	-	831,300	4,252,224
Capital Outlay						
Support Services	-	20,471	-	-	-	20,471
Enterprise and Community Services	-	-	-	-	179,797	179,797
Facilities Acquisition and Construction	193,538	-	-	-	33,961	227,499
Total Expenditures	84,231,166	14,823,645	10,680,924	92,354	8,970,924	118,799,013
Revenues Over (Under) Expenditures	3,104,223	547,520	86,088	79,604	579,928	4,397,363
Other Financing Sources (Uses):						
Leases	43,271	-	-	-	-	43,271
Total Other Financing Sources (Uses)	43,271	-	-	-	-	43,271
Net Change in Fund Balances	3,147,494	547,520	86,088	79,604	579,928	4,440,634
Fund Balances, Beginning of Year	12,743,542	431,418	545,145	(92,849)	4,152,203	17,779,459
Fund Balances, End of Year	<u>\$ 15,891,036</u>	<u>\$ 978,938</u>	<u>\$ 631,233</u>	<u>\$ (13,245)</u>	<u>\$ 4,732,131</u>	<u>\$ 22,220,093</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, 2024

Total Net Changes in Fund Balances - Governmental Funds	\$	4,440,634
<p>The PERS pension income (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.</p>		
		523,099
<p>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.</p>		
		(11,516)
<p>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 depreciation exceeds capital outlay.</p>		
Capital Asset Additions (Net)	\$ 537,760	
Depreciation Expense	<u>(6,050,301)</u>	(5,512,541)
<p>Capital assets retired from service create a gain or loss on disposal in the Statement of Activities, but no gain or loss is recognized in the governmental funds</p>		
Proceeds from Disposal of Capital Assets		(887)
<p>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.</p>		
Amortization of Premium	617,506	
Amortization of Deferred Charge on Refunding Bonds	(277,211)	
Change in Accrued Compensated Absences	(52,429)	
Debt Principal Repaid	<u>10,040,000</u>	10,327,866
<p>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.</p>		
		6,500
<p>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.</p>		
Change in Unearned Revenue - General Fund	131,700	
Change in Unearned Revenue - Debt Service Fund	<u>64,842</u>	196,542
<p>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.</p>		
OPEB Health Insurance Income (Expense)		118,672
<p>Payment on Lease and Subscription Liabilities decreases liabilities in the Statement of Net Position.</p>		
Payment on Lease Liability	95,966	
Payment on Subscription Liability	<u>105,994</u>	201,960
<p>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.</p>		
Lease Amortization Expense	(96,718)	
Subscription Amortization Expense	<u>(114,133)</u>	(210,851)
Change in Net Position of Governmental Activities	<u>\$</u>	<u>10,079,478</u>

See accompanying notes to basic financial statements.

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	<u>Private Purpose Trust Fund</u>
ASSETS:	
Equity in Pooled Cash and Investments	<u>\$ 155,084</u>
Total Assets	<u> 155,084</u>
LIABILITIES:	
Due to Other Funds	<u> 521</u>
Total Liabilities	<u> 521</u>
NET POSITION:	
Net Position Restricted for the Benefit of Individuals	<u> 154,563</u>
Total Net Position	<u><u> \$ 154,563</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, 2024

	Private Purpose Trust Fund
ADDITIONS:	
Earnings from Investments	\$ 7,823
Contributions	6,845
Total Additions	14,668
DEDUCTIONS:	
Scholarships	17,500
Supplies and Materials	854
Total Deductions	18,354
Change in Net Position	(3,686)
Net Position, Beginning of Year	158,249
Net Position, End of Year	\$ 154,563

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, interest earnings, and the federal E-Rate grant program.

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 acquisition value.

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.

Typically, OPEB liabilities are liquidated in the General Fund.

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2024, 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 assets 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, 2024, 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):

Lease Assets

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

Leases Payable

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

Subscription Assets

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

Subscription Liabilities

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

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 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 eight (8%) 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 amortization, 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, 2024:

<u>Deposits with Financial Institutions:</u>	
Demand Deposits	\$ 1,460,215
State Treasurer's Investment Pool	25,129,064
Cash with County	229,917
Petty Cash	2,338
Total Deposits with Financial Institutions	<u>\$ 26,821,534</u>
Reported in:	
Statement of Net Position:	
Governmental Funds	\$ 26,566,879
Restricted Cash	99,571
Statement of Fiduciary Net Position:	
Private Purpose Trust Fund	155,084
Grand Total	<u>\$ 26,821,534</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, 2024 was \$3,737,222, 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, 2024.

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, 2024, the fair value of the position in the ***LGIP is 100.39%*** 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, 2024, 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	\$ 25,129,064	\$ 25,129,064	\$ -	\$ -
Total	\$ 25,129,064	\$ 25,129,064	\$ -	\$ -

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, 2024, 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. \$277,211 of amortization expense was recognized in the current year and the remaining \$1,097,297 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, 2024:

Issue Date	Interest Rates	Principal			Outstanding Ending Balance	Due within One Year
		Outstanding Beginning Balance	Increases	Decreases		
Bonds Payable:						
August 10, 2016	3.00-5.00	\$ 76,135,000	\$ -	\$ 2,610,000	\$ 73,525,000	\$ 2,875,000
June 15, 2021	3.00	730,000	-	140,000	590,000	145,000
June 15, 2021	0.18-1.51	24,845,000	-	4,510,000	20,335,000	4,725,000
October 31, 2002	4.82-5.55	8,285,001	-	1,535,000	6,750,001	1,720,000
February 19, 2004	4.40-5.53	6,720,000	-	1,245,000	5,475,000	1,395,000
Subtotal		116,715,001	-	10,040,000	106,675,001	10,860,000
Bond Premium		9,170,536	-	617,506	8,553,030	
Total		<u>\$ 125,885,537</u>	<u>\$ -</u>	<u>\$ 10,657,506</u>	<u>\$ 115,228,031</u>	

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

3. Long-Term Obligations (continued):

Debt service requirements to maturity comprise the following:

<u>Fiscal Year</u> <u>Ending</u>	Principal	Interest	Total Requirements
	General Obligation Bonds		
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	9,375,000	2,647,546	12,022,546
2029	4,265,000	2,410,000	6,675,000
2030-2034	27,325,000	9,181,400	36,506,400
2035-2038	28,660,000	2,864,800	31,524,800
Total	\$ 94,450,000	\$ 26,299,564	\$ 120,749,564
	Limited Tax Pension Bonds		
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	\$ 12,225,001	\$ 1,593,624	\$ 13,818,625
Total Debt and Interest	\$ 106,675,001	\$ 27,893,188	\$ 134,568,189

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/ACFR/2023-ACFR.pdf>

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

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

4. Defined Benefit Pension Plan (continued):

- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
 - Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
 - General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - 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, 2021 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2024 were \$7,906,352, excluding amounts to fund employer specific liabilities.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (continued):

Pension Asset or Liability – At June 30, 2024, the District reported a net pension liability of \$62,303,679 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2023 and 2022, the District’s proportion was 0.33 percent and 0.34 percent, respectively. Pension income for the year ended June 30, 2024 was \$523,099.

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

- (1) Tier 1/Tier 2 – 15.42%
- (2) OPSRP general services – 18.26%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 3,046,840	\$ 247,040
Changes in assumptions	5,534,690	41,267
Net difference between projected and actual earnings on pension plan investments	1,119,852	-
Net changes in proportionate share	445,252	4,498,963
Differences between District contributions and proportionate share of contributions	355,594	4,862,975
Subtotal - Amortized Deferrals (below)	10,502,228	9,650,245
District contributions subsequent to measuring date	7,906,352	-
Deferred outflow (inflow) of resources	\$ 18,408,580	\$ 9,650,245

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

Subtotal amounts related to pension as deferred outflows of resources \$10,502,228, and deferred inflows of resources, (\$9,650,245), net to \$851,983 and will be recognized in pension income as follows:

Year ending June 30,	Amount
2025	\$ (1,551,943)
2026	(3,958,818)
2027	4,863,546
2028	1,476,338
2029	22,860
Thereafter	-
Total	\$ 851,983

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2024. Oregon PERS produces an independently audited ACFR which can be found at:

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

4. Defined Benefit Pension Plan (continued):

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study, which is reviewed for the four-year period ending December 31, 2020.

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	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

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

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023, the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
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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, 2023 and 2022 was 6.90 percent, for both years, 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 <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District's proportionate share of the net pension liability	\$ 102,913,946	\$ 62,303,679	\$ 28,317,189

Changes Subsequent to the Measurement Date

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

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

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.

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 \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2024.

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

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

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA)

	Postemployment Health Insurance Subsidy	Postemployment Health Insurance Account	Net
Total OPEB Liability	\$ 5,578,086	\$ -	\$ 5,578,086
Total OPEB Asset	-	1,155,966	1,155,966
OPEB Deferred Outflows of Resources	206,181	4,532	210,713
OPEB Deferred Inflows of Resources	1,594,794	74,605	1,669,399
OPEB Income (Expense)	118,672	(11,516)	107,156

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, 2024. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS and equaled the required contributions for the year.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA) (continued):

At June 30, 2024, the District reported a net OPEB asset of \$1,155,966 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB 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 dates of June 30, 2023 and 2022, the District's proportion was 0.32 percent and 0.30 percent, respectively. OPEB expense for the year ended June 30, 2024 was \$11,516.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (133,791)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	147,091
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ 13,300</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 29,021
Changes in assumptions	-	12,464
Net difference between projected and actual earnings on pension plan investments	3,278	-
Net changes in proportionate share	-	33,120
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	3,278	74,605
District contributions subsequent to measuring date	1,254	-
Deferred outflow (inflow) of resources	<u>\$ 4,532</u>	<u>\$ 74,605</u>

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

Subtotal amounts related to OPEB as deferred outflows of resources, \$3,278, and deferred inflows of resources, (\$74,605), net to (\$71,327) and will be recognized in OPEB expense as follows:

MCMINNVILLE SCHOOL DISTRICT NO. 40
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NOTES TO THE FINANCIAL STATEMENTS

5. Other Post-Employment Benefits (RHIA) (continued):

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ (78,597)
2026	(50,771)
2027	42,720
2028	15,321
2029	-
Thereafter	-
Total	<u>\$ (71,327)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023. That independently audited report was dated February 2, 2024 and can be found at:

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

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, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5 %; Disabled retirees: 15%
Mortality	<u>Healthy retirees and beneficiaries:</u> 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. <u>Active members:</u> Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

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

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 January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

Sensitivity of the District’s proportionate share of the net OPEB asset to changes in the discount rate – The following presents the District’s proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net OPEB asset 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 <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District's proportionate share of the net OPEB liability (asset)	\$ (1,050,775)	\$ (1,155,966)	\$ (1,246,218)

Changes Subsequent to the Measurement Date

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

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, 2024, there were 3 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 908 active and 45 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. At June 30, 2024, there are no assets accumulated in a GASB – compliant trust.

Total OPEB Liability - The District’s total OPEB liability of \$5,578,086 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

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 3.75% per year; (b) assumed inflation rate of 2.50% per year; (c) annual salary increases of 3.50% per year.

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>(2.75%)</u>	Current Discount Rate <u>(3.75%)</u>	1% Increase <u>(4.75%)</u>
Total OPEB Liability on June 30, 2024	\$ 6,006,233	\$ 5,578,086	\$ 5,176,589
Health Care Trend Sensitivity	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability on June 30, 2024	\$ 4,889,443	\$ 5,578,086	\$ 6,403,965

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 40,869	\$ 209,733
Changes of assumptions or other inputs	<u>165,312</u>	<u>1,385,061</u>
Total	<u>\$ 206,181</u>	<u>\$ 1,594,794</u>

Amounts reported as deferred outflows, \$206,181, and deferred inflows of resources, (\$1,594,794) related to OPEB net to (\$1,388,613) and will be recognized in OPEB expense as follows:

Year ended June 30,	Amount
2025	\$ (434,273)
2026	(171,686)
2027	(254,343)
2028	(254,340)
2029	(136,983)
All subsequent Years	<u>(136,988)</u>
	<u>\$ (1,388,613)</u>

Changes in Total OPEB Liability:

Total OPEB Liability at Fiscal Year End June 30, 2023	\$ 5,262,483
Changes for the year:	
Service Cost	382,251
Interest	206,555
Change of Benefit Terms	-
Change in Assumptions	-
Experience (Gain)/Loss	-
Benefit Payments	<u>(273,203)</u>
Net Changes	315,603
Total OPEB Liability at June 30, 2024	<u>\$ 5,578,086</u>

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

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, 2024, 264 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.

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. The District does not engage in risk-financing activities where the risk is retained (self-insurance).

Settlements have not exceeded insurance coverage for each of the three years ending June 30, 2024, 2023, and 2022.

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

9. Capital Assets:

At June 30, 2024, capital assets consisted of the following:

	Balance July 1, 2023	Adjustments	Additions	Deletions	Balance June 30, 2024
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 56,520	\$ (56,520)	\$ -	\$ -	\$ -
Land	4,879,642	-	-	-	4,879,642
Total Assets Not Being Depreciated	4,936,162	(56,520)	-	-	4,879,642
Capital Assets Being Depreciated:					
Buildings and Improvements	232,858,880	56,520	158,184	-	233,073,584
Equipment	7,508,889	-	379,576	-	7,888,465
Total Capital Assets Being Depreciated	240,367,769	56,520	537,760	-	240,962,049
Accumulated Depreciation:					
Buildings and Improvements	(67,560,169)	-	(5,641,928)	-	(73,202,097)
Equipment	(5,643,879)	-	(408,373)	-	(6,052,252)
Total Accumulated Depreciation	(73,204,048)	-	(6,050,301)	-	(79,254,349)
Total Depreciable Assets, net	167,163,721				161,707,700
Total Capital Assets, Net	\$ 172,099,883				\$ 166,587,342

During the year ended June 30, 2024, \$56,520 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	\$ 5,554,582
Support Services	436,021
Enterprise and Community Services	59,698
Total	\$ 6,050,301

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

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. In accordance with GASB Statement 54 all funds are combined and presented as the general fund on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. As such, transfers in and out of the combining general fund are not shown on the Statement of Revenues, Expenditures and Changes in Fund Balances but are shown on the respective Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actuals.

	<u>Transfers Out</u>	<u>Transfers In</u>
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 Grants Fund, Capital Projects Fund, and Private Purpose Trust Funds were temporarily advanced \$1,898,745, \$13,425, and \$521 respectively by the general fund to cover expenditures at June 30, 2024. All interfund due to/ due froms are expected to be liquidated within one year.

The composition of interfund balances is as follows:

<u>Due From Other Funds:</u>		<u>Due to Other Funds:</u>	
General Fund	\$ 1,912,511	General Fund	\$ -
Grants Fund	-	Grants Fund	1,898,745
Capital Projects Fund	-	Capital Projects Fund	13,245
Private Purpose Trust Fund	-	Private Purpose Trust Fund	521
Total	\$ 1,912,511	Total	\$ 1,912,511

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

12. Tax Abatements

As of June 30, 2024, 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, 2024, the District had abated property taxes totaling \$78,069 under these programs.

	Tax Abatement Program	Taxes Abated during the Fiscal Year
ORS 307.517	Housing for Low Income Rental	\$ 75,196
ORS 358.505	Historic Property	2,873
	Total	\$ 78,069

13. Lease Liability

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.

As of 06/30/2024, the District had 60 active leases. The leases have payments that range from \$109 to \$9,974 and interest rates that range from 0.0315% to 2.8220%. As of 06/30/2024, the total combined value of the lease liability is \$87,404, the total combined value of the short-term lease liability is \$43,574. The combined value of the right to use asset, as of 06/30/2024 of \$268,780 with accumulated amortization of \$184,646 is included within the Lease Class activities table found below.

Changes in Lease Liability					
	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Due within a Year
Equipment	\$ 140,099	\$ 43,271	\$ 95,966	\$ 87,404	\$ 43,574
Total	\$ 140,099	\$ 43,271	\$ 95,966	\$ 87,404	\$ 43,574

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

13. Lease Liability (Continued)

Principal and Interest Requirements to Maturity				
Governmental Activities				
Fiscal Year Ending	Equipment		Total	
June 30,	Principal Payment	Interest Payments	Payments	
2025	\$ 43,574	\$ 1,218	\$ 44,792	
2026	18,134	805	18,939	
2027	14,995	447	15,442	
2028	10,701	102	10,803	
Total	\$ 87,404	\$ 2,572	\$ 89,976	

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)

At June 30, 2024			
Asset Class	Lease Asset Value	Accumulated Amortization	Net Value
Equipment	\$ 268,780	\$ 184,646	\$ 84,134
Total	\$ 268,780	\$ 184,646	\$ 84,134

Changes in Right-to-Use Assets

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024
Equipment	\$ 335,184	\$ 43,271	\$(109,675)	\$ 268,780
Accumulated Amortization Equipment	(196,716)	(96,718)	108,788	(184,646)
Total Lease Assets, Net	\$ 138,468	\$ (53,447)	\$ (887)	\$ 84,134

MCMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

15. Subscription-Based Informational Technology Arrangements (SBITAs) Liability

The financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 06/30/2024, the District had 3 active subscriptions. The subscriptions have payments that range from \$140 to \$105,967 and interest rates that range from 2.0240% to 3.1440%. As of 06/30/2024, the total combined value of the subscription liability is \$103,530, and the total combined value of the short-term subscription liability is \$103,530. The combined value of the right to use asset, as of 06/30/2024 of \$331,591 with accumulated amortization of \$202,717 is included within the Subscription Class activities table found below.

Changes in SBITA Liability					
	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Due within a Year
Subscriptions	\$ 209,524	\$ -	\$ 105,994	\$ 103,530	\$ 103,530
Total	\$ 209,524	\$ -	\$ 105,994	\$ 103,530	\$ 103,530

Principal and Interest Requirements to Maturity			
	Governmental Activities		
Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
June 30,			
2025	\$ 103,530	\$ 2,437	\$ 105,967
Total	\$ 103,530	\$ 2,437	\$ 105,967

MCMINNVILLE SCHOOL DISTRICT NO. 40
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NOTES TO THE FINANCIAL STATEMENTS

16. Subscription-Based Informational Technology Arrangements (SBITAs) Asset

Right to use assets are for the Subscriptions in Note 15.

Changes in Subscription Right-to-Use Asset				
	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024
Subscriptions	\$ 341,155	\$ -	\$ (9,564)	\$ 331,591
Accumulated Amortization Subscriptions	(98,148)	(114,133)	9,564	(202,717)
Total Subscription ROU, Net	\$ 243,007	\$ (114,133)	\$ -	\$ 128,874

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 331,591	\$ 202,717
Total Subscriptions	\$ 331,591	\$ 202,717

17. Deficit Fund Balance

At June 30, 2024, the Capital Projects Fund had a deficit fund balance of \$13,245 primarily due to timing of grant reimbursements from the E-Rate program. The District expects this to be made up when reimbursements are received in subsequent periods.

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, 2024**

**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	Covered Employee Payroll	Total OPEB Liability as a % of Covered Payroll
2024	\$ 5,262,483	\$ 382,251	\$ 206,555	\$ -	\$ -	\$ (273,203)	\$ -	\$ 5,578,086	\$ 47,720,890	11.7%
2023	6,077,034	405,660	142,855	-	(1,067,731)	(267,198)	(28,137)	5,262,483	44,391,526	11.9%
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.

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

MCMINNVILLE SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

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
2024	0.33 %	\$ 62,303,679	\$ 50,397,281	123.6 %	81.7 %
2023	0.34	52,447,820	44,626,751	117.5	84.5
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

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.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2024	\$ 7,906,352	\$ 7,906,352	\$ -	\$ 49,166,758	16.1 %
2023	7,564,452	7,564,452	-	50,397,281	15.0
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

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.

MCMINNVILLE SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

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
2024	0.31569454 %	\$ 1,155,966	\$ 50,397,281	2.29 %	201.6 %
2023	0.29761219	(1,057,521)	44,626,751	(2.37)	194.6
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
2024	\$ 1,254	\$ 1,254	\$ -	\$ 49,166,758	0.00 %
2023	6,221	6,221	-	50,397,281	0.01
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.

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, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Revenues from Local Sources				
Property Taxes	\$ 17,392,000	\$ 17,392,000	\$ 17,573,041	\$ 181,041
Investment Earnings	360,000	360,000	1,308,144	948,144
Extracurricular Activities	155,000	155,000	141,708	(13,292)
Community Service Activities	150,000	150,000	170,997	20,997
Rentals	9,000	9,000	5,363	(3,637)
Fees Charged to Grants	250,000	250,000	263,646	13,646
Miscellaneous Local Sources	21,000	21,000	36,135	15,135
Total Local Revenues	18,337,000	18,337,000	19,499,034	1,162,034
Revenues from Intermediate Sources				
ESD Apportionment	2,190,000	2,190,000	2,021,716	(168,284)
County School Fund	23,000	23,000	23,274	274
Other Intermediate Sources	2,000	2,000	3,005	1,005
Total Intermediate Revenues	2,215,000	2,215,000	2,047,995	(167,005)
Revenues from State Sources				
State School Fund Support	60,902,000	60,902,000	64,121,427	3,219,427
Common School Fund	800,000	800,000	915,112	115,112
Total State Revenues	61,702,000	61,702,000	65,036,539	3,334,539
Revenues from Federal Sources				
Foster Care Transportation	10,000	10,000	12,773	2,773
Total Federal Revenues	10,000	10,000	12,773	2,773
Total Revenues	82,264,000	82,264,000	86,596,341	4,332,341
Expenditures:				
Instruction	55,356,080	53,856,080 (1)	52,889,674	966,406
Support Services	29,141,683	30,616,683 (1)	30,180,290	436,393
Enterprise & Community Services	204,812	229,812 (1)	188,283	41,529
Contingency	500,000	500,000 (1)	-	500,000
Total Expenditures	85,202,575	85,202,575	83,258,247	1,944,328
Revenues Over (Under) Expenditures	(2,938,575)	(2,938,575)	3,338,094	6,276,669
Other Financing Sources (Uses):				
Transfer Out	(750,000)	(750,000) (1)	(750,000)	-
Leases	-	-	43,271	43,271
Total Other Financing Sources	(750,000)	(750,000)	(706,729)	43,271
Net Change in Fund Balance	(3,688,575)	(3,688,575)	2,631,365	6,319,940
Fund Balance, Beginning of Year	10,188,575	10,188,575	10,335,128	146,553
Fund Balance, End of Year	\$ 6,500,000	\$ 6,500,000	\$ 12,966,493	\$ 6,466,493

(1) Appropriation Level

Reconciliation to Governmental Ending Fund Balance:

Asset Reserve Fund	1,823,818
Textbook and Technology Replacement Fund	1,016,948
Insurance Reserve Fund	83,777
Total Governmental Funds	\$ 15,891,036

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, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources	\$ 407,136	\$ 407,136	\$ 386,712	\$ (20,424)
Intermediate Sources	30,000	30,000	316,101	286,101
State Sources	9,087,158	9,087,158	8,837,120	(250,038)
Federal Sources	8,070,307	8,070,307	5,831,232	(2,239,075)
Total Revenues	17,594,601	17,594,601	15,371,165	(2,223,436)
Expenditures:				
Instruction	11,750,160	11,050,160 (1)	8,894,971	2,155,189
Support Services	5,745,044	6,445,044 (1)	5,805,465	639,579
Enterprise & Community Services	248,396	248,396 (1)	123,209	125,187
Facilities Acquisition and Construction	233,500	233,500 (1)	-	233,500
Total Expenditures	17,977,100	17,977,100	14,823,645	3,153,455
Revenues Over (Under) Expenditures	(382,499)	(382,499)	547,520	930,019
Net Change in Fund Balance	(382,499)	(382,499)	547,520	930,019
Fund Balance, Beginning of Year	382,499	382,499	431,418	48,919
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 978,938</u>	<u>\$ 978,938</u>

(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, 2024

	General	Asset Reserve	Textbooks and Technology Reserve	Insurance Reserve	Total
ASSETS					
Cash and Investments	\$ 18,540,739	\$ 1,823,818	\$ 944,509	\$ 84,456	\$ 21,393,522
Cash Held by County	143,788	-	-	-	143,788
Receivables					
Property Taxes	851,464	-	-	-	851,464
Accounts and Grants Receivable	510,684	-	-	-	510,684
Due from Governmental Funds	1,828,271	-	72,439	-	1,900,710
Due from Fiduciary Funds	521	-	-	-	521
Total Assets	\$ 21,875,467	\$ 1,823,818	\$ 1,016,948	\$ 84,456	\$ 24,800,689
LIABILITIES					
Accounts Payable	\$ 1,553,739	\$ -	\$ -	\$ 679	\$ 1,554,418
Accrued Payroll and Payroll Liabilities	6,588,063	-	-	-	6,588,063
Total Liabilities	8,141,802	-	-	679	8,142,481
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	767,172	-	-	-	767,172
Total Deferred Inflows of Resources	767,172	-	-	-	767,172
FUND BALANCES					
Fund Balances					
Committed to					
Asset Reserve	-	1,823,818	-	-	1,823,818
Textbook and Technology Replacement	-	-	1,016,948	-	1,016,948
Insurance Reserve	-	-	-	83,777	83,777
Unassigned	12,966,493	-	-	-	12,966,493
Total Fund Balances	12,966,493	1,823,818	1,016,948	83,777	15,891,036
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,875,467	\$ 1,823,818	\$ 1,016,948	\$ 84,456	\$ 24,800,689

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, 2024

	General	Asset Reserve	Textbooks and Technology Reserve	Insurance Reserve	Total
Revenues:					
Local Sources					
Property Taxes	\$ 17,573,041	\$ -	\$ -	\$ -	\$ 17,573,041
Charges for Services	312,705	-	-	-	312,705
Rentals	5,363	97,407	-	-	102,770
Investment Earnings	1,308,144	86,791	41,828	8,825	1,445,588
Fees Charged to Grants	263,646	-	-	-	263,646
Miscellaneous	36,135	58,847	-	445,350	540,332
Intergovernmental					
Intermediate Sources	2,047,995	-	-	-	2,047,995
State Sources	65,036,539	-	-	-	65,036,539
Federal Sources	12,773	-	-	-	12,773
Total Revenues	86,596,341	243,045	41,828	454,175	87,335,389
Expenditures:					
Instruction	52,889,674	-	1,443	4,936	52,896,053
Support Services	30,180,290	148,699	-	599,085	30,928,074
Enterprise & Community Services	188,283	-	-	-	188,283
Facilities Acquisition & Construction	-	218,756	-	-	218,756
Total Expenditures	83,258,247	367,455	1,443	604,021	84,231,166
Revenues Over (Under) Expenditures	3,338,094	(124,410)	40,385	(149,846)	3,104,223
Other Financing Sources (Uses):					
Transfer In	-	500,000	250,000	-	750,000
Transfer Out	(750,000)	-	-	-	(750,000)
Total Other Financing Sources	(706,729)	500,000	250,000	-	43,271
Net Change in Fund Balance	2,631,365	375,590	290,385	(149,846)	3,147,494
Fund Balance, Beginning of Year	10,335,128	1,448,228	726,563	233,623	12,743,542
Fund Balance, End of Year	\$ 12,966,493	\$ 1,823,818	\$ 1,016,948	\$ 83,777	\$ 15,891,036

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Investment Earnings	\$ 86,728	\$ 86,728	\$ 86,791	\$ 63
Rentals	825,500	825,500	97,407	(728,093)
Miscellaneous Local Sources	-	-	58,847	58,847
Total Revenues	<u>912,228</u>	<u>912,228</u>	<u>243,045</u>	<u>(669,183)</u>
Expenditures:				
Support Services	570,000	570,000 (1)	148,699	421,301
Facilities Acquisition and Construction	<u>2,403,074</u>	<u>2,403,074 (1)</u>	<u>218,756</u>	<u>2,184,318</u>
Total Expenditures	<u>2,973,074</u>	<u>2,973,074</u>	<u>367,455</u>	<u>2,605,619</u>
Revenues Over (Under) Expenditures	(2,060,846)	(2,060,846)	(124,410)	1,936,436
Other Financing Sources (Uses):				
Transfer In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Other Financing Sources	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	(1,560,846)	(1,560,846)	375,590	1,936,436
Fund Balance, Beginning of Year	<u>1,560,846</u>	<u>1,560,846</u>	<u>1,448,228</u>	<u>(112,618)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,823,818</u>	<u>\$ 1,823,818</u>

(1) Appropriation Level

In accordance with GASB 54 this Fund is combined with other funds in the Combining General Fund

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Investment Earnings	\$ 5,000	\$ 5,000	\$ 41,828	\$ 36,828
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>41,828</u>	<u>36,828</u>
Expenditures:				
Instruction	687,110	537,110 (1)	1,443	535,667
Support Services	-	150,000 (1)	-	150,000
Total Expenditures	<u>687,110</u>	<u>687,110</u>	<u>1,443</u>	<u>685,667</u>
Revenues Over (Under) Expenditures	(682,110)	(682,110)	40,385	722,495
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	(432,110)	(432,110)	290,385	722,495
Fund Balance, Beginning of Year	<u>432,110</u>	<u>432,110</u>	<u>726,563</u>	<u>294,453</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,016,948</u>	<u>\$ 1,016,948</u>

(1) Appropriation Level

In accordance with GASB 54 this Fund is combined with other funds in the Combining General Fund

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Investment Earnings	\$ 3,000	\$ 3,000	\$ 8,825	\$ 5,825
Miscellaneous Local Sources	75,000	525,000	445,350	(79,650)
Total Revenues	<u>78,000</u>	<u>528,000</u>	<u>454,175</u>	<u>(73,825)</u>
Expenditures:				
Instruction	50,000	50,000 (1)	4,936	45,064
Support Services	339,225	789,225 (1)	599,085	190,140
Total Expenditures	<u>389,225</u>	<u>839,225</u>	<u>604,021</u>	<u>235,204</u>
Revenues Over (Under) Expenditures	(311,225)	(311,225)	(149,846)	161,379
Net Change in Fund Balance	(311,225)	(311,225)	(149,846)	161,379
Fund Balance, Beginning of Year	<u>311,225</u>	<u>311,225</u>	<u>233,623</u>	<u>(77,602)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,777</u>	<u>\$ 83,777</u>

(1) Appropriation Level

In accordance with GASB 54 this Fund is combined with other funds in the Combining General Fund

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources:				
Property Taxes	\$ 10,655,924	\$ 10,655,924	\$ 10,456,611	\$ (199,313)
Investment Earnings	25,000	25,000	308,635	283,635
Intergovernmental				
Intermediate Sources	-	-	1,766	1,766
Total Revenues	<u>10,680,924</u>	<u>10,680,924</u>	<u>10,767,012</u>	<u>86,088</u>
Expenditures:				
Debt Service				
Redemption of Principal	7,260,000	7,260,000	7,260,000	-
Interest	<u>3,420,924</u>	<u>3,420,924</u>	<u>3,420,924</u>	-
Total Expenditures	<u>10,680,924</u>	<u>10,680,924 (1)</u>	<u>10,680,924</u>	-
Net Change in Fund Balance	-	-	86,088	86,088
Fund Balance, Beginning of Year	<u>200,000</u>	<u>200,000</u>	<u>545,145</u>	<u>345,145</u>
Fund Balance, End of Year	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 631,233</u>	<u>\$ 431,233</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Miscellaneous	\$ 110,000	\$ 110,000	\$ 171,958	\$ 61,958
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>171,958</u>	<u>61,958</u>
Expenditures:				
Facilities Acquisition and Construction	110,000	110,000 (1)	92,354	17,646
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>92,354</u>	<u>17,646</u>
Net Change in Fund Balance	-	-	79,604	79,604
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>(92,849)</u>	<u>(92,849)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,245)</u>	<u>\$ (13,245)</u>

(1) Appropriation Level

McMINNVILLE SCHOOL DISTRICT NO. 40
YAMHILL COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue Funds				Total
	Nutrition Services	Student Body	Construction Excise Tax	PERS Debt Service	
ASSETS					
Cash and Investments	\$ 641,182	\$ 707,453	\$ 2,561,945	\$ 538,637	\$ 4,449,217
Restricted Cash and Investments	-	-	-	99,571	99,571
Accounts and Grants Receivable	187,583	-	-	-	187,583
Due from Other Funds	11,280	-	-	-	11,280
Total Assets	\$ 840,045	\$ 707,453	\$ 2,561,945	\$ 638,208	\$ 4,747,651
LIABILITIES					
Accounts Payable	11,751	-	2,685	-	14,436
Accrued Payroll and Payroll Liabilities	1,084	-	-	-	1,084
Total Liabilities	12,835	-	2,685	-	15,520
FUND BALANCES					
Fund Balances					
Restricted for					
Capital Improvements	-	-	2,559,260	-	2,559,260
Student Body Activities	-	707,453	-	-	707,453
Nutrition Services	827,210	-	-	-	827,210
PERS Debt Service	-	-	-	638,208	638,208
Total Fund Balances	827,210	707,453	2,559,260	638,208	4,732,131
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 840,045	\$ 707,453	\$ 2,561,945	\$ 638,208	\$ 4,747,651

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, 2024

	Special Revenue Funds				Total
	Nutrition Services	Student Body	Construction Excise Tax	PERS Debt Service	
Revenues:					
Local Sources	\$ 297,805	\$ 1,237,891	\$ 683,809	\$ 3,685,559	\$ 5,905,064
State Sources	73,909	-	-	-	73,909
Federal Sources	3,571,879	-	-	-	3,571,879
Total Revenues	3,943,593	1,237,891	683,809	3,685,559	9,550,852
Expenditures:					
Instruction	-	1,160,994	-	-	1,160,994
Enterprise & Community Services	4,159,534	-	-	-	4,159,534
Facilities Acquisition	-	-	39,096	-	39,096
Debt Services					
Principal	-	-	-	2,780,000	2,780,000
Interest	-	-	-	831,300	831,300
Total Expenditures	4,159,534	1,160,994	39,096	3,611,300	8,970,924
Net Change in Fund Balance	(215,941)	76,897	644,713	74,259	579,928
Fund Balance, Beginning of Year	1,043,151	630,556	1,914,547	563,949	4,152,203
Fund Balance, End of Year	<u>\$ 827,210</u>	<u>\$ 707,453</u>	<u>\$ 2,559,260</u>	<u>\$ 638,208</u>	<u>\$ 4,732,131</u>

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, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources				
Sales	\$ 328,000	\$ 328,000	\$ 257,430	\$ (70,570)
Investment Earnings	3,000	3,000	37,305	34,305
Miscellaneous Local Sources	63,500	63,500	3,070	(60,430)
Total Local Sources	394,500	394,500	297,805	(96,695)
State Sources:				
State School Support Fund	35,000	35,000	24,451 (2)	(10,549)
Restricted Grants	100,000	100,000	49,458	(50,542)
Total State Sources	135,000	135,000	73,909	(61,091)
Federal Sources:				
National School Lunch Program	2,847,939	2,847,939	3,167,902	319,963
U.S.D.A Donated Commodities	181,563	181,563	185,953	4,390
Federal Restricted Grants	100,000	100,000	218,024	118,024
Total Federal Sources	3,129,502	3,129,502	3,571,879	442,377
Total Revenues	3,659,002	3,659,002	3,943,593	284,591
Expenditures:				
Enterprise & Community Services:				
Employee Pay and Benefits	2,003,839	2,003,839	2,025,824	(21,985)
Purchased Services	95,250	95,250	81,953	13,297
Supplies and Materials	1,924,913	1,924,913	1,842,837	82,076
Capital Outlay	300,000	300,000	179,797	120,203
Dues and Fees	25,000	25,000	29,123	(4,123)
Total Community Services	4,349,002	4,349,002 (1)	4,159,534	189,468
Net Change in Fund Balance	(690,000)	(690,000)	(215,941)	474,059
Fund Balance, Beginning of Year	690,000	690,000	1,043,151	353,151
Fund Balance, End of Year	\$ -	\$ -	\$ 827,210	\$ 827,210

(1) Appropriation Level

(2) This is the required match of \$24,451 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, 2024

	<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	\$ 1,237,891	\$ (12,109)
Total Revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,237,891</u>	<u>(12,109)</u>
Expenditures:				
Instruction	<u>1,635,000</u>	<u>1,635,000 (1)</u>	<u>1,160,994</u>	<u>474,006</u>
Total Expenditures	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,160,994</u>	<u>474,006</u>
Net Change in Fund Balance	(385,000)	(385,000)	76,897	461,897
Fund Balance, Beginning of Year	<u>385,000</u>	<u>385,000</u>	<u>630,556</u>	<u>245,556</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,453</u>	<u>\$ 707,453</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Construction Excise Taxes	\$ 400,000	\$ 400,000	\$ 563,307	\$ 163,307
Investment Earnings	5,000	5,000	120,502	115,502
Total Revenues	<u>405,000</u>	<u>405,000</u>	<u>683,809</u>	<u>278,809</u>
Expenditures:				
Facilities Acquisition and Construction	<u>2,319,547</u>	<u>2,319,547</u> (1)	<u>39,096</u>	<u>2,280,451</u>
Total Expenditures	<u>2,319,547</u>	<u>2,319,547</u>	<u>39,096</u>	<u>2,280,451</u>
Net Change in Fund Balance	(1,914,547)	(1,914,547)	644,713	2,559,260
Fund Balance, Beginning of Year	<u>1,914,547</u>	<u>1,914,547</u>	<u>1,914,547</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,559,260</u>	<u>\$ 2,559,260</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Investment Earnings	\$ 15,000	\$ 15,000	\$ 129,191	\$ 114,191
Services Provided to Other Funds	3,596,300	3,596,300	3,556,368	(39,932)
Total Revenues	<u>3,611,300</u>	<u>3,611,300</u>	<u>3,685,559</u>	<u>74,259</u>
Expenses:				
Debt Service				
Redemption of Principal	2,780,000	2,780,000 (1)	2,780,000	-
Interest	831,300	831,300 (1)	831,300	-
Total Expenses	<u>3,611,300</u>	<u>3,611,300</u>	<u>3,611,300</u>	<u>-</u>
Net Change in Fund Balance	-	-	74,259	74,259
Fund Balance, Beginning of Year	<u>200,000</u>	<u>200,000</u>	<u>563,949</u>	<u>363,949</u>
Fund Balance, End of Year	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 638,208</u>	<u>\$ 438,208</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources				
Earnings on Investments	\$ 3,000	\$ 3,000	\$ 7,823	\$ 4,823
Contributions and Donations	15,000	15,000	6,845	(8,155)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>14,668</u>	<u>(3,332)</u>
Expenses:				
Community Services	58,000	58,000 (1)	18,354	39,646
Contingency	<u>20,000</u>	<u>20,000 (1)</u>	<u>-</u>	<u>20,000</u>
Total Expenses	<u>78,000</u>	<u>78,000</u>	<u>18,354</u>	<u>59,646</u>
Net Change in Fund Balance	(60,000)	(60,000)	(3,686)	56,314
Fund Balance, Beginning of Year	<u>160,000</u>	<u>160,000</u>	<u>158,249</u>	<u>(1,751)</u>
Fund Balance, End of Year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 154,563</u>	<u>\$ 54,563</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, 2024

Transactions By Year	Property Taxes Uncollected at June 30, 2023	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2024
2023-2024	\$ 18,140,807	\$ 6,495	\$ 481,478	\$ 17,160,013	\$ (41,902)	\$ 463,909
2022-2023	391,476	13,110	(25)	232,485	(16,045)	156,081
2021-2022	137,292	6,826	(12)	42,259	(9,343)	92,528
2020-2021	90,355	10,981	7	42,330	(10,843)	48,156
2019-2020	42,681	7,339	(12)	21,939	(7,836)	20,257
Prior	79,751	5,967	(12)	8,242	(6,955)	70,533
	<u>\$ 18,882,362</u>	<u>\$ 50,718</u>	<u>\$ 481,424</u>	<u>\$ 17,507,268</u>	<u>\$ (92,924)</u>	<u>\$ 851,464</u>

Reconciliation to Revenue:

Collections General Fund	\$ 17,507,268
Accrual of Receivables:	
June 30, 2023	(94,956)
June 30, 2024	84,292
Interest and other adjustments	76,437
Subtotal - Governmental Property Tax Revenue, see page 5	<u>17,573,041</u>
Change from Prior Year's Unavailable Revenue, see page 6	<u>131,700</u>
Property Tax Revenue Reported on the Statement of Activities, see page 2	<u>\$ 17,704,741</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, 2024

Transactions By Year	Property Taxes Uncollected at June 30, 2023	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2024
2023-2024	\$ 10,786,613	\$ 3,766	\$ 286,289	\$ 10,203,428	\$ (24,819)	\$ 275,843
2022-2023	239,319	8,014	(15)	142,124	(9,808)	95,416
2021-2022	84,018	4,266	(7)	26,410	(5,838)	56,043
2020-2021	56,466	6,856	5	26,454	(6,770)	30,093
2019-2020	26,882	4,534	(8)	13,819	(4,847)	12,758
Prior	36,504	3,636	(8)	5,071	(4,239)	30,838
	<u>\$ 11,229,802</u>	<u>\$ 31,072</u>	<u>\$ 286,256</u>	<u>\$ 10,417,306</u>	<u>\$ (56,321)</u>	<u>\$ 500,991</u>

Reconciliation to Revenue:

Collections	\$ 10,417,306
Accrual of Receivables:	
June 30, 2023	(58,769)
June 30, 2024	50,881
Interest and other adjustments	<u>47,193</u>
Subtotal - Governmental Property Tax Revenue, see page 5	<u>10,456,611</u>
Change from Prior Year's Unavailable Revenue, see page 6	<u>64,842</u>
Property Tax Revenue Reported on the Statement of Activities, see page 2	<u>\$ 10,521,453</u>

McMINNVILLE SCHOOL DISTRICT NO. 40
WASHINGTON COUNTY, OR
SUPPLEMENTAL INFORMATION FORM 581-3211C
For the Year Ended June 30, 2024

A. Energy bills for heating - all funds:		<u>Objects 325 and 326 and 327*</u>
	Function 2540	\$ 1,382,581
	Function 2550	-

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

AUDIT REVENUE SUMMARY
MCMINNVILLE SCHOOL DISTRICT NO. 40

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 17,502,780	\$ -	\$ 10,413,426	\$ -	\$ -	\$ -	\$ -
1130 Construction Excise Tax	-	563,307	-	-	-	-	-
1190 Penalties and Interest on Taxes	70,261	-	43,185	-	-	-	-
1500 Earnings on Investments	1,308,144	295,250	437,826	-	-	-	7,823
1600 Food Service	-	257,430	-	-	-	-	-
1700 Extracurricular Activities	141,708	1,271,244	-	-	-	-	-
1800 Community Services Activities	170,997	-	-	-	-	-	-
1910 Rentals	5,363	97,407	-	-	-	-	-
1920 Contributions and Donations From Private Sources	-	153,832	-	-	-	-	6,845
1970 Services Provided Other Funds	-	-	3,556,368	-	-	-	-
1980 Fees Charged to Grants	263,646	-	-	-	-	-	-
1990 Miscellaneous	36,135	706,793	-	171,958	-	-	-
Total Revenue from Local Sources	19,499,034	3,345,263	14,450,805	171,958	-	-	14,668
Revenue from Intermediate Sources							
2101 County School Funds	23,274	-	-	-	-	-	-
2102 General ESD Revenue	2,021,716	-	-	-	-	-	-
2199 Other Intermediate Sources	3,005	60,831	1,766	-	-	-	-
2200 Restricted Revenue	-	255,270	-	-	-	-	-
Total Revenue from Intermediate Sources	2,047,995	316,101	1,766	-	-	-	-
Revenue from State Sources							
3101 State School Fund - General Support	64,121,427	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	24,451	-	-	-	-	-
3103 Common School Fund	915,112	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	8,886,578	-	-	-	-	-
Total Revenue from State Sources	65,036,539	8,911,029	-	-	-	-	-
Revenue from Federal Sources							
4201 Transportation Fees for Foster Children	12,773	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	9,168,911	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	48,245	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	185,955	-	-	-	-	-
Total Revenue from Federal Sources	12,773	9,403,111	-	-	-	-	-
Revenue from Other Sources							
5200 Interfund Transfers	-	750,000	-	-	-	-	-
5400 Resources - Beginning Fund Balance	10,335,128	6,428,086	1,109,094	(92,849)	-	-	158,249
Total Revenue from Other Sources	10,335,128	7,178,086	1,109,094	(92,849)	-	-	158,249
Grand Total	\$ 96,931,469	\$ 29,153,590	\$ 15,561,665	\$ 79,109	\$ -	\$ -	\$ 172,917

DISTRICT AUDIT EXPENDITURE SUMMARY
MCMINNVILLE SCHOOL DISTRICT NO. 40

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ 17,763,562	\$ 10,186,599	\$ 6,579,783	\$ 625,745	\$ 328,164	\$ 43,271	\$ -	\$ -
1121	Middle/Junior High Programs	8,543,115	4,988,885	3,091,213	269,885	192,827	-	305	-
1122	Middle/Junior High School Extracurricular	294,732	187,042	58,674	32,973	16,043	-	-	-
1131	High School Programs	11,632,091	6,767,118	4,147,014	472,987	244,972	-	-	-
1132	High School Extracurricular	777,837	435,951	153,666	101,928	70,469	-	15,823	-
1140	Pre-Kindergarten Programs	137,055	69,256	52,446	14,066	1,287	-	-	-
1210	Programs for the Talented and Gifted	92,515	46,683	44,431	-	1,401	-	-	-
1220	Restrictive Programs for Students with Disabilities	4,525,439	2,490,724	1,893,423	135,791	5,501	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	3,420,366	1,999,499	1,325,500	89,681	5,986	-	-	-
1280	Alternative Education	2,166,921	1,288,437	862,441	15,602	2,241	-	-	-
1281	English Second Language Programs	3,239,944	1,849,715	1,272,026	80,221	14,982	-	15,000	-
1282	Teen Parent Program	85,024	44,965	38,329	734	996	-	-	-
1289	Other Programs	13,222	11,156	2,066	-	-	-	-	-
1400	Summer School Programs	195,851	148,280	46,469	-	1,102	-	-	-
Total Instruction Expenditures		52,889,674	30,514,310	19,567,481	1,847,813	885,671	43,271	31,128	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	1,638,113	955,470	626,031	47,837	8,775	-	-	-
2120	Guidance Services	2,039,508	1,268,322	765,874	-	5,312	-	-	-
2130	Health Services	343,574	200,692	131,365	8,030	3,487	-	-	-
2140	Psychological Services	211,941	121,903	69,756	14,560	5,722	-	-	-
2150	Speech Pathology and Audiology Services	792,044	463,192	283,933	39,540	5,353	-	26	-
2190	Service Direction, Student Support Services	496,890	307,466	174,595	9,714	4,930	-	185	-
2210	Improvement of Instruction Services	1,456,119	825,370	430,651	35,867	162,420	-	1,811	-
2220	Educational Media Services	1,382,224	808,418	535,697	-	38,109	-	-	-
2230	Assessment & Testing	2,157	-	-	1,725	432	-	-	-
2240	Instructional Staff Development	127,729	-	106,452	11,655	9,622	-	-	-
2310	Board of Education Services	340,167	-	-	126,382	9,287	-	204,498	-
2320	Executive Administration Services	524,282	340,526	162,951	8,807	7,526	-	4,472	-
2410	Office of the Principal Services	4,848,200	2,941,002	1,827,277	31,391	48,352	-	178	-
2510	Direction of Business Support Services	331,216	205,022	112,012	6,120	6,137	-	1,925	-
2520	Fiscal Services	861,558	448,529	242,832	7,440	145,433	-	17,324	-
2540	Operation and Maintenance of Plant Services	6,633,051	2,073,235	1,515,431	2,019,391	446,834	-	578,160	-
2550	Student Transportation Services	5,383,087	48,964	35,188	5,298,935	-	-	-	-
2570	Internal Services	57,203	-	-	38,864	17,132	-	1,207	-
2630	Information Services	220,616	106,852	52,864	58,474	2,311	-	115	-
2640	Staff Services	908,421	416,549	232,487	180,570	59,192	-	19,623	-
2660	Technology Services	1,324,931	418,357	221,891	204,040	480,643	-	-	-
2680	Interpretation and Translation Services	186,330	114,163	63,790	6,113	2,264	-	-	-
2700	Supplemental Retirement Program	70,929	-	70,929	-	-	-	-	-
Total Support Services Expenditures		30,180,290	12,064,032	7,662,006	8,155,455	1,469,273	-	829,524	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	9,189	-	-	-	-	-	9,189	-
3500	Custody and Care of Children Services	179,094	100,089	63,419	6,520	9,066	-	-	-
Total Enterprise and Community Services Expenditures		188,283	100,089	63,419	6,520	9,066	-	9,189	-
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200	Transfers of Funds	750,000	-	-	-	-	-	-	750,000
Total Other Uses Expenditures		750,000	-	-	-	-	-	-	750,000
Grand Total		\$ 84,008,247	\$ 42,678,431	\$ 27,292,906	\$ 10,009,788	\$ 2,364,010	\$ 43,271	\$ 869,841	\$ 750,000

DISTRICT AUDIT EXPENDITURE SUMMARY
MCMINNVILLE SCHOOL DISTRICT NO. 40

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$ 2,542,023	\$ 1,182,097	\$ 709,873	\$ 265,189	\$ 384,864	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	691	-	-	-	691	-	-	-
1121	Middle/Junior High Programs	1,722,936	850,278	513,036	24,275	300,929	-	34,418	-
1122	Middle/Junior High School Extracurricular	200,255	-	-	-	200,255	-	-	-
1131	High School Programs	1,456,837	744,222	428,768	45,912	232,926	-	5,009	-
1132	High School Extracurricular	1,047,860	-	-	-	1,047,860	-	-	-
1140	Pre-Kindergarten Programs	194,338	104,013	90,325	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	600,283	156,719	113,649	329,756	159	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	486,743	244,286	189,585	1,605	13,259	-	38,008	-
1271	Remediation	230,576	157,777	67,987	-	4,812	-	-	-
1272	Title I	1,292,700	745,014	540,487	7,199	-	-	-	-
1280	Alternative Education	66,431	35,694	30,737	-	-	-	-	-
1291	English Second Language Programs	187,261	43,673	28,417	3,730	111,241	-	-	-
1400	Summer School Programs	33,410	15,961	5,933	3,490	8,126	-	-	-
Total Instruction Expenditures		10,062,344	4,279,834	2,718,797	681,156	2,305,122	-	77,435	-
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	720,486	359,789	214,921	1,099	142,745	-	1,932	-
2120	Guidance Services	393,578	236,804	147,663	6,860	2,251	-	-	-
2130	Health Services	301,972	180,342	121,630	-	-	-	-	-
2140	Psychological Services	993,381	420,668	190,146	382,567	-	-	-	-
2150	Speech Pathology and Audiology Services	475,941	139,338	62,527	274,076	-	-	-	-
2210	Improvement of Instruction Services	1,494,914	705,013	394,678	132,955	95,696	-	166,572	-
2220	Educational Media Services	18,583	-	-	-	18,583	-	-	-
2240	Instructional Staff Development	511,579	158,172	65,408	212,572	79,427	-	-	-
2310	Board of Education Services	605	-	-	-	605	-	-	-
2410	Office of the Principal Services	546,993	275,593	195,569	16,000	6,583	-	53,248	-
2490	Other Support Services - School Administration	47,776	33,209	14,567	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	808,315	99,356	56,057	595,261	36,156	20,471	1,014	-
2550	Student Transportation Services	35,631	-	-	35,631	-	-	-	-
2570	Internal Services	33,848	-	-	-	33,848	-	-	-
2610	Direction of Central Support Services	259	-	-	259	-	-	-	-
2640	Staff Services	166,447	66,962	73,695	21,563	161	-	4,066	-
2680	Technology Services	2,941	-	-	2,941	-	-	-	-
Total Support Services Expenditures		6,553,249	2,675,246	1,536,861	1,681,784	412,055	20,471	226,832	-
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	4,159,534	1,180,339	845,484	81,951	1,842,840	179,797	29,123	-
3300	Community Services	64,382	20,390	8,328	9,028	26,636	-	-	-
3500	Custody and Care of Children Services	58,827	27,809	28,761	632	1,625	-	-	-
Total Enterprise and Community Services Expenditures		4,282,743	1,228,538	882,573	91,611	1,871,101	179,797	29,123	-
Facilities Acquisition and Construction Expenditure		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4120	Site Acquisition and Development Services	25,218	-	-	-	-	-	25,218	-
4150	Building Acquisition, Construction, and Improvement Services	232,634	-	-	5,135	-	227,499	-	-
Total Facilities Acquisition and Construction Expenditure		257,852	-	-	5,135	-	227,499	25,218	-
Grand Total		\$ 21,156,188	\$ 8,183,618	\$ 5,138,231	\$ 2,459,686	\$ 4,588,278	\$ 427,767	\$ 358,608	\$ -

DISTRICT AUDIT EXPENDITURE SUMMARY
MCMINNVILLE SCHOOL DISTRICT NO. 40

Fund: 300 Debt Service Funds

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$ 14,292,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,292,224	\$ -
Total Other Uses Expenditures		14,292,224	-	-	-	-	-	14,292,224	-
Grand Total		\$ 14,292,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,292,224	\$ -

DISTRICT AUDIT EXPENDITURE SUMMARY
MCMINNVILLE SCHOOL DISTRICT NO. 40

Fund: 400 Capital Projects Funds

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4180	Other Capital Items	\$ 92,354	\$ -	\$ -	\$ -	\$ 92,354	\$ -	\$ -	\$ -
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		92,354	-	-	-	92,354	-	-	-
Grand Total		\$ 92,354	\$ -	\$ -	\$ -	\$ 92,354	\$ -	\$ -	\$ -

DISTRICT AUDIT EXPENDITURE SUMMARY
MCMINNVILLE SCHOOL DISTRICT NO. 40

Fund: 700 Trust and Agency Funds

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3300	Community Services	\$ 18,354	\$ -	\$ -	\$ 17,500	\$ 854	\$ -	\$ -	\$ -
Total Enterprise and Community Services Expenditures		18,354	-	-	17,500	854	-	-	-
Grand Total		\$ 18,354	\$ -	\$ -	\$ 17,500	\$ 854	\$ -	\$ -	\$ -

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>2023-24</u>	<u>2022-23</u>	<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>
Governmental Activities										
Net investment in capital assets	\$ 64,703,683	\$ 62,625,707	\$ 57,765,843	\$ 54,686,599	\$ 56,345,606	\$ 60,569,246	\$ 59,894,436	\$ 52,959,303	\$ 44,269,882	\$ 40,288,915
Restricted	6,859,070	5,529,489	7,138,233	6,618,447	5,989,800	2,164,220	2,669,614	3,521,235	4,934,389	3,461,939
Unrestricted	(55,266,111)	(61,938,032)	(65,466,226)	(73,474,770)	(68,034,734)	(59,071,573)	(55,492,361)	(51,398,512)	(43,979,929)	(16,701,864)
Total primary government net position	<u>\$ 16,296,642</u>	<u>\$ 6,217,164</u>	<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>

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

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Expenses										
Instructional programs	\$ 63,941,145	\$ 60,819,805	\$ 56,380,424	\$ 63,400,809	\$ 61,371,161	\$ 56,506,959	\$ 54,532,271	\$ 52,558,011	\$ 63,619,441	\$ 30,991,109
Support services	37,075,184	34,015,560	28,391,828	29,544,121	28,228,246	25,905,842	24,451,519	23,638,564	27,736,353	16,195,532
Community services	4,358,652	4,004,927	3,314,191	3,142,629	3,447,468	3,271,939	3,537,084	3,522,195	3,838,040	2,548,372
Facilities services	122,707	4,110,724	1,913,565	236,370	556,068	1,211,007	1,028,581	581,682	117,817	92,820
Interest on long-term debt	4,245,724	4,681,981	5,071,828	6,036,708	6,306,571	6,434,550	6,466,628	6,669,502	3,800,386	4,030,059
Total expenses	109,743,412	107,632,997	95,071,836	102,360,637	99,909,514	93,330,297	90,016,083	86,969,954	99,112,037	53,857,892
Program Revenues										
Charges for services										
Instructional programs	1,471,035	1,388,375	1,093,674	275,230	1,065,054	1,287,128	1,449,981	1,499,275	1,530,476	1,440,986
Support services	578,892	98,346	186,449	259,440	212,425	176,218	178,343	129,363	122,901	120,027
Community services	418,027	420,630	87,226	145,051	356,834	263,483	117,921	107,322	101,108	96,296
Operating grants and contributions	10,244,968	13,496,743	13,733,249	13,071,973	9,642,820	9,823,510	9,450,956	9,166,772	10,090,709	10,840,699
Capital grants and contributions	-	-	-	-	162,372	53,382	4,938,157	4,823,252	-	-
Total program revenues	12,712,922	15,404,094	15,100,598	13,751,694	11,439,505	11,603,721	16,135,358	15,725,984	11,845,194	12,498,008
Net (Expense) Revenue	(97,030,490)	(92,228,903)	(79,971,238)	(88,608,943)	(88,470,009)	(81,726,576)	(73,880,725)	(71,243,970)	(87,266,843)	(41,359,884)
General Revenues										
Property taxes	28,226,194	27,200,644	26,095,237	25,039,587	24,087,025	23,019,870	21,850,303	21,529,589	20,756,714	19,971,205
State school fund - general support	64,121,427	57,384,196	61,288,119	54,226,770	52,128,039	50,835,277	49,507,845	45,323,080	45,102,671	42,186,575
Intermediate sources	2,110,592	2,114,665	2,141,854	2,236,989	2,011,047	2,113,086	2,100,157	2,172,679	2,126,367	2,189,842
Other state and local sources	10,611,421	11,162,118	1,830,543	340,920	652,327	649,062	1,077,628	1,259,595	1,201,250	1,119,603
Earnings on investments	2,041,221	1,146,594	217,269	294,281	859,506	1,699,485	1,300,355	816,711	199,469	139,129
Other	(887)	-	5,790	-	(629,156)	-	34,100	-	-	-
Total general revenues	107,109,968	99,008,217	91,578,812	82,138,547	79,108,788	78,316,780	75,870,388	71,101,654	69,386,471	65,606,354
Change in Net Position	\$ 10,079,478	\$ 6,779,314	\$ 11,607,574	\$ (6,470,396)	\$ (9,361,221)	\$ (3,409,796)	\$ 1,989,663	\$ (142,316)	\$ (17,880,372)	\$ 24,246,470

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

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
General Fund										
Committed to										
Asset Reserve	\$ 1,823,818	\$ 1,448,228	\$ 1,996,583	\$ 1,897,373	\$ 1,912,353	\$ 2,046,481	\$ 2,081,865	\$ 2,820,055	\$ 2,886,198	\$ 2,310,406
Textbook and Technology Replacement	1,016,948	726,563	466,036	170,601	26,793	124,765	176,541	179,300	421,400	250,000
Insurance Reserve	83,777	233,623	307,329	310,538	395,724	483,355	506,522	590,157	690,886	771,402
Unassigned	12,966,493	10,335,128	9,593,106	9,537,813	7,837,357	8,476,261	7,355,987	6,129,550	6,647,752	6,105,164
Total general fund	<u>\$ 15,891,036</u>	<u>\$ 12,743,542</u>	<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>
All Other Governmental Funds										
Unreserved, reported in:										
Capital Projects Funds	\$ (13,245)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for										
Grant Activities	978,938	431,418	365,987	307,055	291,214	284,593	275,783	319,491	262,857	255,235
Debt Service	631,233	545,145	416,309	503,216	653,292	689,305	646,835	955,302	802,803	749,900
Capital Improvements	2,559,260	1,821,698	3,636,734	4,685,639	3,894,265	12,800,801	56,052,676	86,269,284	1,795,091	1,410,855
Associated Student Body	707,453	630,556	574,673	442,441	476,804	424,281	435,908	417,309	519,024	510,837
Nutrition Services	827,210	1,043,151	1,132,563	680,096	674,225	766,041	948,592	1,125,638	798,727	535,112
Committed to										
PERS Bond Debt Service	638,208	563,949	502,914	498,864	515,154	507,362	582,153	563,215	575,824	570,040
Total all other governmental funds	<u>\$ 6,329,057</u>	<u>\$ 5,035,917</u>	<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>

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

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Revenues										
Property Taxes	\$ 28,029,652	\$ 27,196,230	\$ 25,990,162	\$ 25,084,587	\$ 24,246,635	\$ 23,642,323	\$ 21,880,892	\$ 21,655,614	\$ 20,725,897	\$ 19,853,832
Earnings on Investments	2,041,221	1,146,594	217,269	294,281	859,505	1,699,485	1,300,355	816,711	199,469	139,129
Other Revenue From Local Sources	6,826,054	5,938,790	6,142,612	3,994,826	4,062,024	3,952,251	3,544,297	4,020,911	3,341,203	3,261,526
Charges for Services	570,135	646,531	416,999	385,865	1,469,961	1,592,551	1,610,039	1,612,440	1,688,631	1,623,549
Intermediate Sources	2,365,862	2,115,892	2,201,656	2,484,757	2,058,213	2,165,361	2,177,104	2,339,067	2,333,034	2,373,720
State sources	73,947,568	68,460,084	62,881,443	59,679,902	55,913,043	54,454,408	57,818,198	52,421,334	48,062,326	45,259,744
Federal Sources	9,415,884	12,342,821	11,998,565	7,291,781	5,716,332	6,005,148	6,562,043	6,858,096	7,573,919	8,132,034
Total Revenues	123,196,376	117,846,942	109,848,706	99,215,999	94,325,713	93,511,527	94,892,928	89,724,173	83,924,479	80,643,534
Expenditures										
Instruction	62,952,018	61,831,039	60,330,558	53,487,700	51,974,808	50,792,511	49,051,233	47,093,306	45,749,145	42,796,254
Support Services	36,713,068	34,816,735	30,380,104	27,438,404	26,130,880	24,595,282	23,333,801	22,362,522	21,801,470	21,591,515
Enterprise and Community Services	4,291,229	4,071,516	3,546,390	2,890,554	3,209,409	3,147,948	3,373,212	3,305,735	3,220,708	2,967,976
Facilities Acquisition and Construction	122,707	4,110,724	1,913,565	236,370	550,178	1,204,785	1,022,557	581,682	117,816	92,820
Debt Service:										
Principal	10,040,000	9,125,000	8,270,000	6,895,000	5,495,721	4,891,768	4,412,249	4,422,629	6,811,360	6,183,956
Interest	4,252,224	4,694,510	5,085,651	6,107,711	6,969,675	7,097,309	7,125,224	6,675,573	3,860,160	4,088,757
Bond Issuance Costs	-	-	-	241,727	-	-	-	504,795	-	-
Capital Outlay	427,767	747,772	369,630	889,435	9,921,106	44,241,541	36,915,191	22,597,900	432,209	346,869
Total Expenditures	118,799,013	119,397,296	109,895,898	98,186,901	104,251,777	135,971,144	125,233,467	107,544,142	81,992,868	78,068,147
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	4,397,363	(1,550,354)	(47,192)	1,029,098	(9,926,064)	(42,459,617)	(30,340,539)	(17,819,969)	1,931,611	2,575,387
Other Financing Sources (Uses)										
Sale of Fixed Assets	-	-	-	-	-	-	34,100	6,730	-	-
Lease Purchase Receipts	43,271	337,579	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	-	-	-	-	-	-
Payments of Escrow for Refunding	-	-	-	(25,615,480)	-	-	-	-	-	-
Total Other Sources (Uses)	43,271	337,579	5,790	1,327,357	-	-	34,100	101,788,708	-	-
Net Change in Fund Balance	4,440,634	(1,212,775)	(41,402)	2,356,455	(9,926,064)	(42,459,617)	(30,306,439)	83,968,739	1,931,611	2,575,387
Fund Balance										
Beginning of Year	17,779,459	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
End of year	\$ 22,220,093	\$ 17,779,459	\$ 18,992,234	\$ 19,033,636	\$ 16,677,181	\$ 26,603,245	\$ 69,062,862	\$ 99,369,301	\$ 15,400,562	\$ 13,468,951
Debt service as a percentage of noncapital expenditures	12.07%	11.65%	12.19%	13.36%	13.21%	13.07%	13.06%	13.06%	13.08%	13.22%

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				
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%
2023	3,938,034,330	127,897,477	71,411,891	76,837,199	4,214,180,897	6.66	9,147,726,695	46.07%
2024	4,130,397,529	135,753,781	73,995,992	86,219,087	4,426,366,389	6.59	9,906,832,439	44.68%

(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)
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
2023	4.15	2.51	6.66	2.58	5.91	4.30	0.30	0.89	0.96	1.36	2.00	1.95	0.16
2024	4.15	2.44	6.59	2.58	4.41	4.30	0.30	0.89	0.96	1.36	2.00	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 FISCAL YEAR AND NINE YEARS AGO
 June 30, 2024

Taxpayer	Business/Service	2024			2015		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Cascade Steel Rolling Mills	Steel Production	\$ 109,690,450	1	2.48%	\$ 56,148,472	2	1.93%
MPT of McMinnville - Capella LLC	(a) Health Care	66,564,440	2	1.50%	61,047,921	1	2.10%
Cooperative Regions of Organic Producers	Agriculture Coop	28,623,003	3		-		N/A
Riverbend Landfill Co	Landfill	27,578,254	4	0.62%	-		N/A
HG Hillside LLC	(b) Retirement Community	23,166,391	5	0.52%	17,994,128	5	0.62%
Northwest Natural Gas Co	Natural Gas Utility	21,124,788	6	0.48%	10,345,400	9	0.36%
Lowe's HIW Inc.	Retail	17,129,299	7	0.39%	16,160,188	6	0.55%
Jackson Family Wines Inc	Commercial Wine Producer	17,107,666	8	0.39%	-		N/A
Lafayette Place Apartments LLC	Residential Real Estate Mgt	16,451,957	9	0.37%	-		N/A
Portland General Electric	Electrical Utility	15,747,096	10	0.36%	-		N/A
Evergreen Vintage Aircraft	Museum	-		N/A	31,178,499	3	1.07%
Comcast Corporation	Telecommunications	-		N/A	18,255,300	4	0.63%
Frontier (Verizon) Northwest Inc.	Telecommunications	-		N/A	13,746,000	7	0.47%
REEF McMinnville Plaza	Commercial Real Estate Mgt	-		N/A	11,504,773	8	0.39%
Lassen Doran Properties	Commercial Real Estate Mgt	-		N/A	9,004,413	10	0.31%
Subtotal - ten of the District's largest taxpayers		343,183,344		7.75%	245,385,094		8.42%
All other District taxpayers in Yamhill County		4,083,183,045		92.25%	2,667,235,841		91.58%
Total District taxpayers		<u>\$ 4,426,366,389</u>		<u>100.00%</u>	<u>\$ 2,912,620,935</u>		<u>100.00%</u>

Source: Yamhill County Assessor's Office

(a), (b), Several principal property tax payers have either changed business names or been acquired by another company, although the property and facilities are the same.

McMINNVILLE SCHOOL DISTRICT NO. 40
MAJOR TAXPAYERS FOR YAMHILL COUNTY
June 30, 2024

Taxpayer	Business/Service	Tax ¹	Taxable Assessed Value	Percentage of Total Taxable Value
Portland General Electric	Electrical Utility	\$ 506,203	\$ 196,393,138	1.70%
Cascade Steel Rolling Mills Inc.	Steel production	282,727	109,690,450	0.95%
MPT of McMinnville - Capella LLC	Health care	171,570	66,564,440	0.58%
Northwest Natural Gas Co	Natural Gas Utility	157,523	61,114,708	0.53%
Stoller Vineyards Inc	Winery	115,314	44,738,855	0.39%
Friendsview Manor Inc	Retirement Care	94,685	36,735,246	0.32%
NW Fiber LLC DBA Ziplly	Telecommunications	94,601	36,702,625	0.32%
Foxglove Properties	Nursery Stock	86,881	33,707,559	0.29%
Comcast Corporation	Telecommunications	84,281	32,698,890	0.28%
The Allison Inn & Spa LLC	Hospitality	82,768	32,111,551	0.28%
Subtotal - ten of the District's largest taxpayers			650,457,462	5.63%
All other District taxpayers in Yamhill County			10,907,829,766	94.37%
Total District taxpayers			<u>\$ 11,558,287,228</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
2015	\$ 20,410,647	\$ (624,506)	\$ 19,786,141	\$ 19,008,327	93.13%	\$ 766,847	\$ 19,775,174	99.94%
2016	21,389,909	(852,831)	20,537,078	19,911,013	93.09%	612,395	20,523,408	99.93%
2017	22,110,201	(775,045)	21,335,156	20,749,859	93.85%	577,349	21,327,208	99.96%
2018	22,517,639	(776,284)	21,741,355	21,209,134	94.19%	518,122	21,727,256	99.94%
2019	23,716,107	(745,760)	22,970,347	22,390,052	94.41%	558,762	22,948,814	99.91%
2020	24,841,036	(788,590)	24,052,446	23,511,969	94.65%	506,649	24,018,618	99.86%
2021	25,752,011	(834,327)	24,917,684	24,458,287	94.98%	381,373	24,839,660	99.69%
2022	26,908,386	(836,819)	26,071,567	25,482,822	94.70%	436,085	25,918,907	99.41%
2023	27,859,199	(723,837)	27,135,362	26,504,527	95.14%	374,609	26,879,136	99.06%
2024	28,927,420	(824,227)	28,103,193	27,363,441	94.59%	-	27,363,441	97.37%

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 FISCAL 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)
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
2023	110,880,536	545,146	110,335,390	4,214,180,897	2.618%	9,147,726,695	1.206%	46,037	2,397
2024	103,003,030	631,234	102,371,796	4,426,366,389	2.313%	9,906,832,439	1.033%	46,173	2,217

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 FISCAL YEARS

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Pension Obligation Bonds	Lease Obligations (3)	SBITA Obligations	Total Outstanding Debt	Percentage of Personal Income (2)	Debt Per Capita (2)
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	222,845	-	136,205,390	5.79%	2,980
2023	110,880,536	15,005,001	140,099	209,524	126,235,160	4.91%	2,742
2024	103,003,030	12,225,001	87,404	103,530	115,418,965	4.26%	2,500

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.
- (3) Lease liability obligations have been included as per GASB 87 and Total Outstanding Debt has been restated in this schedule for FY2022

McMINNVILLE SCHOOL DISTRICT NO. 40
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to District	Amount Applicable to District
Direct			
McMinnville School District No. 40	\$ 115,418,965	100.00%	\$ 115,418,965
Overlapping			
Chemeketa Community College	71,255,000	9.96%	7,096,998
City of McMinnville	24,845,980	99.97%	24,838,526
Yamhill County	7,531,693	38.54%	2,902,714
Willamette ESD	4,999,798	9.09%	454,482
City of Lafayette	5,140,000	81.79%	4,204,006
Amity RFPD	1,570,000	9.41%	147,737
New Carlton Fire District	355,000	2.20%	7,810
Sheridan RFPD	289,000	7.04%	<u>20,346</u>
Subtotal, overlapping debt			<u>39,672,619</u>
Total direct and overlapping debt			<u>\$ 155,091,584</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 2024

Real Market Value	\$ 9,906,832,439
Debt limit (7.95% of real market value)	787,593,179
Debt applicable to limit	<u>(103,003,030)</u>
Legal debt margin	<u>\$ 684,590,149</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
2024	\$ 787,593,179	\$ 103,003,030	\$ 684,590,149	13.08%
2023	727,244,272	110,880,536	616,363,736	15.25%
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%

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

Calendar Year	Estimated Population (a)	Per Capita Personal Income (b)	Total Estimated Personal Income	Unemployment Rate (c)
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%
2022	46,037	55,802	2,568,947,746	3.40%
2023	46,173	58,698	2,710,279,189	3.30%

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 NINE YEARS PRIOR

Employer	2023 (a)			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Private Employers:						
Manufacturing	6,909	1	17.90%	6,541	1	19.77%
Health care	5,964	2	15.45%	4,258	2	12.87%
Retail	3,854	3	9.98%	3,361	3	10.16%
Leisure & Hospitality	3,814	4	9.88%	3,112	5	9.41%
Natural Resources: Agriculture, forestry	3,780	5	9.79%	3,177	4	9.60%
Professional and business services	2,281	6	5.91%	1,734	6	5.24%
Construction	2,033	7	5.27%	1,354	8	4.09%
Education services	1,988	8	5.15%	1,433	7	4.33%
Other services	1,168	9	3.03%	1,253	9	3.79%
Financial activities	1,042	10	2.70%	935	10	2.83%
Wholesale	710	11	1.84%	553	12	1.67%
Transportation, warehousing & utilities	456	12	1.18%	715	11	2.16%
Information	281	13	0.73%	175	13	0.53%
Subtotal Private	34,280		88.80%	28,601		86.45%
Government						
Federal	431		1.12%	465		1.41%
State	238		0.62%	493		1.49%
Local Government						
Education & health services	2,030		5.26%	2,110		6.38%
Public administration	1,198		3.10%	1,055		3.19%
Other	426		1.10%	360		1.09%
Subtotal Government	4,323		11.20%	4,483		13.55%
Total Employment	38,603		100.00%	33,084		100.00%

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

Note: Information provided for Yamhill County

comparative purposes. For future periods the District intends to review for other sources of information available for report issuance.

McMINNVILLE SCHOOL DISTRICT NO. 40
 STUDENT ENROLLMENT STATISTICS
 LAST TEN FISCAL 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>
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
2023	7,703	6,402	404	16
2024	7,628	6,339	390	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 FISCAL YEARS

Fiscal Year Ended June 30,	Licensed	Classified	Administrative	Confidential	Total
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
2023	445	326	31	13	815
2024	425	314	31	16	786

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					Student Transportation	
				Breakfast	Lunch	Dinner (4)	Total Meals	Percent Eligible Free or Reduced (5)	Total Bus Routes	Total Miles
2024	6,339	\$ 83,964,977	\$ 13,246	364,399	530,649	32,859	927,907	55.3%	46	516,144
2023	6,402	77,781,328	12,150	304,542	464,094	49,326	817,962	40.8%	47	479,766
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

- (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, 2024

<u>Building</u>	<u>Year of Original Building Construction</u>	<u>Square Footage (1)</u>	<u>Maximum Capacity (1)</u>	<u>Enrollment 10/1/2023</u>	<u>Percent of Capacity</u>	<u>Average Age of Buildings (in years)</u>
Elementary Schools						
Buel	2008	80,837	600	422	70%	15
Grandhaven	1999	69,958	600	436	73%	24
Memorial	1947	67,292	600	531	89%	76
Newby	1960	58,527	600	436	73%	63
Wascher	1979	61,259	600	385	64%	44
Willamette	1994	68,740	600	446	74%	29
Total		<u>406,613</u>	<u>3,600</u>	<u>2,656</u>	<u>74%</u>	<u>42</u>
Middle Schools						
Duniway	1993	119,412	950	778	82%	30
Patton	1976	132,820	950	670	71%	47
Total		<u>252,232</u>	<u>1,900</u>	<u>1,448</u>	<u>76%</u>	<u>39</u>
High Schools						
McMinnville High Sch	1955 - 2019	268,935	2,700	2,325	86%	64
Adams Campus	1914	34,052	300			109
Total		<u>302,987</u>	<u>3,000</u>	<u>2,325</u>	<u>78%</u>	<u>87</u>
Other Buildings						
Cook Administration Office	1924	43,464				99
Baker Street Annex	1965	9,081				58
Evans Street Ctr	1995	6,418				28
Facilities Warehouse	1977	23,000				46
19th Street Maintenance	1948	12,395				75
Stadium	1980	12,480				43
Total		<u>106,838</u>				<u>58</u>
GRAND TOTAL		<u>1,068,670</u>	<u>8,500</u>	<u>6,429</u>	<u>76%</u>	<u>53</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.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632
www.paulyrogersandcpcpas.com

December 27, 2024

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, 2024, and have issued our report thereon dated December 27, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal 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.

A handwritten signature in cursive script that reads "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 27, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 27, 2024.

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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive, slightly slanted style.

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



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December 27, 2024

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

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, 2024

Federal Grantor/Pass-through Grantor Program Title	Grant Period	Federal Assistance Listing 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	72555	\$ 1,250,956	\$ 104,384
	07/01/21-09/30/22	84.010	76520	1,277,381	1,176,552
	Total			2,528,337	1,280,936
IDEA: Special Education Grants to State					
Part B, Section 611	07/01/22-09/30/24	84.027	74067	1,122,842	459,902
Part B, Section 611	07/01/23-09/30/25	84.027	78007	1,196,315	840,306
Part B, Section 611 ARP	07/01/21-09/30/23	84.027	68422	270,758	39,408
Extended Assessment	07/01/23- 09/30/24	84.027	79963	1,099	-
IDEA: Preschool Grants for Children with Disabilities	07/01/21-09/30/23	84.173	68949	11,249	5,894
Part B, Section 619	07/01/22-09/30/24	84.173	74251	12,389	-
Part B, Section 619	07/01/23-09/30/25	84.173	77822	9,065	-
Part B, Section 619 ARP	07/01/21-09/30/23	84.173A	69193	6,565	6,565
	Total Special Education Cluster			2,630,282	1,352,075
Title IV-A Student Support and Academic Enrichment					
	07/01/23-09/30/24	84.424	77140	91,687	91,687
	Total			91,687	91,687
Title III English Language Acquisition					
	07/01/22-09/30/23	84.365	73104	103,700	103,700
	07/01/23-09/30/24	84.365	76991	109,852	37,822
	07/01/23-09/30/24	84.365	79724	6,800	-
	Total			220,352	141,522
ED Homeless Children & Youth					
	07/01/21-09/30/22	84.196	66236	37,185	3,857
	07/01/22-09/30/23	84.196	74846	43,000	43,000
	07/01/23-09/30/24	84.196	79860	52,440	-
	Total			132,625	46,857
Title II-A Supporting Effective Instruction					
	07/01/22-09/30/23	84.367	72752	215,068	111,014
	07/01/23-09/30/24	84.367	76717	196,513	-
	Total			411,581	111,014
LEA ESSER III Fund					
ARP-HCY I	03/13/20-09/30/24	84.425D	64928	9,424,319	2,693,283
ARP-HCY II	04/23/21-09/30/24	84.425W	69298	28,702	28,702
ARP-HCY II	04/23/21-09/30/24	84.425W	69365	54,012	36,911
	Total Education Stability Fund			9,507,033	2,758,896
Foster Care Transportation Grant					
	07/01/21-09/30/24	93.658	81326	12,773	12,773
	Total			12,773	12,773
Passed Through Willamette Education Service District					
Title I-C Migrant Education					
	07/01/22-09/30/23	84.011	N/A	16,364	-
	07/01/23-09/30/24	84.011	N/A	66,893	-
	07/01/22-09/30/23	84.011	N/A	112,021	48,245
	07/01/23-09/30/24	84.011	N/A	97,786	-
	Total			293,064	48,245
Total U.S. Department of Education				15,827,734	5,844,005
U.S. Department of Agriculture					
Passed through Oregon State Department of Education					
School Breakfast Program	07/01/23-06/30/24	10.553	N/A	894,111	894,111
National School Lunch Program	07/01/23-06/30/24	10.555	N/A	2,084,961	2,084,961
National School Lunch Program Commodities	07/01/23-06/30/24	10.555	N/A	185,716	185,716
NSLP Supply Chain Assistance	07/01/23-06/30/24	10.555	N/A	56,259	56,259.00
Summer Food Service Program	07/01/23-06/30/24	10.559	N/A	41,144	41,144
National Summer Food Service Program Commodities	07/01/23-06/30/24	10.559	N/A	237	237
Fresh Fruit and Vegetable Program	10/01/22-09/30/23	10.582	75,016	23,850	4,529
Fresh Fruit and Vegetable Program	10/01/22-09/30/23	10.582	75,017	23,500	8,070
Fresh Fruit and Vegetable Program	10/01/22-09/30/23	10.582	75,020	21,800	7,459
Fresh Fruit and Vegetable Program	10/01/23-09/30/24	10.582	78,618	32,430	21,392
Fresh Fruit and Vegetable Program	10/01/23-09/30/24	10.582	78,619	32,568	22,294
Fresh Fruit and Vegetable Program	10/01/23-09/30/24	10.582	78,620	29,946	25,036
Fresh Fruit and Vegetable Program	10/01/23-09/30/24	10.582	78,621	28,704	18,593
Fresh Fruit and Vegetable Program	10/01/23-09/30/24	10.582	78,622	32,637	23,445
	Total Child Nutrition Cluster			3,487,863	3,393,246
Child & Adult Care Food Program					
CACFP CIL-Cash Commodities	07/01/23-06/30/24	10.558	N/A	139,651	139,651
	07/01/23-06/30/24	10.558	N/A	8,035	8,035
	Total			147,686	147,686
Local Food For Schools Cooperative					
	07/01/23-06/30/24	10.185	N/A	27,691	27,691
	Total			27,691	27,691
SNAP State and Local P-EBT					
	07/01/21-06/30/22	10.649	N/A	3,256	3,256
	Total			3,256	3,256
Total U.S. Department of Agriculture				3,666,496	3,571,879
Department of Homeland Security					
Passed through Oregon Office of Emergency Management					
Disaster Grants - Public Assistance	07/01/21-06/30/24	97.036	N/A	10,072	10,072
	Total Department of Homeland Security			10,072	10,072
Federal Communications Commission					
Passed through Universal Service Administrative Company					
Emergency Connectivity Fund Program	07/01/21-06/30/24	32.009	N/A	72,037	2,941
	Total Federal Communications Commission			72,037	2,941
Total Federal Awards				19,576,339	9,428,897
Reconciliation to Federal Revenue Recognized:					
				\$ 9,428,897	
				Federal Awards Expended	(13,013)
				Accruals / Deferrals	-
				Federal Revenue Recognized	\$ 9,415,884

MCMINNVILLE SCHOOL DISTRICT NO. 40
MCMINNVILLE, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? 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, 2024

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER

10.553, 10.555,
10.559, 10.582

NAME OF FEDERAL PROGRAM CLUSTER

Child Nutrition Cluster

COVID-19, 84.425D;
COVID-19, 84.425W

ESSER

\$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, 2024

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.